

RECLAMATION

Managing Water in the West

Funding Opportunity Announcement No: R11AF20006

WaterSMART: Bay-Delta Agricultural Water Conservation and Efficiency Projects

An Element of the Interim Federal Action Plan



**U.S. Department of the Interior
Mid-Pacific Region
Sacramento, California
Bureau of Reclamation**

November 2010

Mission Statements

The U.S. Department of the Interior protects America's natural resources and heritage, honors our cultures and tribal communities, and supplies the energy to power our future.

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public.

The mission of the United States Department of Agriculture is to provide leadership on food, agricultural, natural resources, and related issues based on sound public policy, the best available science, and efficient management.

The Natural Resources Conservation Services works with land owners through conservation planning and assistance designed to benefit the soil, water, air, plants, and animals that result in productive lands and healthy ecosystems.

Synopsis

Federal Agency Name:	Department of the Interior, Bureau of Reclamation, Mid-Pacific Region
Funding Opportunity Title:	WaterSMART: Bay-Delta Agricultural Water Conservation and Efficiency Projects
Announcement Type:	Funding Opportunity Announcement (FOA)
Funding Opportunity Number:	R11AF20006
Catalog of Federal Domestic Assistance (CFDA) Number:	15.507
Dates: (See FOA Sec. IV.B)	Application due date: January 31, 2011 3:00 p.m. Pacific Standard Time
Eligible Applicants: (See FOA Sec. III.A)	Indian tribes, irrigation districts, water districts, or other organizations with water or power delivery authority located in the California's CALFED solution area. See Figure 2, page 8, for a map of this area.
Recipient Cost Share: (See FOA Sec. III.E)	50 percent or more of project costs
Estimated Federal Funding Amount: (See FOA Sec. II.B)	Up to \$1,000,000 per agreement.
Estimated Number of Agreements to be Awarded: (See FOA Sec. II.B)	Approximately 3-7, depending on requested funding amounts for selected projects and final Fiscal Year (FY) 2011 appropriations.
Estimated Total Amount of Funding Available for Award: (See FOA Sec. II.A)	In FY 2011, the President has requested \$27 million for WaterSMART Grants, including this and other FOAs. Up to \$5 million may be available for this FOA. The amount of available funding is dependent on final FY 2011 appropriations and this FOA will be canceled if FY 2011 appropriations are insufficient to support new WaterSMART Grant awards.

Application Checklist

The following table contains a summary of the information that you are required to submit with a WaterSMART Grant application.

√	What to submit	Required content	Form or format	When to submit
	Cover page	See Sec. IV.D.4.a.	Form SF 424, available at: < http://apply07.grants.gov/apply/FormLinks?family=15 > Page 20	*
	Assurances	See Sec. IV.D.4.b.	Form SF 424B or SF 424D, as applicable, available at: < http://apply07.grants.gov/apply/FormLinks?family=15 > Page 21	*
	Title page	See Sec. IV.D.4.c.	Page 21	*
	Table of contents	See Sec. IV.D.4.d.	Page 21	*
	Technical proposal:	See Sec. IV.D.4.e.	Page 21	*
	• Executive Summary	See Sec. IV.D.4.e.(1)	Page 21	*
	• Background data	See Sec. IV.D.4.e.(2)	Page 22	*
	• Project description	See Sec. IV.D.4.e.(3)	Pages 22	*
	• Evaluation Categories	See Sec. IV.D.4.e.(4)	Pages 22-29	*
	Description of potential environmental impacts	See Sec. IV.D.4.f.	Page 29	*
	Required permits and approvals	See Sec. IV.D.4.g.	Page 30	*
	Funding plan	See Sec. IV.D.4.h.	Page 30	*
	Official resolution	See Sec. IV.D.4.i.	Page 31	*
	Project budget proposal:	See Sec. IV.D.4.j.	Pages 32	**
	• General requirements	See Sec. IV.D.4.j.(1)	Page 32	
	• Budget format	See Sec. IV.D.4.j.(2)	Page 32	
	• Budget narrative	See Sec. IV.D.4.j.(3)	Page 35	
	• Budget form	See Sec. IV.D.4.j.(4)	Form SF 424A or SF 424C, as applicable,	

* Submit materials with your application on January 31, 2011

** Documents should be submitted with your application; however, please refer to the applicable Section of the FOA for extended submission dates.

Acronyms and Abbreviations

AOR	Authorized Organization Representatives
AWEP	Agricultural Water Enhancement Program
CCR	Central Contractor Registration
CEQ	Council on Environmental Quality
CFDA	Catalog of Federal Domestic Assistance Number
CPA	Certified Public Accountant
CVP	Central Valley Project
DUNS	Data Universal Number System
E-Biz POC	E-Business Point of Contact
EIN	Employer Identification Number
EPA	Environmental Protection Agency
EQIP	Environmental Quality Incentive Program
ESA	Endangered Species Act
ET	Evapo-transpiration
EQIP	Environmental Quality Incentives Program
FAQ	Frequently Asked Question
FEMA	Federal Emergency Management Agency
FOA	Funding Opportunity Announcement
GO	Grants Officer
IFAP	Interim Federal Action Plan
IRS	Internal Revenue Service
MOU	Memorandum of Understanding
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
NRCS	Natural Resources Conservation Service
O&M	Operation and maintenance
OMB	Office of Management and Budget
OM&R	Operations, maintenance, and replacement
PG&E	Pacific Gas and Electric Company
Reclamation	Bureau of Reclamation
SCADA	Supervisory Control and Data Acquisition
SOR	System Optimization Review
SWP	State Water Project
TIN	Taxpayer Identification Number
USACE	U.S. Army Corps of Engineers
USDA	United States Department of Agriculture
USFWS	U.S. Fish and Wildlife Service
WaterSMART	Sustain and Manage America's Resources for Tomorrow

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Section I. Funding Opportunity Description

I.A. WaterSMART: Bay-Delta Agricultural Water Conservation and Efficiency Projects

The Nation faces an increasing set of water resource challenges. These water issues are exacerbating the challenges facing traditional water management approaches, which by themselves no longer meet today's needs. The Department of the Interior's (DOI) WaterSMART (Sustain and Manage America's Resources for Tomorrow) program is working to achieve a sustainable water strategy to meet the Nation's water needs.

California faces unique water resource challenges due to the fragile ecosystem of the California Bay-Delta (Bay-Delta). As the hub of California's water supply and single largest source of California's drinking water, the Bay-Delta is one of the largest and most important estuaries in the nation. The Bay-Delta is in crisis, on the verge of collapse, leading to severe economic impacts in the state, and particularly in the Central Valley. To help ease the strain of this crisis, the Administration is committed to coordinated Federal actions and investments to address California's current water supply and ecological conditions.

To facilitate and coordinate Federal responses to the California water supply crisis, six Federal agencies signed the California Bay-Delta Memorandum of Understanding (MOU) on September 29, 2009: Department of the Interior (Bureau of Reclamation [Reclamation]), Department of Commerce, U.S. Department of Agriculture (USDA) (Natural Resources Conservation Service [NRCS]), Department of the Army (U.S. Army Corps of Engineers [USACE]), Environmental Protection Agency (EPA), and the Council on Environmental Quality (CEQ). The MOU facilitates a partnership among Federal agencies, the State of California, and other local authorities to develop long and short term actions that contribute to a sustainable water supply and ecosystem restoration.

An Interim Federal Action Plan (IFAP), dated December 22, 2009, describes, in detail, actions to be taken to address the current water crisis. The IFAP specifically addresses water conservation and the alignment and coordination of Federal water conservation programs to leverage limited resources and maximize benefits of water conservation in areas served by the Central Valley Project (CVP) and State Water Project (SWP). To meet these objectives, Reclamation and NRCS are partnering to provide complementary funding opportunities for improving water supply reliability through water conservation or improved water

management, improving energy efficiency, and addressing endangered species and other environmental concerns.

Reclamation has authority to provide financial assistance to entities with water or power delivery authority, including water districts and irrigation districts, whereas NRCS has the authority to provide on-farm assistance. Applicants with water or power delivery authority may seek funding under this Funding Opportunity Announcement (FOA). NRCS funding, in turn, will be made available for on-farm water conservation practices that complement the projects selected through this Funding Opportunity Announcement and that meet the goals of WaterSMART. Complementing NRCS Farm Bill programs include the Environmental Quality Incentive Program (EQIP) and Agricultural Water Enhancement Program (AWEP), which are the primary programs that address water quantity and water quality conservation practices.

For further information on the IFAP, please visit <<http://www.usbr.gov/mp/PA/h2ogoals/>>.

I.B. Objective of Funding Opportunity Announcement

The objective of this Funding Opportunity Announcement (FOA) is to invite Indian Tribes, irrigation districts, water districts and other organizations with water or power delivery authority to leverage their money and resources by cost sharing with Reclamation on projects that save water, improve water management, create new supplies for agricultural irrigation, improve energy efficiency, and benefit endangered species. Projects should also increase the capability or success rate of on-farm water conservation or water use efficiency projects that can be undertaken by farmers and ranchers through irrigation system improvements and irrigation efficiency enhancements.

Under this FOA, Reclamation intends to select projects at a district or water purveyor level that also increase opportunities for on-farm improvements. In coordination with NRCS, Reclamation will select applicants for funding under this FOA. Successful applicants will enter into a financial assistance agreement with Reclamation.

Once projects have been selected under this FOA, NRCS will provide accelerated technical and financial assistance to farmers and ranchers in the successful applicant's service area, through USDA programs such as EQIP or AWEP. NRCS California is making available through EQIP and AWEP up to an additional \$5,000,000 for on-farm water conservation efforts for this effort.

