RECLAMATION

Managing Water in the West

WaterSMART:
Title XVI Water Reclamation and Reuse Program

Updated Evaluation Criteria for Review and Comment

U.S. Department of the Interior
Bureau of Reclamation
Policy and Administration
Denver, Colorado

March 2018

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.

Opportunity to Comment

Reclamation invites other Federal agencies, the public, not-for-profit organizations, or States, Tribes and local governments to ***comment on the criteria below, by April 12, 2018.*** Comments may be sent to **Ms. Amanda Erath at** aerath@usbr.gov **or to the address below:**

Bureau of Reclamation
Attention: Amanda Erath
84-51000
PO Box 25007
Denver, CO 80225-0007

For questions regarding the Title XVI Water Reclamation and Reuse Program or this opportunity to comment, please contact Ms. Amanda Erath at (303) 445-2766 or aerath@usbr.gov.

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Background

Through WaterSMART, the Bureau of Reclamation (Reclamation) leverages Federal and non-Federal funding to work cooperatively with states, tribes, and local entities as they plan for and implement actions to increase water supply reliability through investments in existing infrastructure and attention to local water conflicts. Working together with our stakeholders, WaterSMART supports the Department of the Interior's (DOI) priorities:

- Creating a conservation stewardship legacy
- Utilizing our natural resources
- Restoring trust with local communities
- Ensuring sovereignty means something
- Generating additional revenues to support DOI and national interests
- Protecting our people and the border
- Striking a regulatory balance
- Modernizing our infrastructure
- Reorganizing for the next 100 years
- Achieving our goals and leading our team forward

Through the Title XVI Water Reclamation and Reuse Program (Title XVI), authorized by Public Law (P.L.) 102-575 in 1992, Reclamation provides financial and technical assistance to local water agencies for the planning, design, and construction of water reclamation and reuse projects. Water recycling is an essential tool in stretching the limited water supplies in the Western United States. Title XVI projects develop and supplement urban and irrigation water supplies through water reuse, thereby improving efficiency, providing flexibility during water shortages, and diversifying the water supply. These projects provide growing communities with new sources of clean water which increases water management flexibility and makes our water supply more reliable. Through the Title XVI Program, Reclamation helps facilitate private sector efforts to construct infrastructure projects serving these American needs. Title XVI water projects are an important part of the WaterSMART Program. For further information on the WaterSMART Program, see www.usbr.gov/WaterSMART.

The Water Infrastructure Improvements for the Nation Act (WIIN), P.L. 114-322, was enacted in December of 2016 to address water resources infrastructure that is critical to the Nation's economic growth, health, and competitiveness. Section 4009(c) of Subtitle J of WIIN includes amendments to Reclamation's Title XVI Water Reclamation and Reuse Program (Title XVI), established by P.L. 102-575 in 1992. Prior to the enactment of WIIN, funding for water recycling project construction could only be provided for congressionally authorized Title XVI projects. The WIIN amendments allow new water recycling projects to be eligible to receive Federal funding.

In fiscal year (FY) 2018 Reclamation plans to use one Title XVI Program Funding Opportunity Announcement (FOA) to allocate all Program funding. The FOA will be open to both congressionally authorized Title XVI projects and projects eligible under section 4009(c) of the WIIN Act. The FOA will include separate funding groups for authorized projects and WIIN projects. The two funding groups will be ranked separately. The criteria below will be applied by one Application Review Committee to both types of projects. Since eligibility and pre-award cost requirements are different for the two types of projects, separate funding groups will provide clarity for applicants. This will also allow Reclamation to allocate funding in accordance with any congressional direction that is included in final appropriations. The overall scores may also be taken into consideration when making funding decisions, consistent with any direction in final appropriations.

Evaluation Criteria

The following criteria ensure that funding is prioritized based on Title XVI Project (Project) benefits and the extent to which regional interests and perspectives are incorporated.

The evaluation criteria total 100 points as shown in Table 1.

Table 1. Evaluation Criteria Points

Criterion	Points
Evaluation Criterion 1 – Water Supply	28
Evaluation Criterion 2 – Environment and Water Quality	12
Evaluation Criterion 3 – Economic Benefits	35
Evaluation Criterion 4 – Department of Interior Priorities	10
Evaluation Criterion 5 – Reclamations Obligations and Benefits to Rural or Economically Disadvantaged Communities	8
Evaluation Criterion 6 – Watershed Perspective	7

Evaluation Criterion 1—Water Supply (28 points)

Subcriterion No. 1a—Stretching Water Supplies (18 points)

Points will be awarded based on the extent to which the Project is expected to secure and stretch reliable water supplies. Consideration will be given to the amount of water expected to be made available by the Project and the extent to which the Project will reduce demands on existing facilities and otherwise reduce water diversions.

