

RECLAMATION

Managing Water in the West

Title XVI Water Reclamation and Reuse Program: October 2010 Revisions to Draft Funding Criteria



October 15, 2010

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March 2010 Draft Criteria	October 2010 Revised Criteria for Construction Activities	Summary of Revisions
<p>Eligibility Any funding opportunity will be open to sponsors of authorized Title XVI projects (for construction activities) and others (for pre-construction activities such as feasibility study development, financial capability preparation, or environmental compliance). Construction and pre-construction activities that can be commenced in FY 2011 and completed within 24 months may be included in applications for funding. Expenditures made prior to FY 2011 are not eligible for this funding opportunity.</p> <p>To be eligible to receive funding for construction activities, a water reclamation and reuse project must be specifically authorized under Title XVI. Funds for construction activities associated with an individual project will not be disbursed until all Title XVI pre-construction requirements have been met for that project. These include: (1) a finding that the feasibility study meets the requirements of Title XVI; (2) complete compliance with the National Environmental Policy Act and other environmental clearances; (3) an approved determination of financial capability; and (4) an executed cooperative agreement for financial assistance.</p> <p>If the amount of Federal funds currently received (including obligated funds) for the project is less than 25 percent of the overall expenses, then the project sponsor may request Federal funds greater than 25 percent for the proposed activity as long as the overall Federal cost share does not exceed 25 percent of incurred expenses.</p> <p>The FY 2011 selection process will be similar to steps used in 2009 to allocate \$135 million in funding to Title XVI projects under the American Recovery and Reinvestment Act.</p>	<p>Eligibility A funding opportunity will be open to sponsors of authorized Title XVI projects. Applications for funding may be submitted for (1) construction activities that can be commenced in FY 2011 and completed within 24 months <u>or</u> (2) construction activities that have been completed previously without Federal funding.</p> <p>To be eligible to receive funding for construction activities, a water reclamation and reuse project must be specifically authorized under Title XVI. Funds for construction activities associated with an individual project will not be disbursed until all Title XVI pre-construction requirements have been met for that project. These include: (1) a finding that the feasibility study meets the requirements of Title XVI; (2) complete compliance with the National Environmental Policy Act and other environmental clearances; (3) an approved determination of financial capability; and (4) an executed financial assistance agreement between Reclamation and the project sponsor.</p> <p>If the amount of Federal funds currently received (including obligated funds) for the project is less than 25 percent of the overall expenses, then the project sponsor may request Federal funds greater than 25 percent for the proposed activity as long as the overall Federal cost share does not exceed 25 percent of incurred expenses.</p> <p>The FY 2011 selection process will be similar to steps used in 2009 to allocate \$135 million in funding to Title XVI projects under the American Recovery and Reinvestment Act.</p>	<p>The draft criteria described eligible activities to include construction or pre-construction activities and further limited eligibility to new activities that can be commenced in FY 2011. This section has been revised to reflect the following changes in response to comments received:</p> <p>One FY 2011 funding opportunity will be open to sponsors of authorized Title XVI projects for construction activities. The funding opportunity will describe two distinct categories of eligibility: (1) requests for funding of a project phase that can be commenced in FY 2011 and completed within 24 months; and (2) requests for funding of activities that have been completed previously without Federal cost-share. Reclamation plans to make funding available for each eligibility category, subject to final FY 2011 appropriations.</p> <p>A separate funding opportunity will be available for development of Title XVI feasibility studies. As some comments pointed out, some of the draft criteria were inapplicable to feasibility study development. As part of these criteria revisions, Reclamation has created a separate set of criteria for feasibility study development.</p>