For example, District X may have 10 miles of earthen canal that loses a substantial amount of water through seepage into a saline sink. In its application for funding under this FOA, District X explains that by piping those 10 miles of canal, farmers who receive water deliveries from this canal will be able to

Section I. Funding Opportunity Description

pressurize their irrigation systems and convert to micro-drip instead of furrow irrigation. In its application, District X also notes that conversion to micro-drip has the ability to save a substantial amount of water in addition to the water savings that will result directly from District X's piping project.

In addition to other required information, District X's application for funding under this FOA provides expected water savings of the canal lining project and other expected project benefits, includes budget information for the canal lining project, and provides a funding plan to show that 50% of the cost of the canal lining project will be met through non-Federal funding if the project is selected.

If District X is successful at securing a WaterSMART Grant award under this FOA to pipe its canal, farmers and ranchers in District X's service area will be invited to apply for NRCS funding. NRCS will have a separate application process for the on-farm components of selected projects. NRCS will make available financial and technical assistance to the farmers receiving water from District X's canal to purchase and install the micro-drip systems.

The result is a cooperative agricultural water conservation efficiency effort completed by District X, the farmers receiving water from District X, Reclamation, and NRCS.

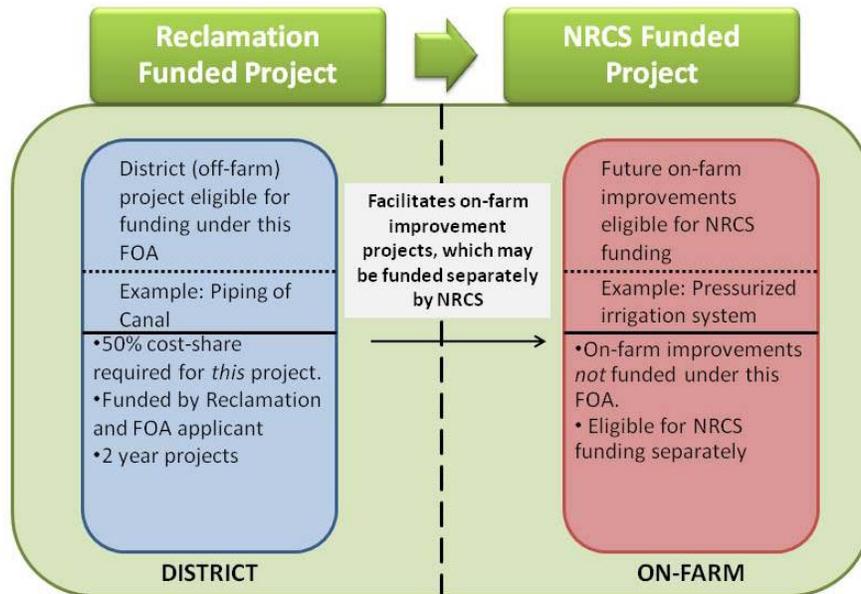


Figure 1: Illustration of a cooperative Reclamation/NRCS effort with project costs and funding sources noted.

Water conservation and water use efficiency are critical elements of any plan to address Bay-Delta water issues. With leveraged water sustainability grants, an important step will be taken towards increasing conservation for a more efficient use of water in California.

I.C. Program Authority

This FOA is issued under the authority of Section 9504(a) of the Secure Water Act, Subtitle F of Title IX of the Omnibus Public Land Management Act of 2009, P.L. 111-11(42 USC 10364).

Section II. Award Information

II.A. Total Project Funding

For FY 2011, the President requested \$27 million for WaterSMART Grants (WaterSMART Grants include: Water and Energy Efficiency Grants; System Optimization Review Grants; Advanced Water Treatment Pilot and Demonstration Project Grants; Research Grants to Develop Climate Analysis Tools; and Bay-Delta Agricultural Water Conservation and Efficiency Projects), including up to \$5,000,000 for this FOA. All funding is subject to final FY 2011 appropriations. This FOA will be canceled if FY 2011 appropriations are insufficient to support new WaterSMART Grant awards.

II.B. Project Funding Limitations

Depending on final FY 2011 appropriations, up to \$5,000,000 in Federal funds will be available for awards up to \$1,000,000 per project. Reclamation encourages entities to apply for any level of funding up to \$1,000,000. There is no funding assistance minimum under this FOA, and all funding requests will equally be considered. Estimated number of agreements to be awarded: 3-7.

The combined federal share (Reclamation's share plus any other sources of federal funding) of any one proposed project shall not exceed 50 percent of the total project costs for selected projects.

On-farm components cannot be included in the project costs unless the applicant will directly provide materials or assistance to famers or ranchers within their service area. Components intended for NRCS assistance are not eligible for inclusion as costs of a project described in an application for funding under this FOA. Please refer to Figure 1, page 3.

As set forth above, Reclamation will release multiple FOAs for WaterSMART Grants in FY 2011. Multiple applications from one entity for different projects may be submitted for consideration under this FOA. In addition, applicants may apply for funding of projects eligible under other WaterSMART FOAs.

However, no more than \$1,000,000 in FY 2011 WaterSMART Grant funding will be awarded to any one entity.

NRCS will have a separate application process for the on-farm components of selected projects.

II.C. Reclamation Responsibilities

Project awards will be made through grants or cooperative agreements as applicable to each project. If a cooperative agreement is awarded, the recipient should expect Reclamation to have substantial involvement in the project.

Substantial involvement by Reclamation may include:

- **Collaboration and participation** with the recipient in the management of the project and close oversight of the recipient's activities to ensure that the program objectives are being achieved.
- **Oversight** may include review, input, and approval at key interim stages of the project.

At the request of the recipient, Reclamation can provide technical assistance after award of the project. If you receive Reclamation's assistance, you must account for these costs in your budget. To discuss assistance available and these costs, contact Sheri Looper, Regional WaterSMART Grant Program Coordinator, at slooper@usbr.gov.

II.D. Award Date

It is expected that potential award recipients will be contacted in late February, 2011. Within one to three months after this date, assistance agreements will be awarded to applicants that successfully pass all pre-award reviews and clearances. As soon as assistance agreements are signed with Reclamation entities may coordinate with NRCS for the implementation of on-farm components.

Section III. Eligibility Information

III.A. Eligible Applicants

Under P.L. 111-11, Section 9502, an eligible applicant is any State, Indian tribe, irrigation district, water district, or other organization with water or power delivery.

Applicants must also be located in the CALFED solution area as identified in the 1999 CALFED Programmatic Environmental Impact Statement/Environmental Impact Report. Please see the map, Figure 2, for the geographic outline of the defined solution area.

Those not eligible include entities without water or power delivery authority, such as:

- Other State governmental entities
- Federal governmental entities
- Institutions of higher education
- Individuals

III.B. Eligible Projects

All tasks identified in the financial assistance agreement between the applicant and Reclamation must be completed by September 30, 2013.

Projects should seek to conserve and use water more efficiently, and result in quantifiable and sustained water savings or improve water management. Below are descriptions of various types of projects eligible for funding under this FOA. This list is meant to provide examples and is not exhaustive. Projects must be located within the CALFED solution area. Applications may include any one, or a combination, of the types of projects below. In general, if an applicant is seeking funding for multiple projects and those projects are interrelated or closely related, they should be combined in one application. Conversely, if the projects can be completed independently and are easily separated or phased, they should be applied for separately.