1. How many acre-feet of water are expected to be made available each year upon completion of the Project? What percentage of the service area's overall water supply will the Project's reclaimed water provide upon Project completion? Use the total Project water savings, not just water savings for the activities that will be completed over the next two years.

2. Will the Project reduce, postpone, or eliminate the development of new or expanded non-recycled water supplies? Explain.

3. Will the Project alleviate pressure on existing water supplies and/or facilities? If so, please identify the supplies and/or facilities and explain how they will be impacted by the Project, including quantifications where applicable.

4. What performance measures will be used to quantify actual benefits upon completion of the Project?

Subcriterion No.1b—Contributions to Water Supply Reliability (10 points)

Points will be awarded for Projects that contribute to a more reliable water supply.

1. Will the Project make water available to address a specific concern (e.g., water supply shortages due to drought, natural disaster, groundwater depletion, and/or heightened competition for limited water supplies)? Has the area served by the Project been designated as a disaster area by the State in the last four years? Consider the number of acre-feet of water to be made available. Explain the specific concern and its severity. Also explain the role of the Project in addressing that concern and the extent to which the Project will address it.

2. Will water made available by this Project continue to be available during periods of drought? To what extent is the water made available by this Project more drought resistant than alternative water supply options? Explain. Has the area served by the Project been identified by the United States Drought Monitor as experiencing severe, extreme, or exceptional drought at any time in the last four years?

Evaluation Criterion 2—Environment and Water Quality (12 points)

Points will be awarded based on the extent to which the Project will improve surface, groundwater, or effluent discharge quality; will restore or enhance habitat for nonlisted species; will address problems caused by invasive species; or will provide water or habitat for federally listed threatened or endangered species:

1. Will the Project improve the quality of surface water or groundwater? Will the Project improve effluent quality beyond levels necessary to meet State or Federal discharge requirements?

2. Will the Project improve flow conditions in a natural stream channel? Will the Project restore or enhance habitat for non-listed species? If so, how?

3. Will the Project provide water or habitat for federally listed threatened or endangered species? If so, how?

4. Will the Project reduce threats to native fish or wildlife, their habitat, or water supply reliability, caused by invasive species? If so, how?

Evaluation Criterion 3—Economic Benefits (35 points)

Subcriterion No. 3a—Cost Per Acre-Foot (10 points)

Points will be awarded based on the cost per acre-foot of water expected to be delivered upon completion of the Project and how the cost of the Project compares to a nonreclaimed water alternative. Please use costs related to the entire Project, not just the cost of work over the next two years.

1. Reclamation will calculate the cost per acre-foot of water produced by the Project using information provided by Project sponsors. Please provide the following information for this calculation:

   (a) The total estimated construction costs, by year, for the Project (include all previous and planned work) as shown in Table 2.

Table 2. Estimated Construction Costs by Year

	Calendar Year	Construction Cost
1.		
2.		
3.		
4.		
5.		

	Calendar Year	Construction Cost
6.		
7.		
8.		
9.		
10.		

(b) The total estimated or actual costs to plan and design the Project. Note: This should **not** include the cost to complete a feasibility study that meets the requirements of Reclamation's Directives and Standards WTR 11-01, *Title XVI Water Reclamation and Reuse Program Feasibility Study Review Process*, at www.usbr.gov/recman/wtr/wtr11-01.pdf.

(c) The average annual operation and maintenance costs for the life of the Project. Please do not include periodic replacement costs in the operation and maintenance costs. Periodic replacement costs should be provided separately in response to (f) below. Note: This is an annual cost—not total cost.

(d) The year the Project will begin to deliver reclaimed water.

(e) The Projected life (in years) that the Project is expected to last. Note: this should be measured from the time the Project starts delivering water.

(f) All estimated replacement costs by year as shown in Table 3.

Table 3. Replacement Costs by Year

	Description of Replacement Requirement	Year	Cost
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			

(g) The maximum volume of water (in acre-feet) that will be produced upon completion of the Project

2. Provide the cost per acre-foot for one nonreclaimed water alternative that would satisfy the same demand as the Project. Reclamation will calculate the cost per acre-foot using the information requested in question No. 1 and compare this cost to the cost per acre-foot for the nonreclaimed water alternative provided by the Project sponsor.

Subcriterion No. 3b—Economic Analysis (25 points)

Points will be awarded based on the analysis of the Project's benefits relative to the Project's costs. Please use costs related to the entire Project, not just the cost of work over the next two years.