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<p>1. Water Supply – 50 points Reclamation will consider and award points based on the extent to which the project is expected to reduce, postpone, or eliminate development of new or expanded water supplies; to reduce demand on existing Federal water supply facilities; and to reduce or eliminate the use of existing diversions from natural watercourses, or withdrawals from aquifers:</p> <p>(a) Will the project reduce, postpone, or eliminate the development of new or expanded non-recycled water supplies? How many acre-feet of water are expected to be made available each year upon completion of the project or phase?</p> <p>(b) How significantly (as a percentage of the Federal Water Supply) will the demand on existing Federal water supplies be reduced? List the expected reduction to Federal water supply demand (in acre-feet) and the total Federal water supply demand (in acre-feet). The Federal Water Supply is water supplied directly or indirectly by a Federal facility to the project sponsor. Consider the sources for calculations provided.</p> <p>(c) How will the project reduce diversions from natural watercourses or withdrawals from aquifers? Responses should be specific (including number of acre-feet) and should include the percentage by which diversions or withdrawals will be reduced.</p> <p>(d) Will the project make water available to address a specific concern (e.g., water supply shortages due to drought, climate variability, and/or heightened competition for limited water supplies)? Consider the number of acre-feet of water to be made available and explain the specific concern and the role of the project in addressing that concern.</p> <p>(e) Consider the performance measures that will be used to quantify actual benefits upon completion of the project.</p>	<p>1a. Stretching Water Supplies – 35 points Points will be awarded based on the extent to which the project phase is expected to secure and stretch water supplies. Consideration will be given to the amount of water expected to be made available by the project phase and the extent to which the project phase will reduce demands on existing facilities and otherwise reduce water diversions.</p> <p>(a) How many acre-feet of water are expected to be made available each year upon completion of the project or phase?</p> <p>(b) Will the project reduce, postpone, or eliminate the development of new or expanded non-recycled water supplies?</p> <p>(c) How significantly will the demand on existing Federal water supplies be reduced? List the expected reduction to Federal water supply demand (in acre-feet) and the amount of water currently supplied directly or indirectly by a Federal facility to the project sponsor. Provide calculations.</p> <p>(d) How will the project reduce diversions from natural watercourses or withdrawals from aquifers? Responses should be specific (including number of acre-feet) and should include the percentage by which diversions or withdrawals will be reduced.</p> <p>(e) What performance measures will be used to quantify actual benefits upon completion of the project phase?</p>	<p><i>Note: This section of the criteria has been broken into two parts. Points have also been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>Comments noted that some Title XVI projects result in important water management even where the amount of water that will result from a particular project is relatively small. These criteria are intended to provide consideration for project phases based on not only the number of acre-feet of water expected to be made available, but also based on the project sponsor’s description of other ways that the project will reduce demands or postpone development of new supplies.</p> <p>Other comments suggested that the criteria should measure reductions in demand on non-Federal supplies as well as Federal supplies. In response, criteria have been revised to ask project sponsors to describe reductions in demand on both Federal and non-Federal supplies. Note that reduction in demand on Federal water supplies is a specific consideration for Title XVI projects under P.L. 102-575 and amendments and remains an important program goal.</p>

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	<p>1b. Contributions to Water Supply Sustainability – 20 points Points will be awarded for projects phases that contribute to a more sustainable water supply.</p> <p>(a) 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 limited water supplies)? Consider the number of acre-feet of water to be made available and explain the specific concern and the role of the project in addressing that concern.</p> <p>(b) Will water made available by this project phase continue to be available during periods of drought? To what extent is the water made available by this project phase more drought-resistant than alternative water supply options? Explain.</p>	<p><i>Note: This section of the criteria has been broken into two parts. Points have also been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>To highlight the specific concerns a project phase may be intended to address, this new section has been broken out from the previous “Water Supply” section of the criteria.</p> <p>One comment suggested that credit should be given to projects that will save water in a specific geographical area. Under the revised criteria, project sponsors will be asked to describe the specific water supply concerns that may be addressed by a particular project phase. However, to ensure fairness to potential applicants across the West, no specific geographical areas are referenced in the criteria.</p> <p>The criteria have also been revised to provide additional consideration for projects that make water available during periods or drought or shortage, in response to comments received.</p>
<p>2. Title XVI Project Completion – 30 points Reclamation will consider and award points based on the extent to which the funding for the project or phase would bring an authorized Title XVI project to completion (i.e., to full Federal funding levels) or close to completion and the extent to which the project or phase is ready to proceed:</p> <p>(a) How much Federal funding has been provided for the authorized Title XVI project to date? How much Federal funding is necessary to fully satisfy the authorized Federal cost-share?</p> <p>(b) Is the project or phase ready to proceed? What is the status of necessary environmental compliance measures and other permits? When is environmental compliance expected to be complete?</p>	<p>2a. Progress Toward Completion of an Authorized Title XVI Project – 20 points Points will be awarded for project phases that will bring an authorized Title XVI project to completion (i.e., to full Federal funding levels) or close to completion.</p> <p>How much Federal funding has been provided for the authorized Title XVI project to date? How much Federal funding is necessary to fully satisfy the authorized Federal cost-share?</p>	<p><i>Note: This section of the criteria has been broken into two parts. Points have also been adjusted to reflect a 100 point, rather than 175 point, scale.</i></p> <p>Criteria have been revised to separate readiness to proceed and progress toward completion of a Title XVI project into two separate categories, in response to comments that it was confusing to include those two sub-categories under one heading.</p>