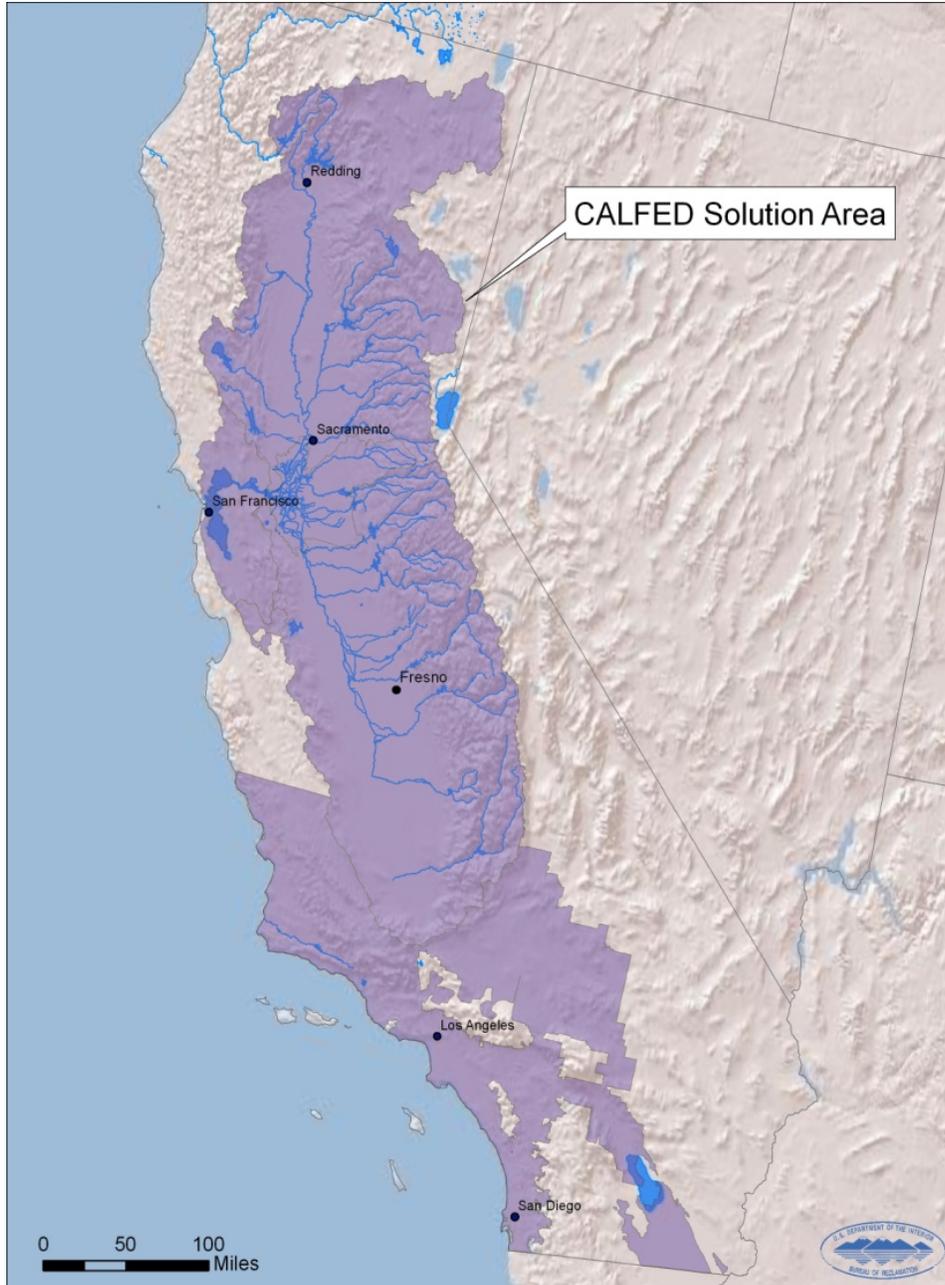


Figure 2: Geographic area of eligible projects and entities

Applicants may submit multiple project proposals; however, no more than \$1,000,000 in FY 2011 WaterSMART Grant funding will be awarded to any one entity (including projects that may be selected under other WaterSMART FOAs). Other projects that are similar to those listed below may be submitted for consideration and will be allowed to the extent consistent with program authorization and goals.

Examples of Water Conservation and Efficiency Projects:

- Canal lining and piping
- Automating canal gates or other control structures with associated telemetry equipment for offsite control.
- Installing Supervisory Control and Data Acquisition (SCADA) programs to remotely monitor and operate key river and canal facilities.
- Installing of advanced water measurement equipment, such as acoustic meters, magnetic meters, propeller meters, and weirs or flumes with reliable continuous totalizing sensors and recorders.
- Constructing facilities to allow or increase aquifer recharge.
- Installing recycled water pipelines for the delivery of treated urban waste water for agricultural use.

Projects that incorporate energy efficiency, address endangered species concerns, or include habitat improvement components will receive additional consideration.

III.C. Ineligible Projects

Projects that are ineligible for funding under this FOA include, but are not limited to those discussed in this section.

III.C.1. Operations, Maintenance and Replacement (OM&R)

Projects that are considered normal OM&R are not eligible. OM&R is described as system improvements that replace or repair existing infrastructure or function without providing increased efficiency or effectiveness of water distribution over the expected life of the improvement.

Examples of ineligible OM&R projects include:

- Replacing malfunctioning components of an existing facility with the same components
- Improving an existing facility to operate as originally designed
- Performing an activity on a recurring basis even if that period is extended (e.g., 10-year interval)
- Sealing expansion joints of concrete lining because the original sealer or the water stops have failed

- Replacing broken meters with new meters of the same type
- Replacing leaky pipes with new pipes of the same type

III.C.2. Title XVI Water Recycling and Reuse

Any projects or project elements that are part of a Congressionally authorized Title XVI project of Public Law 102-575, as amended (43 U.S.C. 390h et seq.), are not eligible for funding under this FOA.

III.D. Length of Projects

Proposed projects should be completed within 2 years (24 months) from the project start date. Applications for projects requiring more than 2 years will be considered if the applicant can demonstrate that there will be measureable on-the-ground accomplishments each year. The 2-year completion timeline only applies to tasks outlined in the financial assistance agreement signed by successful applicants and Reclamation.

III.E. Cost-Sharing Requirement

Applicants must be willing to cost share 50 percent or more of the total project costs. Cost sharing may be made through cash or in-kind contributions from the applicant or third-party partners. Cost share funding from sources outside the applicant's organization, e.g., loans or state grants, should be secured and available to the applicant prior to award. Reclamation may approve an award prior to an applicant securing nonfederal cost-share funds if Reclamation determines that there is sufficient evidence and likelihood that the non-Federal funds will be available to the applicant by the start of the project. Funding commitment letters must be submitted in accordance with Section IV.C. and contain the information stated at Section IV.D.4.h.

On-farm components intended for NRCS assistance cannot be included as part of an applicant's non-Federal cost-share.

III.E.1. Cost-Share Regulations

All cost-share contributions must meet the criteria established in the Office of Management and Budget's (OMB) administrative and cost principles circulars that apply to the applicant. These circulars are available at <http://www.whitehouse.gov/omb/circulars/>.

III.E.2. In-Kind Contributions

In-kind contributions constitute the value of noncash contributions that benefit a federally assisted project. These contributions may be in the form of real property, equipment, supplies and other expendable property, as well as the value

of goods and services directly benefiting and specifically identifiable to the project or program. The cost or value of in-kind contributions that have been or will be relied on to satisfy a cost-sharing or matching requirement for another Federal financial assistance agreement, a Federal procurement contract, or any other award of Federal funds may not be relied on to satisfy the cost-share requirement for WaterSMART Grant applications.

III.E.3. Pre-Award Costs

Project pre-award costs that have been incurred prior to the date of award but after the date of authorization and appropriation for this Program may be submitted for consideration as an allowable portion of the recipient's cost share for the project.

In no case will pre-award costs incurred prior to July 1, 2010, be considered for cost share purposes.

For example, such costs might include design or construction plans and environmental compliance costs directly supporting the proposed project. Reclamation will review the proposed pre-award costs to determine if they are allowable in accordance with the authorizing legislation and applicable cost principles. To be considered allowable, any pre-award costs proposed for consideration under the new awards must comply with all applicable requirements under this FOA. Direct costs for the preparation of the application and support documentation are not allowable under this FOA and subsequent awards.

For any eligible NRCS on-farm component, no costs may be incurred before approval and award of NRCS contract to operator.

III.E.4. Indirect Costs

Indirect costs that will be incurred during the development or construction of a project, which will not otherwise be recovered, may be included as part of the applicant's cost share. Indirect costs are those that are:

1. Incurred for a common or joint purpose benefiting more than one cost objective
2. Not readily assignable to any one cost objective

If the applicant proposes indirect costs in the budget, then the applicant must either supply a copy of a current federally negotiated indirect cost rate agreement or obtain an agreement within one year of award. For further information on indirect costs, refer to the applicable OMB cost principles circulars at <http://www.whitehouse.gov/omb/circulars/>.

III.F. Environmental Compliance

All awarded agreements will require compliance with the National Environmental Policy Act (NEPA) before construction may begin. Compliance with all applicable state, Federal and local environmental, cultural, and paleontological resource protection laws and regulations is also required. These may include, but are not limited to: the Clean Water Act, the Endangered Species Act, consultation with potentially affected tribes, and consultation with the State Historic Preservation Office.

Reclamation is the lead Federal agency for NEPA compliance. Reclamation will be responsible for evaluating technical information and ensuring that environmental, cultural, and socioeconomic concerns are addressed. As the lead agency, Reclamation is solely responsible for determining, in compliance with the applicable NEPA regulations cited above, the appropriate level of NEPA compliance (which could be a categorical exclusion checklist, environmental assessment, or environmental impact statement). Findings of NEPA compliance must be acceptable to Reclamation in order for the project to be initiated. Environmental compliance costs will be considered in the ranking of applications.

Under no circumstances may a successful applicant begin any ground disturbing activities (including grading, clearing, and other preliminary activities) on a project before environmental compliance is complete. This pertains to all components of the proposed project, including those that are part of the applicant's non-federal cost share. An applicant that proceeds before environmental compliance is complete risks forfeiting Reclamation funding.

III.G. Requirements for Agricultural Operations [Public Law 111-11, Section 9504(a)(3)(B)]

In accordance with Section 9504(a)(3)(B) of Public Law 111-11, grants and cooperative agreements under this authority will not be awarded for an improvement to conserve irrigation water unless the applicant agrees not to:

- Use any associated water savings to increase the total irrigated acreage of the eligible applicant, or
- Otherwise increase the consumptive use of water in the operation of the eligible applicant, as determined pursuant to the law of the State in which the operation of the eligible applicant is located

III.H. Other Requirements

Applicants shall adhere to Federal, State, Territorial, and local laws, regulations, and codes, as applicable, and shall obtain all required approvals and permits. Applicants shall also coordinate and obtain approvals from site owners and operators.

III.H.1. Title to Improvements [Public Law 111-11, Section 9504(a)(3)(D)]

If the activities funded through an agreement awarded under this FOA result in an infrastructure improvement to a federally owned facility, the Federal Government shall continue to hold title to the facility and improvements to the facility.

III.H.2. Operation and Maintenance Costs [Public Law 111-11, Section 9504(a)(3)(E)(iv)]

The non-Federal share of the cost of operating and maintaining any infrastructure improvement funded through an agreement awarded under this FOA shall be 100 percent.

III.H.3. Liability [Public Law 111-11, Section 9504(a)(3)(F)]

III.H.3.a. In General

Except as provided under chapter 171 of title 28, United States Code (commonly known as the “Federal Tort Claims Act”), the United States shall not be liable for monetary damages of any kind for any injury arising out of an act, omission, or occurrence that arises in relation to any facility created or improved through an agreement awarded under this FOA, the title of which is not held by the United States.

III.H.3.b. Tort Claims Act

Nothing in this section increases the liability of the United States beyond that provided in chapter 171 of title 28, United States Code (commonly known as the “Federal Tort Claims Act”).