1. Summarize the economic analysis performed to meet the requirements of Reclamation's Directives and Standards, WTR 11-01, *Title XVI Water Reclamation and Reuse Program Feasibility Study Review Process*, at www.usbr.gov/recman/wtr/wtr11-01.pdf, as well as any additional information or analysis available. If a Title XVI Water Reclamation and Reuse Program Feasibility Study was not required for the Project, please see WTR 11-01 and provide the economic analysis information that is available. This should include information on the Project's estimated costs and benefits and cost effectiveness. Describe the methodologies used for the analysis that has been conducted. Points will be awarded based on the benefit cost ratio and cost effectiveness of the Project. The information provided should include:

    - A description of the conditions that exist in the area and projections of the future with, and without, the Project.
    - A description of the benefits that are to be realized after Project implementation.
    - Economic analysis of the proposed Project relative to other water supply alternatives that could be implemented by the non-Federal Project sponsor in lieu of the Project.
    - Discussion of the degree to which the Project alternative is cost-effective. Including a discussion of why the Project may be cost effective even if the overall Project cost appears to be high.
    - A benefit cost ratio for the Project if available.

    **Please note that information must be included in the proposal to be considered. Reviewers will not have access to the Project's feasibility study.*

2. Some Project benefits may be difficult to quantify. Describe any economic benefits of the Project that are not captured above or that are difficult to quantify. Describe the economic impact of these benefits. Points will be awarded based on the potential economic impact of the Project-related benefits.

Evaluation Criterion 4—Department of Interior Priorities (10 Points)

Points will be awarded based on the extent that the proposal demonstrates that the Project supports the Department of the Interior priorities. Please address those priorities that are applicable to your Project. It is not necessary to address

priorities that are not applicable to your Project. A Project will not necessarily receive more points simply because multiple priorities are addressed. Points will be allocated based on the degree to which the Project supports one or more of the Priorities listed, and whether the connection to the priority(ies) is well supported in the proposal.

1. ***Creating a conservation stewardship legacy second only to Teddy Roosevelt***

    a. Utilize science to identify best practices to manage land and water resources and adapt to changes in the environment

    b. Examine land use planning processes and land use designations that govern public use and access

    c. Revise and streamline the environmental and regulatory review process while maintaining environmental standards

    d. Review DOI water storage, transportation, and distribution systems to identify opportunities to resolve conflicts and expand capacity

    e. Foster relationships with conservation organizations advocating for balanced stewardship and use of public lands

    f. Identify and implement initiatives to expand access to DOI lands for hunting and fishing

    g. Shift the balance towards providing greater public access to public lands over restrictions to access.

2. ***Utilizing our natural resources***

    a. Ensure American Energy is available to meet our security and economic needs

    b. Ensure access to mineral resources, especially the critical and rare earth minerals needed for scientific, technological, or military applications

    c. Refocus timber programs to embrace the entire “healthy forests” lifecycle

    d. Manage competition for grazing resources

3. ***Restoring trust with local communities***

    a. Be a better neighbor with those closest to our resources by improving dialogue and relationships with persons and entities bordering our lands

b. Expand the lines of communication with Governors, state natural resource offices, Fish and Wildlife offices, water authorities, county commissioners, Tribes, and local communities

4. ***Striking a regulatory balance***

a. Reduce the administrative and regulatory burden imposed on U.S. industry and the public

b. Ensure that Endangered Species Act decisions are based on strong science and thorough analysis.

5. ***Modernizing our infrastructure***

a. Support the White House Public/Private Partnership Initiative to modernize U.S. infrastructure

b. Remove impediments to infrastructure development and facilitate private sector efforts to construct infrastructure Projects serving American needs

c. Prioritize DOI infrastructure needs to highlight:
   (1) Construction of infrastructure
   (2) Cyclical maintenance
   (3) Deferred maintenance

Evaluation Criterion 5—Reclamation's Obligations and Benefits to Rural or Economically Disadvantaged Communities (8 points)

Subcriterion No. 5a—Legal and Contractual Water Supply Obligations (4 Points)

Points will be awarded for Projects that help to meet Reclamation's legal and contractual obligations.

Explain how the Project relates to the mission of the Bureau of Reclamation and/or serves a Federal interest. Does the Project help fulfill any of Reclamation's legal or contractual obligations such as providing water for tribes, water right settlements, river restoration, minimum flows, legal court orders, or other obligations? Explain.

Subcriterion No. 5b—Benefits to Rural or Economically Disadvantaged Communities (4 Points)

Points will be awarded based on the extent to which the Project serves rural communities or economically disadvantaged communities in rural or urban areas.

1. Does the Project serve a rural or economically disadvantaged community? (A rural community is defined as a community with fewer than 50,000 people.) If so, provide supporting information.

2. Are any rural or economically disadvantaged communities within the Project sponsor's service area? If so, provide supporting information.

Evaluation Criterion 6—Watershed Perspective (7 Points)

Points will be awarded 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.

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.

1. Does the Project implement a regional or state water plan or an integrated resource management plan? Explain.

2. Does the Project help meet the water supply needs of a large geographic area, region, or watershed? Explain.

3. Does the Project promote collaborative partnerships to address water-related issues? Explain.