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	<p>2b. Readiness to Proceed – 10 Points Points will be awarded based on the extent to which the project phase is ready to proceed, including consideration of the following:</p> <p>(a) What is the status of necessary environmental compliance measures? When is environmental compliance expected to be complete? Provide a detailed schedule of all environmental compliance activities and a schedule that indicates when construction is expected to begin.</p> <p>(b) What is the status of required State and Federal permits for the project phase? When are all required permits expected to be obtained?</p>	<p><i>Note: This section of the criteria has been broken into two parts. Points have also been adjusted to reflect a 100 point, rather than 175 point, scale.</i></p> <p>Some comments noted confusion between eligibility requirements and this section. To clarify, a project phase may be proposed for funding prior to completion of environmental compliance. No funding will be awarded, however, until compliance with the National Environmental Policy Act and other environmental clearances has been obtained. Under this criterion section, the construction schedule for the proposed project phase will be assessed by reviewers, including consideration of any outstanding environmental compliance measures.</p>
<p>3. Environment and Water Quality – 25 points Reclamation will consider and award points based on whether the project improves surface, groundwater, or effluent discharge quality; restores or enhances habitat for non-listed species; or provides water or critical habitat for Federally-listed threatened or endangered species:</p> <p>(a) Will the project improve the quality of surface or groundwater within the project area? Consider the description of the scope of the impact and whether the project will improve effluent quality beyond levels necessary to meet state or Federal discharge requirements.</p> <p>(b) Will the project restore or enhance habitat for non-listed species? If so, how?</p> <p>(c) Will the project provide water or habitat for Federally listed threatened or endangered species? If so, how?</p>	<p>3. Environment and Water Quality – 30 points Points will be awarded based on the extent to which the project phase will improve surface, groundwater, or effluent discharge quality; will restore or enhance habitat for non-listed species; or will provide water or critical habitat for Federally-listed threatened or endangered species:</p> <p>(a) Will the project phase improve the quality of surface or groundwater? To what extent will the project phase improve effluent quality beyond levels necessary to meet state or Federal discharge requirements?</p> <p>(b) Will the project phase improve flow conditions in a natural stream channel? Will the project phase restore or enhance habitat for non-listed species? If so, how?</p> <p>(c) Will the project phase provide water or habitat for Federally listed threatened or endangered species? If so, how?</p>	<p><i>Note: Points have been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>The revised criteria include no significant changes to this section.</p>

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<p>4. Renewable Energy and Energy Efficiency – 20 points Reclamation will consider and award points based on whether the project incorporates the use of renewable energy and/or addresses energy efficiency:</p> <p>(a) Will the project include installation of small-scale hydroelectric, solar-electric, wind energy, or geothermal power systems, or other facilities that enable use of these or other renewable energy sources? Consider quantified expected benefits.</p> <p>(b) Will completion of the project lead to a reduction in energy consumption? Compare the project’s energy consumption to alternative water supply options (including existing water supply options).</p>	<p>4. Renewable Energy and Energy Efficiency – 25 points Points will be awarded based on the extent to which the project phase incorporates the use of renewable energy and/or addresses energy efficiency:</p> <p>(a) Will the project phase include installation of low-impact hydroelectric, solar-electric, wind energy, or geothermal power systems, or other facilities that enable use of these or other renewable energy sources to provide power to components of the project phase? Are any energy recovery devices or processes included in the project phase? Provide the amount of energy expected to be generated through renewable energy sources (in kilowatt hours). What percentage of the project’s total energy consumption will be provided through the installation of renewable energy components?</p> <p>(b) If the project phase does not itself include renewable energy, will the project phase facilitate power generation in the water delivery system by making more water available? If so, explain the relationship between this project phase and any potential renewable energy improvements in the water delivery system.</p> <p>(c) Will completion of the project phase lead to a reduction in energy consumption as compared to current water supply options? Provide calculations and describe assumptions and methodology. Will the project phase include any innovative components to reduce energy consumption or to recover energy?</p> <p>(d) How does the project phase’s energy consumption compare to other water supply options that would satisfy the same demand as the project phase?</p>	<p><i>Note: Points have been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>Criteria have been revised to make clear that project sponsors should describe methodology for energy consumption calculations. Criteria have also been revised to request a description of energy recovery processes along with any renewable energy components.</p> <p>Integration of energy and water policies is a key aspect of the WaterSMART Program. Funding criteria for the Title XVI Program and other related programs are intended to identify and support projects that promote sustainable water strategies, including attention to the relationship between water and energy demands.</p>