III.H.4. Central Contractor Registration

All applicants must be registered in the Central Contractor Registration (CCR) prior to submitting an application for this FOA. All applicants must maintain an active CCR registration with current information at all times during which it has an active Federal award or an application under consideration. The CCR and instructions for registration are located at <<http://www.bpn.gov/ccr>>.

Section IV. Application and Submission Information

IV.A. Address to Request Application Package

This document contains all information, forms, and electronic addresses required to obtain the information required for submission of an application.

If you are unable to access this information electronically, you can request paper copies of any of the documents referenced in this FOA by contacting:

By mail: Bureau of Reclamation
 Attention: Mary Sims
 Mail Code: MP-3833
 2800 Cottage Way
 Sacramento, California 95825

E-mail: msims@usbr.gov

IV.B. Application Submission Date and Time

Application submission date deadline:

- January 31, 2011, 3:00 p.m. Pacific Standard Time

Proposals received after the application deadline will not be considered unless it can be determined that the delay was caused by Federal government mishandling or by the Grants.gov application system.

IV.C. Application Delivery Instructions

Applications may be submitted electronically through <<http://www.grants.gov>> or hard copies may be submitted as follows:

By mail or express delivery/mail services:
 Bureau of Reclamation
 Attention: Mary Sims
 Mail Code: MP-3833
 2800 Cottage Way
 Sacramento, California 95825

IV.D. Instructions for Submission of Project Application

Each applicant shall submit an application in accordance with the instructions contained in this section.

IV.D.1. Applications Submitted by Mail

- Applicants shall submit an original and one copy of all application documents for hardcopy submissions. Each document should be clearly identified as the “ORIGINAL” or as a “COPY.”
- In addition to hard copy documents, please submit a copy of your application on a CD in Microsoft Word format.
- Please do not use “comb,” “spiral,” or adhesive methods to bind the documents.
- Hard copy applications may be submitted by mail or express methods to the addresses listed in Section IV.C.
- Materials arriving separately will not be included in the application package and may result in the application being rejected or not funded.
- Faxed or emailed copies of application documents will not be accepted.
- Do not include a cover letter or company literature/brochure with the application. All pertinent information must be included in the application package.

IV.D.2. Applications Submitted Electronically

If the applicant chooses to submit an electronic application, it must be submitted through Grants.gov at <<http://www.grants.gov>>.

- Please note that submission of an application electronically requires prior registration through Grants.gov, which may take 7-21 days. Please see registration instructions at <http://www.grants.gov/applicants/get_registered.jsp>.
- Applicants have sometimes experienced significant delays when attempting to submit applications through Grants.gov. If you plan to submit your application through Grants.gov, you are encouraged to submit your application several days prior to the application deadline. If you are a properly registered Grants.gov applicant and encounter problems with the Grants.gov application submission process, you must contact the Grants.gov Help desk to obtain a “Case Number.” This Case Number will

provide evidence of your attempt to submit an application prior to the submission deadline.

- Regardless of the delivery method used, you must ensure that your proposal arrives by the date and time deadline stated in Section IV.B., above. Late applications will not be accepted unless it is determined that the delay was caused by Federal government mishandling or by a problem with the Grants.gov application system.

IV.D.2.a. Applying for Funds Online at Grants.gov

Reclamation is participating in the Grants.gov initiative that provides the grant community with a single website to find and apply for grant funding opportunities. Reclamation encourages applicants to submit their applications for funding electronically through <http://www.grants.gov/applicants/apply_for_grants.jsp>. Applicant resource documents, and a full set of instructions for registering with Grants.gov and completing and submitting applications online are available at: <<http://www.grants.gov/applicants/resources.jsp>>.

If you need assistance with Grants.gov, the Contact Center is open 24 hours a day, 7 days a week. You may reach the Grants.gov Contact Center by email at <support@grants.gov> or by calling 1-800-518-4726.

The following checklist is provided to give you a summary of the steps that are required to register with Grants.gov. **This Registration process must be completed prior to submitting an electronic application through Grants.gov.**

Additionally, see Table 1, Step 2 below for completing the annual Central Contractor Registration (CCR) renewal process.

IV.D.2.b. Registering to Use Grants.gov (1-3 week process)

Note: (The following checklist information is available electronically at <http://www.grants.gov/assets/Organization_Steps_Complete_Registration.pdf>.)The registration is a **one-time** process, which is **required** before representatives of an organization can submit grant application packages electronically through Grants.gov. **The registration process can take three to five business days or one to three weeks**—depending on your organization and if all steps are met in a timely manner. The checklist in Table 1 provides registration guidance for a company, academic or research institution, State, local or tribal government, not-for-profit, or other type of organization.

Table 1. Checklist for Registering Your Organization in Grants.gov

√ Step	Actions to take	Purpose	Time required
1: Obtain Data Universal Number System (DUNS) Number	<p>Has my organization identified its DUNS number?</p> <p>Ask the grant administrator, chief financial officer, or authorizing official of your organization to identify your DUNS number.</p> <p>If your organization does not know its DUNS number or needs to register for one, visit Dun & Bradstreet at http://fedgov.dnb.com/webform/displayHomePage.do</p>	<p>The Federal government has adopted the use of DUNS numbers to track how Federal grant money is allocated. DUNS numbers identify your organization.</p>	<p>Same Day. You will receive DUNS number information online.</p>
2: Register With Central Contractor Registration	<p>Has my organization registered with the CCR?</p> <p>Ask the grant administrator, chief financial officer, or authorizing official of your organization if your organization has registered with the CCR.</p> <p>If your organization is not registered, you can apply online by going to http://www.ccr.gov. CCR has developed a handbook https://www.bpn.gov/ccr/doc/UserAccount.pdf to help you with the process. If AFTER having registered in CCR, you experience any registration problems, you can get help by going to the Federal Service Desk https://www.fsd.gov.</p> <p>When your organization registers with CCR, you must designate an E-Business Point of Contact (E-Biz POC). This person will identify a special password called an "M-PIN."</p>	<p>Registering with the CCR is required for organizations to use Grants.gov.</p>	<p>If your organization already has an Employer Identification Number (EIN) or Taxpayer Identification Number (TIN), then you should allow one – three business days to complete the entire CCR registration. The EIN and TIN will come from the Internal Revenue Service (IRS)</p> <p>If your organization does not have an EIN or TIN, then you should allow two weeks for obtaining the information from the IRS when requesting the EIN or TIN via phone or Internet. The additional number of days needed is a result of security information that needs to be mailed to the organization.</p>
2: continued	<p>This M-PIN gives the E-Biz POC authority to designate which staff member(s) from your organization are allowed to submit applications electronically through Grants.gov. Staff members from your organization designated to submit applications are called Authorized Organization Representatives (AORs).</p>		

***Note: Your organization needs to renew your CCR registration once a year. You will not be able to move on to Step 3 until you have renewed your CCR registration. This renewal may take up to 5 business days.**

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Step	Actions to take	Purpose	Time required
3: Username and Password	<p>Have the AORs who officially submit applications on behalf of your organization completed their profile with Grants.gov to create their username and password?</p> <p>To create a username and password, AORs must complete their profile on Grants.gov. AORs will need to know the DUNS number of the organization for which they will be submitting applications to complete the process.</p> <p>After your organization registers with the CCR, AORs must wait one business day before they can complete a profile and create their usernames and passwords on Grants.gov.</p>	An AOR username and password serves as an "electronic signature" when submitting a Grants.gov application.	Same Day. After the AOR has completed their profile they will be prompted to create a username and password that will allow the user to login and check their approval status immediately.
4: AOR Authorization	<p>Has the E-Business Point of Contact (E-Biz POC) approved AORs to submit applications on behalf of the organization?</p> <p>When an AOR registers with Grants.gov to submit applications on behalf of an organization, that organization's E-Biz POC will receive an email notification. The email the AOR submitted in the profile will be the email used when sending the automatic notification from Grants.gov to the E-Biz POC with the AOR copied on the correspondence.</p> <p>The E-Biz POC must then login to Grants.gov (using the organization's DUNS number for the username and the "M-PIN" password (obtained in Step 2) and approve the AOR, thereby giving him or her permission to submit applications.</p> <p>When an E-Biz POC approves an AOR, Grants.gov will send the AOR a confirmation email.</p>	Only the E-Biz POC can approve AORs. This allows the organization to authorize specific staff members or consultants/grant writers to submit grants. Only those who have been authorized by the E-Biz POC can submit applications on behalf of the organization.	This depends on how long it takes the E-Biz POC to login and approve the AOR. Once the approval is completed, the AOR can immediately submit an application.
Step 5: Track AOR Status	<p>What is your AOR status?</p> <p>AORs can also login to track their AOR status using their username and password (obtained in Step 3) to check if they have been approved by the E-Biz POC.</p>	To verify that the organization's E-Biz POC has approved the AOR.	Logging in to check your AOR status is instantaneous. The approval process to become an AOR depends on how long it takes the E-Biz POC to login and approve the AOR.

NOTE: Some applicants have experienced difficulties when attempting to submit their applications electronically through Grants.gov. If you encounter problems with the Grants.gov application submission process, you must contact the Grants.gov Help Desk to obtain a "Case Number." This will provide evidence of your attempt to submit an application prior to the submission deadline.

IV.D.3. Application Format and Length

The total application package shall be no more than **75 consecutively numbered** pages. This includes all attachments and supporting documentation. If an application exceeds 75 pages, the application will not be evaluated. The font shall be at least 12 points in size and easily readable. Page size shall be 8 ½” x 11,” except for an occasional larger size for charts, maps, or drawings. The Technical Proposal section shall be limited to a maximum of **30** (thirty) pages.

Applications will be prescreened for compliance to the page number limitations.

IV.D.4. Application Content

The application must include the following elements in order to be considered complete:

- SF-424 Core Form – Application cover page
- SF-424 B or D Form, as applicable to the project
- Title page
- Table of contents
- Technical proposal (limited to 30 pages) and evaluation categories
 - Executive summary
 - Background data
 - Technical project description
 - Benefits
 - On-farm efficiencies
 - Water supply need
 - Other contributions to water supply sustainability
 - Implementation and Results
- Potential environmental impacts
- Required permits and approvals
- Funding plan and letters of commitment
- Letters of project support (do not submit separately)
- Official resolution
- Project budget application
 - Budget proposal
 - Budget Narrative
 - SF-424 A or C Form, as applicable to the project

SF-424, SF-424A, SF-424B, SF-424C and SF-424D forms may be obtained at <http://apply07.grants.gov/apply/FormLinks?family=15> >.

IV.D.4.a. SF-424 Application Cover Page

This fully completed form must be signed by a person legally authorized to commit the applicant to performance of the project. **Failure to submit a properly signed SF-424 may result in the elimination of the application from further consideration.**

IV.D.4.b. SF-424 Assurances

A SF-424B – Assurances – Non-Construction Programs or an SF-424D – Assurances – Construction Programs, signed by a person legally authorized to commit the applicant to performance of the project shall be included. Questions regarding whether to use SF-424B or SF-424D should be referred to Mary Sims at: msims@usbr.gov. **Failure to submit a properly signed SF-424B or SF-424D may result in the elimination of the application from further consideration.**

IV.D.4.c. Title Page

Provide a brief, informative, and descriptive title for the proposed work that indicates the nature of the project. Include the name and address of the applicant, and the name and address, e-mail address, telephone, and facsimile numbers of the project manager.

IV.D.4.d. Table of Contents

List all major sections of the technical proposal in the table of contents.

IV.D.4.e. Technical Proposal and Evaluation Categories

The technical proposal (30 pages maximum) includes: (1) the Executive Summary, (2) Background Data, (3) Project Description, and (4) Evaluation Categories. To ensure accurate and complete scoring of your application, your proposal should address each criterion in the order presented below. Where applicable, the point value is indicated.

IV.D.4.e.(1) Technical Proposal: Executive Summary.

The executive summary should include:

- The date, applicant name, city, county, and state.
- A one paragraph project summary that briefly identifies how the proposed project contributes to accomplishing the goals of this FOA.
- List the following amounts, in acre feet:
 - The average annual acre-feet of water supply
 - The estimated amount of water saved after the project is completed
 - The estimated amount of water better managed
 - The extent to which this project will enable on-farm water use efficiency and conservation improvements
- State the length of time and estimated completion date for the project.
- Include the chart shown in Table 2 to summarize your funding request. Denote in-kind contributions with an *

Table 2. Funding Chart.

FUNDING SOURCE	FUNDING AMOUNT
NON-FEDERAL ENTITIES:	
NON-FEDERAL SUBTOTAL:	
REQUESTED RECLAMATION FUNDING	
(Not to exceed \$1,000,000)	
TOTAL PROJECT FUNDING	

IV.D.4.e.(2) Technical Proposal: Background Data

Provide a map of the area showing the geographic location of the project. Map should easily identify the project area, and major geographic features including roads, streams, reservoirs, towns, canals, laterals, and irrigated lands. If on-farm improvements are a part of the application, specifically identify fields and acreages to be improved.

- Describe major crops and total acres served.
- In addition, describe the applicant’s water delivery system. Include the miles of canals, miles of laterals, and existing irrigation improvements (i.e., type, miles, and acres).
- Identify any past working relationships with Reclamation. This should include the date(s), description of prior relationships with Reclamation, and a description of the projects(s).

IV.D.4.e.(3) Technical Proposal: Project Description

The technical project description shall describe the work in detail and the approach to be used to carry it out. This description shall have sufficient detail to permit a comprehensive evaluation of the proposal.

IV.D.4.e.(4) Technical Proposal: Evaluation Categories

The Technical Proposal contains seven evaluation categories with specific evaluation criteria for each category. The seven categories and the point distribution for each category are listed in Table 3 and discussed in this subsection.

Table 3. Evaluation Categories and Point Distribution

Category	Sub-Category Allowable Points	Total Allowable Points
A. Benefits		60
<i>Water Conservation and Efficiency</i>	33	
<i>Reasonableness of Costs</i>	5	
<i>Other Benefits</i>	22	
B. On-Farm Efficiencies		20
C. Supplemental Water Supply Need		20
D. Other Contributions to Water Supply Sustainability		15
E. Implementation and Results		15
F. Innovation		10
G. NRCS Cooperation		10
Total		150

The Technical Proposal should thoroughly address each of the categories and related sub-categories to assist in the complete and accurate evaluation of the proposal. Each category and sub-category is fully described below. The Technical Proposal should address each category and sub-category in the order presented. *(Note: It is suggested that the applicants copy and paste the categories and sub-categories into their applications to ensure that all necessary information is adequately addressed.)*

Category A: Benefits (60 points total)

Benefits includes three sub-categories:

1. Water conservation and efficiency
2. Reasonableness of cost
3. Other benefits including energy efficiency, endangered or threatened species, and/or other direct or indirect benefits not already addressed

Points will be awarded as follows under the Benefits category. See each sub-category for further information.

1. Water Conservation and efficiency (up to 33 points)
2. Reasonableness of costs (up to 5 points)
3. Other benefits (up to 22 points)

Sub-category a) Water Conservation and Efficiency (up to 33 points)

Points will be allocated to give consideration to projects that are expected to result in significant water savings.

1. Quantifiable Water Savings: *Up to 17 points may be awarded based on the quantifiable water savings expected as a result of the project.*

2. Percentage of Total Supply: *Up to 8 additional points may be awarded based on the percentage of the applicant's total average water supply that will be conserved directly as a result of the project.*

3. Improved Water Management: *Up to 8 points may be awarded if the proposal will improve water management through measurement, automation, advanced water measurement systems, or through other approaches where water savings are not quantifiable.*

For this sub-category, the proposal should address the following:

- Describe the amount of water saved. For projects that conserve water, state the estimated amount of water conserved in acre-feet per year (include direct water savings only), that will result as direct benefit from **this project**. Please provide sufficient detail supporting the stated estimate, including any calculations in support of the estimate.
- Describe the percentage of total water supply conserved: State the applicant's total average annual water supply in acre-feet. (This is the amount actually diverted, pumped, or released from storage, on average, each year. This does not refer to the applicant's total water right or potential water supply.) Explain how this calculation was made.
- For projects involving improvements to individual facilities (e.g., a head gate, canal, or ditch), state the average annual water supply that runs through the facility and the estimated water savings or quantities that will be better managed or managed differently, in acre-feet, as a result of facility improvement. State the percentage of the average annual water supply to be saved or better managed.
- For proposals that improve water management through measurement, automation, or irrigation management, etc., state the amount of water expected to be better managed, in acre-feet per year. State the percentage of the average annual water supply to be better managed. Explain how this calculation was made. State the existing transport losses and delivery efficiency.
- For all projects involving physical improvements, specify the expected life of the improvement in number of years.

Sub-category b) Reasonableness of Cost (up to 5 points)

Up to 5 points may be awarded for the reasonableness of the cost for the benefits gained. Please include information related to the total project cost, annual acre-feet conserved (or better managed), and the expected life of the improvement. Use the following calculation

$$\frac{\text{Total Project Cost}}{\text{Acre-Foot Conserved (or better managed)} \times \text{Improvement Life}}$$

(Failure to include this required calculation will result in a score of zero for this section.)

Sub-category c) Other Benefits (up to 22 points)

Points will be awarded to give consideration to projects that provide other benefits other than quantifiable water savings and water use efficiency.

1. Energy: *Up to 9 points may be awarded for projects that address energy demands by retrofitting equipment to increase energy efficiency or through water conservation improvements that result in reduced pumping or diversions (e.g. installing solar as part of a SCADA system).*

2. Endangered or threatened species benefits: *Up to 8 points may be awarded for projects expected to benefit federally-listed threatened or endangered species or federally-recognized candidate species.*

3. Other benefits not otherwise addressed: *Up to 5 points may be awarded for projects that provide other direct or indirect benefits other than those previously addressed.*

For this sub-category, the proposal should address the following:

- *Energy.* For projects that include energy efficiencies, please describe any energy efficiency improvements that are expected to result from implementation of the project. Include support for the calculation of any energy savings expected to result from water conservation improvements.
- *Endangered or threatened species benefits.* For projects that will accelerate the recovery of threatened species or endangered species or address designated critical habitats or benefit federally-recognized candidate species please include the following elements:

1. Relationship of the species to the Bay-Delta

2. Extent to which the proposed project would reduce the likelihood of listing or would otherwise improve the status of the species
 - *Other Benefits.* Identify all other benefits, direct or indirect, that will result from this project not previously addressed. This may include things such as water quality benefits, reduction in green house gas emissions, etc. Include how direct and indirect project benefits were calculated or determined, and reference any supporting documentation.

Category B: On-Farm Efficiencies (20 points)

Up to 20 points may be awarded based on the probability of full implementation and longevity of the on-farm components for joint on-farm/off-farm irrigation project proposals. Higher consideration will be given to applicants that include letters of intent from farmers/ranchers in the project's affected area.