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<p>5. Economics – 20 points Reclamation will consider and award points based on the extent and geographical distribution of the net positive economic benefits and the cost effectiveness of the project (cost/acre-foot of water created):</p> <p>(a) Describe the local, regional, and national economic benefits of the project.</p> <p>(b) Calculate the cost per acre-foot using the following formula: Annualized Life Cycle Cost (\$)/Average annual volume of water that will be created (acre-feet). Justification or a citation for the values used should be provided.</p>	<p>5. Cost per Acre-Foot of Water and Other Project Benefits – 25 points Points will be awarded based on the cost per acre-foot of water expected to be delivered upon completion of the project phase and other benefits of the project phase.</p> <p>(a) Calculate the cost per acre-foot of the project phase using the following formula: Annualized Life Cycle Cost (\$) of this project phase/Average annual volume of water (acre-feet) that will be made available upon completion of the project phase.</p> <p>(b) Compare the cost per acre-foot of the project phase to the cost per acre-foot of one alternative (i.e., non-recycled water option) that would satisfy the same demand as the proposed project phase.</p> <p>(c) Some Title XVI project benefits may be difficult to quantify. Describe any economic benefits of the project phase that are not captured by the cost per acre-foot analysis, or that are difficult to quantify.</p>	<p><i>Note: Points have been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>This section been revised to focus on the cost per acre-foot of water made available by the project phase for which funding is being requested and a comparison between the cost per acre-foot of the project phase and other alternatives. The revised section also provides project sponsors an opportunity to describe other economic benefits that may be difficult to quantify.</p> <p>Some comments pointed out the time that might be necessary to complete an economic analysis to identify information requested in the draft criteria. Revisions are intended to limit this section to information that project sponsors have already developed as part of Title XVI feasibility studies – information that project sponsors should be able to update and include in an application for FY 2011 funding prior to the application deadline.</p>
<p>6. Legal and Contractual Water Supply Obligations – 20 points Reclamation will consider and award points based on the extent to which the project serves rural and or economically disadvantaged communities and helps to meet Reclamation’s legal and contractual obligations, such as Indian water right settlements, river restoration, minimum flow requirements, and court orders:</p> <p>(a) Does the project help fulfill any of Reclamation’s legal or contractual obligations such as providing water for Indian tribes, water right settlements, river restoration, minimum flows, legal court orders, or other obligations?</p> <p>(b) Does the project serve a small, rural, or economically disadvantaged community? (A rural community is defined as a community with fewer than 50,000 people.)</p>	<p>6a. Legal and Contractual Water Supply Obligations – 10 Points Points will be awarded for project phases that help to meet Reclamation’s legal and contractual obligations.</p> <p>Does the project phase help fulfill any of Reclamation’s legal or contractual obligations such as providing water for Indian tribes, water right settlements, river restoration, minimum flows, legal court orders, or other obligations? Explain.</p>	<p><i>Note: Section 6 of the criteria has been broken into Section 6a and Section 6b, below. Points have been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>No significant revisions have been made to this section of the criteria.</p>

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	<p>6b. Benefits to Rural or Economically-Disadvantaged Communities – 10 Points</p> <p>Points will be awarded based on the extent to which the project phase serves rural communities or economically disadvantaged communities in rural or urban areas.</p> <p>Does the project phase serve a rural or economically-disadvantaged community? (A rural community is defined as a community with fewer than 50,000 people.) Are any economically-disadvantaged communities within the project sponsor’s service area? Will any such communities be served by this project phase? Explain.</p>	<p><i>Note: Points have been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>Several comments pointed out that economically-disadvantaged communities may exist within larger urban areas. The criterion has been revised to make clear that a project phase serving economically-disadvantaged communities in either rural or urban areas will receive consideration under this section.</p>
<p>7. Watershed Perspective – 10 points</p> <p>Reclamation will consider and award points based on the extent to which the project promotes or applies a watershed perspective by implementing an integrated resources management approach, implementing a regional planning effort, or forming a collaborative partnership with other entities: Does the project help promote or apply a watershed perspective by implementing a regional or state water plan, implementing an integrated resource management plan, or including a collaborative partnership with other entities?</p>	<p>7. Watershed Perspective – 15 points</p> <p>Points will be awarded based on the extent to which the project phase promotes or applies a watershed perspective by implementing an integrated resources management approach, implementing a regional planning effort, or forming a collaborative partnership with other entities. A watershed perspective generally means an approach to planning directed at meeting the needs of geographically dispersed localities across a region or a watershed that will take advantage of economies of scale and foster opportunities for partnerships. This approach also takes into account the interconnectedness of water and land resources, encourages the active participation of all interested groups, and uses the full spectrum of technical disciplines in activities and decision-making.</p> <p>(a) Does the project phase implement a regional or state water plan or an integrated resource management plan?</p> <p>(b) Does the project phase promote collaborative partnerships to address water-related issues? Explain.</p>	<p><i>Note: Points have been adjusted to reflect a 200 point, rather than 175 point, scale.</i></p> <p>The weight given to this section has been increased slightly in response to several comments noting the importance of this criterion.</p> <p>In addition, this criterion has been revised to provide a general definition of “watershed perspective” in response to a comment that the terms used in this section were unclear and might lead to confusion.</p>
<p>Total– 175 points</p>	<p>Total– 200 points</p>	<p>Based on comments that a 175-point scale was confusing, the criteria have been revised to total 200 points.</p>