For this category, the proposal should address the following:

- If on-farm facilities or irrigation practices are to be improved as a result of this project, include a detailed listing of the fields and acreage to be improved. Provide a detailed explanation of how the proposed project will enable or enhance these on-farm efficiency improvements.
- Describe in detail the on-farm improvements that can be made as a result of this project. Describe any similar planned or on-going efforts by farmers/ranchers that receive water from the applicant.
- Fully describe the on-farm water conservation or water use efficiency benefits that would result from the enabled on-farm component of this project. Estimate the potential on-farm water savings that could result in acre-feet per year. Include support or backup documentation for any calculations or assumptions.
- Projects that include significant on-farm irrigation improvements should demonstrate the eligibility, commitment, and number or percentage of shareholders who will participate in the available NRCS funding programs. Applicants should provide letters of intent from farmers/ranchers in the affected project areas.

Category C: Supplemental Water Supply Need (20 points)

Up to 20 points will be awarded based on a determination of the applicant's supplemental water supply need.

For this category, the proposal should address the following:

- Describe in detail water supply related issues in your area. This includes quality and quantity. Specifically, how does this project address those issues?
- Describe the current and projected water demand for the applicant.
- Address water shortages and impacts of those water shortages.
- Include a description of applicant's water rights and water supply allocations over the last four years (2006 - 2010). Provide information on all water sources used in the district. (Surface water, groundwater, transferred water, upslope drain water, contract water, etc). Include all state, Federal, and local water supplies.

Category D: Other Contributions to Water Supply Sustainability (15 points)

Up to 15 points may be awarded for projects that contribute to a more sustainable water supply in ways not covered by previous categories (water supply shortages due to climate variability, significant population growth, or drought).

For this category, the proposal should address the following:

- Explain how this project contributes to a more sustainable water supply in ways not covered by other categories (e.g., water supply shortages due to climate variability, significant population growth, etc).
- Will the project make water available to address a specific concern, e.g. water supply shortages due to climate variability and/or heightened competition for finite water supplies; will it market water to other users, or generally make more water available in the water basin where the proposed work is located?
- Where will the conserved water go? Where is that water currently going (e.g., back to the stream, spilled at the end of the ditch, seeping into the ground)?

- How does this more sustainable water supply benefit the Delta or other water users of the Delta?
- Does the project promote and encourage collaboration among parties? Is there widespread support for the project? Will the project help to prevent a water-related crisis or conflict?
- Will the project increase awareness of water and/or energy conservation and efficiency efforts? Will the project serve as an example of water and/or energy conservation and efficiency within a community? Will the project increase the capability of future water conservation or energy efficiency efforts for use by other users?

Category E: Implementation and Results (15 points)

Up to 15 points may be awarded for proposals with planning efforts that provide support for the proposed project, a feasible implementation schedule, readiness to proceed, and demonstrated results.

For this category, the proposal should address the following:

- Identify and describe any engineering or design work performed specifically in support of the proposed project.
- Describe the implementation plan of the proposed project. Include an estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates. Specify the date when construction can begin.
- Describe how the project conforms to and meets the goals of any applicable State or integrated regional water management plans, and identify any aspect of the project that implements a feature of an existing water plan(s).
- Performance measures are methods an applicant can use to quantify actual benefits upon completion of the project. Provide a detailed plan on how performance measures and project monitoring will be used to demonstrate, verify, and report project performance and results. Post-project data verification needs to be included. Visit <http://www.usbr.gov/mp/watershare/> for suggested performance measures for various types of projects.

Upon completion of the project, WaterSMART Grant recipients will be required to submit a final report describing the completed project and quantifying the actual project benefits. If information regarding project benefits is not available immediately upon completion of the project, the

financial assistance agreement may be modified to remain open until such information is available, and until a final report is submitted.

Category F: Innovation (10 points)

Up to 10 points may be awarded based on the innovative techniques outlined in this proposal.

For this category, the proposal should address the following:

- Explain how this project demonstrates innovative techniques and approaches to produce benefits that address water supply.
- What are the applicant's plans to assist others in adopting and implementing the methods and techniques used by the project?
- How will the applicant continue to expand and build upon the project when Federal assistance ends?

Category G: NRCS Collaboration (10 points)

Up to 10 points may be awarded based on the extent to which a project builds upon or complements current or future NRCS water conservation and efficiency efforts in the area.

For this category, the proposal should address the following:

- Describe the extent to which this project complements an existing or newly awarded NRCS Agricultural Water Enhancement Program (AWEP).

IV.D.4.f. Description of Potential Environmental Impacts

In order to allow Reclamation to assess the probable environmental impacts and costs associated with each application, all applicants must respond to the following list of questions focusing on the requirements of NEPA, the ESA, and the National Historic Preservation Act (NHPA). Information regarding the NEPA process can be viewed at <<http://www.usbr.gov/mp/watershare/>>. Regional or area Reclamation offices are available to answer any questions you might have regarding NEPA. You may contact Sheri Looper, Regional WaterSMART Program Coordinator, at 916-978-5219 for further information. Please answer the following questions to the best of your knowledge.

1. Will the project impact the surrounding environment (e.g., soil [dust], air, water [quality and quantity], animal habitat)? Please briefly describe all earth-disturbing work and any work that will affect the air, water, or animal habitat in the project area. Please also explain the impacts of such

work on the surrounding environment and any steps that could be taken to minimize the impacts.

2. What endangered or threatened species in the project area? If so, would they be affected by any activities associated with the proposed project? For a listing of endangered or threatened species in your area, please visit <http://www.fws.gov/endangered/> or contact your Regional or Area Office of Reclamation.
3. Are there wetlands inside the project boundaries? If so, please estimate how many acres of wetlands there are and describe any impact the project will have on the wetlands.
4. When was the water delivery system constructed?
5. Will the project result in any modification of or effects to, individual features of an irrigation system (e.g., headgates, canals, or flumes)? If so, state when those features were constructed and describe the nature and timing of any extensive alterations or modifications to those features completed previously.
6. Are any buildings, structures, or features in the irrigation district listed or eligible for listing on the National Register of Historic Places? A cultural resources specialist at your local Reclamation office or the State Historic Preservation Office can assist in answering this question or you may visit <http://www.nps.gov/np/>
7. Are there any known archeological sites in the proposed project area?

IV.D.4.g. Required Permits or Approvals

Applicants must state in the application whether any permits or approvals are required and explain the plan for obtaining such permits or approvals. This includes land easements, Caltrans permits, Pacific Gas and Electric Company (PG&E) permits, etc.

IV.D.4.h. Funding Plan and Letters of Commitment

Describe how the non-Reclamation share of project costs will be obtained. Reclamation will use this information in making a determination of financial capability.

Project funding provided by a source other than the applicant shall be supported with letters of commitment from these additional sources. This is a **mandatory requirement**. Letters of commitment shall identify the following elements:

1. The amount of funding commitment
2. The date the funds will be available to the applicant

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3. Any time constraints on the availability of funds
4. Any other contingencies associated with the funding commitment

Commitment letters should be included with your project application. If a final funding commitment has not been received by the date of application, commitment letters are to be submitted by no later than 45 days after the submission deadline, to the address shown in Section IV.C, above.

The funding plan must include all project costs, as follows:

1. How you will make your contribution to the cost-share requirement, e.g., monetary and/or in-kind contributions and source funds contributed by the applicant (e.g., reserve account, tax revenue, and/or assessments).
2. Describe any in-kind costs incurred before the anticipated project start date that you seek to include as project costs. The description of these costs shall include:
 - a. What project expenses have been incurred
 - b. How they benefitted the project
 - c. The amount of the expense
 - d. The date of cost incurrence
3. Provide the identity and amount of funding to be provided by funding partners, as well as the required letters of commitment.
4. Describe any funding requested or received from other Federal partners. Note: Other sources of Federal funding may not be counted towards the applicant's 50 percent cost share unless otherwise allowed by statute.
5. Describe any pending funding requests that have not yet been approved, and explain how the project will be affected if such funding is denied.

IV.D.4.i. Official Resolution

Include an official resolution adopted by the applicant's board of directors or governing body, or for state government entities, an official authorized to commit the applicant to the financial and legal obligations associated with receipt of WaterSMART Grant financial assistance, verifying:

- The identity of the official with legal authority to enter into agreement

- The board of directors, governing body, or appropriate official who has reviewed and supports the application submitted
- The capability of the applicant to provide the amount of funding and/or in-kind contributions specified in the funding plan
- That the applicant will work with Reclamation to meet established deadlines for entering into a cooperative agreement

An official resolution meeting the requirements set forth above is mandatory.

If the applicant is unable to submit the official resolution by the application deadline because of the timing of board meetings or other justifiable reasons, the official resolution may be submitted up to 60 days after the application deadline.

IV.D.4.j. Budget Proposal

IV.D.4.j.(1) General Requirements

Include a project budget that estimates all costs (not just costs to be borne by Reclamation). Include the value of in-kind contributions of goods and services and sources of funds provided to complete the project. The proposal must clearly delineate between Reclamation and applicant contributions.

IV.D.4.j.(2) Budget Proposal Format

The project budget shall include detailed information on the categories listed below and must clearly identify all project costs and the funding source(s) (i.e., Reclamation or other funding sources). Unit costs shall be provided for all budget items including the cost of work to be provided by contractors. **Lump sum costs are not acceptable.**

Additionally, applicants shall include a narrative description of the items included in the project budget. It is strongly advised that applicants use the budget format shown on table 4 at the end of this section or a similar format that provides this information.

IV.D.4.j.(3) Budget Narrative Format

Submission of a budget narrative is mandatory. An award will not be made to any applicant who fails to fully disclose this information. The Budget Narrative provides a discussion of, or explanation for, items included in the budget proposal. Listed below are examples of the types of information to include in the narrative.

IV.D.4.j.(3)(a) Salaries and Wages

The labor rates should identify the direct labor rate separate from the fringe rate or fringe cost for each category. All labor estimates, including any proposed subcontractors, shall be allocated to specific tasks as outlined in the recipient's technical project description. Labor rates and proposed hours shall be displayed for each task.

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Clearly identify any proposed salary increases and the effective date.

Generally, salaries of administrative and/or clerical personnel will be included as a portion of the stated indirect costs. If these salaries can be adequately documented as direct costs, they should be included in this section; however, a justification should be included in the budget narrative.

IV.D.4.j.(3)(b) Fringe Benefits

Indicate rates/amounts, what costs are included in this category, and the basis of the rate computations. Indicate whether these rates are used for application purposes only or whether they are fixed or provisional rates for billing purposes. Federally approved rate agreements are acceptable for compliance with this item.

IV.D.4.j.(3)(c) Travel

Include purpose of trip, destination, number of persons traveling, length of stay, and all travel costs including airfare (basis for rate used), per diem, lodging, and miscellaneous travel expenses. For local travel, include mileage and rate of compensation.

IV.D.4.j.(3)(d) Equipment

Itemize costs of all equipment having a value of over \$500 and include information as to the need for this equipment as well as how the equipment was priced if being purchased for the agreement. If equipment is being rented, specify the number of hours and the hourly rate. Local rental rates are only accepted for equipment actually being rented or leased for the project. If equipment currently owned by the applicant is proposed for use under the proposed project, and the cost to utilize that equipment is being included in the budget as in-kind cost share provide the rates and hours for each piece of equipment owned and budgeted. These should be ownership rates developed by the recipient for each piece of equipment. If these rates are not available, the U.S. Army Corp of Engineer's (USACE) recommended equipment rates for the region are acceptable. Blue book, Federal Emergency Management Agency (FEMA), and other databases should not be used.

IV.D.4.j.(3)(e) Materials and Supplies

Itemize supplies by major category, unit price, quantity, and purpose, such as whether the items are needed for office use, research, or construction. Identify how these costs were estimated (e.g., quotes, past experience, engineering estimates or other methodology).

IV.D.4.j.(3)(f) Contractual

Identify all work that will be accomplished by subrecipients, consultants, or contractors, including a breakdown of all tasks to be completed, and a detailed budget estimate of time, rates, supplies, and materials that will be required for each task. If a subrecipient, consultant, or contractor is proposed and approved at time of award, no other approvals will be required. Any changes or additions will require a request for approval. Identify how the budgeted costs for sub-recipients, consultants or contractors were determined to be fair and reasonable.

IV.D.4.j.(3)(g) Environmental and Regulatory Compliance Costs

Applicants must include a line item in their budget to cover environmental compliance costs. “Environmental compliance costs” refer to costs incurred by Reclamation or the recipient in complying with environmental regulations applicable to a WaterSMART Grant, including costs associated with any required documentation of environmental compliance, analyses, permits, or approvals. Applicable Federal environmental laws could include NEPA, ESA, NHPA, and the Clean Water Act, and other regulations, depending on the project. Such costs may include, but are not limited to:

- The cost incurred by Reclamation to determine the level of environmental compliance required for the project
- The cost incurred by Reclamation, the recipient, or a consultant to prepare any necessary environmental compliance documents or reports
- The cost incurred by Reclamation to review any environmental compliance documents prepared by a consultant
- The cost incurred by the recipient in acquiring any required approvals or permits, or in implementing any required mitigation measures

The amount of the line item should be based on the actual expected environmental compliance costs for the project. However, the minimum amount budgeted for environmental compliance should be equal to at least 1-2 percent of the total project costs. If the amount budgeted is less than 1-2 percent of the total project costs, you must include a compelling explanation of why less than 1-2 percent was budgeted.

How environmental compliance activities will be performed (e.g., by Reclamation, the applicant, or a consultant), and how the environmental compliance funds will be spent, will be determined pursuant to subsequent agreement between Reclamation and the applicant. If any portion of the funds budgeted for environmental compliance is not required for compliance activities, such funds may be reallocated to the project, if appropriate.

IV.D.4.j.(3)(h) Reporting

Recipients are required to report on the status of their project on a regular basis. Include a line item for reporting costs (including final project and evaluation costs). Please see Section VI.C for information on types and frequency of reports required.

IV.D.4.j.(3)(i) Other

Any other expenses not included in the above categories shall be listed in this category, along with a description of the item and what it will be used for. No profit or fee will be allowed.

Section IV. Application and Submission Information

IV.D.4.j.(3)(j) Indirect Costs

Show the proposed rate, cost base, and proposed amount for allowable indirect costs based on the applicable OMB circular cost principles (see Section III E., “Cost Sharing Requirement”) for the recipient’s organization. It is not acceptable to simply incorporate indirect rates within other direct cost line items.

If the recipient has separate rates for recovery of labor overhead and general and administrative costs, each rate shall be shown. The applicant should propose rates for evaluation purposes, which will be used as fixed or ceiling rates in any resulting award. Include a copy of any federally approved indirect cost rate agreement. If a federally approved indirect rate agreement is not available, provide supporting documentation for the rate. This can include a recent recommendation by a qualified certified public accountant (CPA) along with support for the rate calculation.

If you do not have a federally approved indirect cost rate agreement, or if unapproved rates are used, explain why, and include the computational basis for the indirect expense pool and corresponding allocation base for each rate. Information on “Preparing and Submitting Indirect Cost Proposals” is available from Interior, the National Business Center, and Indirect Cost Section, at <http://www.aqd.nbc.gov/services/ICS.aspx>.

IV.D.4.j.(3)(k) Total Cost

Indicate total amount of project costs, including the Federal and non-Federal cost-share amounts.

IV.D.4.j.(4) Budget Form

In addition to the above-described budget information, the applicant must complete an SF-424A, Budget Information – Nonconstruction Programs, or an SF-424C, Budget Information – Construction Programs. These forms are available at <http://apply07.grants.gov/apply/FormLinks?family=15>.

IV.E. Funding Restrictions

See Section III.E.3 for restrictions on incurrence and allowability of pre-award costs.

Table 4. Sample Budget Proposal Format

BUDGET ITEM DESCRIPTION	COMPUTATION		RECIPIENT FUNDING	RECLAMATION FUNDING	TOTAL COST
	\$/Unit and Unit	Quantity			
SALARIES AND WAGES					
Employee 1					
Employee 2					
Employee 3					
FRINGE BENEFITS					
Full-time employees					
Part-time employees					
TRAVEL					
Trip 1					
Trip 2					
Trip 3					
EQUIPMENT					
Item A					
Item B					
Item C					
SUPPLIES/MATERIALS					
Office supplies					
Construction					
CONTRACTUAL/ ¹ CONSTRUCTION					
Item 1					
Item 2					
ENVIRONMENTAL AND REGULATORY COMPLIANCE ²					
OTHER					
Reporting					
TOTAL DIRECT COSTS					
INDIRECT COSTS - __%					
TOTAL PROJECT COSTS					

¹ Contracts should be broken out into specific line items. **Lump sum estimates are not acceptable.** Applicants may attach a separate, detailed budget for each contract to adequately address all contractor budget items.

² Environmental and regulatory compliance should be at least 1-2 percent unless a justification is provided for a lesser amount.

Section V. Application Review Information

V.A. Review and Selection Process

The Government reserves the right to reject any and all applications which do not meet the requirements of this FOA, or are outside the scope of WaterSMART Grants. Awards will be made for projects most advantageous to the Government. Award selection may be made to maintain balance among the program tasks listed in Section III.B. The evaluation process will be comprised of three steps.

V.A.1. First-Level Screening

All applications will be screened to ensure that:

- The application meets the requirements of the FOA package, including submission of technical and budget proposals, a funding plan, letter(s) of commitment, and related forms.
- The application contains a properly executed SF-424 Application for Financial Assistance and a form SF-424B, Assurances–Non-Construction Programs, or SF-424D, Assurances–Construction Programs.
- The application includes an official resolution, adopted by the applicant’s board of directors, governing body, or appropriate authorized official.
- At least 50 percent of the cost of the project will be paid for with non-Federal funding. Cost share funding from sources outside the applicant’s organization, e.g., loans or state grants, should be secured and available to the applicant prior to award. Reclamation may approve an award to an applicant prior to securing the non-federal cost-share funds if there is sufficient evidence and likelihood that the non-federal funds will be available to the applicant by the start of the project.
- The applicant meets the eligibility requirements stated in this document.
- The application meets the description of eligible projects in Section III.B., “Eligible Projects,” of this document and is within the scope of WaterSMART Grants.
- The project can be completed by September 30, 2013.

An application must pass all first-level screening criteria in order for it to be forwarded for further consideration at the second-level evaluation phase.

V.A.2. Second-Level Evaluation (Technical Review)

Evaluation criteria will comprise 150 points and is weighted as stated in Section IV.D.2.e(4). Applications will be scored against the evaluation criteria by an Application Review Committee, made up of experts in relevant disciplines.

V.A.3. Third-Level Evaluation (Managerial Review)

Management will prioritize projects to ensure the total amount of all awards does not exceed available funding levels, to ensure balance among the program tasks, and to ensure that the projects meet the scope and priorities of the WaterSMART program. Positive or negative past performance by the applicant and any partners in previous working relationships with Reclamation may be considered.

V.B. Pre-Award Clearances and Approvals

After completion of the third-level evaluation, Reclamation will notify applicants whose proposals have been selected for award consideration and will forward their applications to the appropriate Reclamation regional or area office for completion of environmental compliance.

The local Reclamation office will also complete a business evaluation and determination of responsibility. During these evaluations, the Grants Officer (GO) will also consider several factors which are important, but not quantified, such as:

- Pre-award clearances, determinations, reviews, and approvals
- Allowability and allocability of proposed costs
- Financial strength and stability of the organization
- Past performance, including satisfactory compliance with all terms and conditions of previous awards, such as environmental compliance issues, reporting requirements, proper procurement of supplies and services, and audit compliance
- Adequacy of personnel practices; procurement procedures; and accounting policies and procedures, as established by applicable OMB circulars

If the results of all pre-award reviews and clearances are satisfactory, an award of funding will be made once the agreement is finalized (approximately one to three months from date of initial selection). If the results of all pre-award review

Section V. Application Review Information

and clearances are unsatisfactory, consideration of funding for the project may be withdrawn.

Section VI. Award Administration Information

VI.A. Award Notices

Successful applicants will receive, by electronic or regular mail, a notice of award.

VI.B. Award Document

If the applicant is awarded a financial assistance agreement as a result of this FOA, the proposed project and other relevant information from the application will be referenced in the agreement. The agreement document must be signed by a Reclamation GO before it becomes effective.

VI.C. Reporting Requirements and Distribution

If the applicant is awarded an agreement as a result of this FOA, the applicant will be required to submit the following types of reports during the term of the agreement.

VI.C.1. Financial Reports

- SF-425, Federal Financial Report, on a semi-annual basis

VI.C.2. Program Performance Reports

- Semi-annual reports
- Final report (please note final reports are public documents and will be made available on Reclamation's website)

VI.C.3. Significant Development Reports

Section VII. Agency Contacts

There will be no pre-application conference. Organizations or individuals interested in submitting applications in response to this FOA may *direct questions to Reclamation in writing*. Questions may be submitted to the attention of Mary Sims as follows:

By mail or overnight delivery:

Bureau of Reclamation
Attention: Mary Sims
Mail Code: MP-3833
2800 Cottage Way
Sacramento, California 95825

By e-mail:

msims@usbr.gov

Section VIII. Other Information

VIII.A. Performance Measures

All proposals must describe how you will quantify actual project benefits (water saved or better managed) upon completion of the project (also known as a “performance measure”). Applicants should identify performance measures for the proposed project and explain how the measure will be applied.

Please refer to <<http://www.usbr.gov/mp/watershare/>> for more examples of acceptable performance measures.

VIII.B. Environmental Compliance Requirements

Under no circumstances may a successful applicant begin any ground disturbing activities (including grading, clearing, and other preliminary activities) on a project before environmental compliance is complete. This pertains to all components of the proposed project, including those that are part of the applicant’s non-federal cost share. Reclamation will provide a successful applicant with information once environmental compliance is complete. An applicant that proceeds before environmental compliance is complete risks forfeiting Reclamation funding.

Before approving expenditures for the implementation of a WaterSMART Grant project, Reclamation is required to comply with applicable environmental laws. Such compliance requires the participation and cooperation of both Reclamation and WaterSMART Grant recipients. This information is intended to inform applicants about the environmental compliance process associated with WaterSMART Grant projects and to summarize the requirements of certain Federal environmental laws.

Reclamation addresses environmental compliance issues for WaterSMART Grant applications as 1) an initial review and 2) a more detailed view of projects initially recommended for award. First, as part of the initial recommendation process, Reclamation evaluates the appropriateness of the amount budgeted for environmental compliance. Reclamation also examines the proposal to determine whether any significant environmental issues are involved in the project. Second, once a proposal has been initially recommended for funding, Reclamation undertakes a more detailed examination of environmental issues associated with the proposed project to comply with applicable law.

VIII.B.1. Review within the Application Evaluation Process

In the evaluation and selection process, Reclamation performs an initial review of the WaterSMART Grant applications for potential environmental issues. At this stage, Reclamation's review is focused on whether:

- The applicant has budgeted appropriately for environmental compliance
- Any significant environmental issues (i.e., issues that would make the project infeasible) are apparent

Applicants for WaterSMART Grant funding must include a line item in their budget estimating the cost of environmental compliance for their project. The amount budgeted should be based on the actual expected environmental compliance costs, but should be equal to *approximately* 2 percent of the total project costs. If less than 2 percent is budgeted, you must provide justification. Applications will be scored based on whether the amount budgeted appears reasonable.

Environmental compliance costs that are included in the budget proposal are considered project costs and may be cost shared by the recipient and Reclamation. If too much is budgeted for environmental compliance, any remaining funding may generally be reallocated to cover other project costs.

Environmental compliance costs have varied greatly for past projects. A minimal number of projects have incurred environmental compliance costs in excess of the 2-percent budgeted amount. In each of those cases, the overage has been the result of issues involving historic properties, the presence of endangered species, or other compliance concerns requiring a more lengthy assessment of specific issues.

In addition to budgeting for environmental costs, the FOA requests that applicants for WaterSMART Grant project funding answer a series of questions about the potential environmental impacts of their proposed project. In general, applications will not be scored lower in this first step of the environmental review based on the significance of the environmental issues involved. Rather, the information about environmental impacts is used by Reclamation primarily to determine if the you have budgeted appropriately. However, in some extreme cases, a proposal may be eliminated from further consideration at this stage if the magnitude of the environmental issues would make the project infeasible.

VIII.B.2. Review of Initially Recommended Projects

If a proposal is initially recommended for funding, a detailed analysis will be performed to determine the actual environmental impacts of the project, to agree on any mitigation measures needed, and to document environmental compliance. The recipient will then work with

Reclamation to provide the information necessary for Reclamation to complete the environmental compliance work.

To the extent possible, environmental compliance will be completed before a cooperative agreement is signed by the parties. In all other cases, **the award will be made contingent on completion of environmental compliance**, and the assistance agreement will describe how compliance will be carried out and how it will be paid for. WaterSMART Grant funding may not be applied to construction or implementation of the project itself unless and until this second level of environmental analysis is completed to comply with all applicable environmental laws.

VIII.B.3. Overview of Relevant Environmental Laws

Following is a brief overview of NEPA, NHPA, and ESA. While these statutes are not the only environmental laws that may apply to WaterSMART Grant projects, they are the Federal laws that most frequently do apply. Compliance with all applicable environmental laws will be initiated by Reclamation concurrently, immediately following the initial recommendation of a WaterSMART Grant award. The descriptions below are intended to provide you with information about the environmental compliance issues that may apply to your projects and to help you budget appropriately for the associated compliance costs.

VIII.B.3.a. National Environmental Policy Act

NEPA requires Federal agencies such as Reclamation to evaluate—during the decision-making process—the potential environmental effects of a proposed action and any reasonable mitigation measures. Before Reclamation can make a decision to fund a WaterSMART Grant project, Reclamation must comply with NEPA. Compliance with NEPA can be accomplished in several ways, depending upon the degree and significance of environmental impacts associated with the proposal.

During the NEPA process, potential impacts of a project are evaluated in context and in terms of intensity (e.g., will the proposed action affect the only native prairie in the county? Will the proposed action reduce water supplied to a wetland by 1 percent? or 95 percent?) The best source of information concerning the potentially significant issues in a project area is the local Reclamation staff, who have experience in evaluating effects in context and by intensity.

VIII.B.3.b. National Historic Preservation Act

To comply with Section 106 of the NHPA, Reclamation must consider whether a proposed project has the *potential to cause effects to historic properties*, before it can award a WaterSMART Grant. **“Historic properties”** are cultural resources (historic or prehistoric districts, sites, buildings, structures, or objects) that qualify for inclusion in the National Register of Historic Places. In some cases, **water delivery infrastructure that is over 50 years old** can be considered a “historic property” that is subject to review.

If a proposal is selected for initial award, WaterSMART Grant recipients will work with Reclamation to complete the Section 106 process. Compliance can be accomplished in several ways—depending on how complex the issues are.

Among the types of historic properties that might be affected by WaterSMART Grants are **historic irrigation systems** and **archaeological sites**. An irrigation system or a component of an irrigation system (e.g., a canal or headgate) is more likely to qualify as historic if it is more than 50 years old, if it is the oldest (or an early) system/component in the surrounding area, and if the system/component has not been significantly altered or modernized. In general, WaterSMART Grant projects that involve ground disturbance, or the alteration of existing older structures, are more likely to have the potential to affect cultural resources. However, the level of cultural resources compliance required and the associated cost, depends on a case-by-case review of the circumstances presented by each proposal.

Applicants should contact the State Historic Preservation Office and their local Reclamation office's cultural resources specialist to determine what, if any, cultural resources surveys have been conducted in the project area. See <<http://www.usbr.gov/cultural/crmstaff.html>> for a list of Reclamation cultural resource specialists. If an applicant has previously received Federal financial assistance, it is possible that a cultural resources survey has already been completed.

VIII.B.3.c. Endangered Species Act

Pursuant to Section 7 of the ESA, each Federal agency is required to consult with the U.S. Fish and Wildlife Service (USFWS) or the National Oceanic and Atmospheric Administration (NOAA) Fisheries Service to ensure any action it authorizes, funds, or carries out is not likely to *jeopardize the continued existence of any endangered or threatened species or destroy or adversely modify any designated critical habitat*.

Before Reclamation can approve funding for the implementation of a WaterSMART Grant project, it is required to comply with Section 7 of the Endangered Species Act (ESA). The steps necessary for ESA compliance vary, depending on the presence of endangered or threatened species and the effects of the project.

ESA compliance is often conducted parallel to the NEPA compliance process and, as in the case of categorical exclusion checklists, documented simultaneously. The best source of information concerning the compliance with the ESA in a particular project area is the local Reclamation environmental staff, who can be helpful in determining the presence of listed species and possible effects that would require consultation with the USFWS or National Marine Fisheries Service. Applicants may contact Sheri Looper, Regional WaterSMART Program Coordinator, at 916-978-5219 for further information.