RECLAMATION

Managing Water in the West

Funding Opportunity Announcement No. 8SF811386

Water 2025: Preventing Crises and Conflict in the West

Challenge Grant Implementation Program for Fiscal Year 2008

U.S. Department of the Interior
Bureau of Reclamation

January 2008

Mission Statements

The mission of the Department of the Interior is to protect and provide access to our Nation's natural and cultural heritage and honor our trust responsibilities to Indian Tribes and our commitments to island communities.

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.

Synopsis

Federal Agency Name:	Department of the Interior, Bureau of Reclamation, Denver Office
Funding Opportunity Title:	*Water 2025*: Preventing Crises and Conflict in the West-FY 2008
Announcement Type:	Request for Applications
Funding Opportunity Number:	8-SF-81-1386
Catalog of Federal Domestic Assistance (CFDA) Number:	15.507
Dates:	Applications due April 28, 2008, 4:00 p.m. Mountain Daylight Time
Eligible Applicants:	Irrigation and/or water districts, tribal water authorities, State governmental entities with water management authority (e.g., State agencies, departments, boards, etc.), and other entities with water delivery authority located in the Western United States or United States Territories as identified in the Reclamation Act of June 17, 1902, as amended.
Cost Share:	50% or more of project costs
Funding Amount:	Up to $300,000 per agreement.
Estimated Number of Agreements to be Awarded:	10 to 60
Total Amount of Funding Available for Award:	3-4 million

Application Checklist

The following table contains a summary of the information that the applicant is required to submit with the *Water 2025* application.

√	What to submit	Required content	Form or format	When to submit
	Cover page	See Sec. IV.B.2.a.	Form SF 424, available at: http://www.whitehouse.gov/omb/grants/grants_forms.html	4/28/08
	Assurances	See Sec. IV.B.2.b.	Form SF 424B or SF 424D, as applicable, available at: http://www.whitehouse.gov/omb/grants/grants_forms.html	4/28/08
	Title page	See Sec. IV.B.2.c.	Page 12	4/28/08
	Table of contents	See Sec. IV.B.2.d.	Page 12	4/28/08
	Technical proposal: Executive summary Background data Technical project description	See Sec. IV.B.2.e. See Sec. IV.B.2.e.(1) See Sec. IV.B.2.e.(2) See Sec. IV.B.2.e.(3)	Page 12-19	4/28/08
	Description of potential environmental impacts	See Sec. IV.B.2.f.	Page 19	4/28/08
	Required permits and approvals	See Sec. IV.B.2.g.	Page 20	4/28/08
	Funding plan and commitment letters	See Sec. IV.B.2.h.	Page 20	4/28/08
	Official resolution	See Sec. IV.B.2.i.	Page 21	4/28/08
	Project budget proposal: General requirements Budget format Budget narrative Budget form	See Sec. IV.B.2.j. See Sec. IV.B.2.j.(1) See Sec. IV.B.2.j.(2) See Sec. IV.B.2.j.(3) See Sec. IV.B.2.j.(4)	Page 21-25 Form SF 424A or SF 424C, as applicable, available at: <http://www.whitehouse.gov/omb/grants/grants_forms.html	4/28/08

Contents

Section I – Funding Opportunity Description

A. *Water 2025* Overview

The *Water 2025* Challenge Grant Implementation Program is a key component of *Water 2025: Preventing Crises and Conflict in the West (Water 2025)*. *Water 2025* is a Secretarial Initiative announced in June 2003, setting forth a framework to meet the water supply challenges of the future. *Water 2025* is a key focus of the Department of the Interior (Interior) because water truly is the "lifeblood" of the American West.

Water 2025 is based on the reality that the economic, social, and environmental health of the West is important to the people of this Nation. *Water 2025* is also based on the fact that the demands for water in many basins of the West exceed the available supply, even in normal years. Explosive population growth in western urban areas, the emerging need for water for environmental and recreational uses, and the national importance of the domestic production of food and fiber from western farms and ranches are driving major conflicts between these competing uses of water.

Water 2025 will attain the long-term goal of preventing crisis and conflict over water in the West by increasing certainty and flexibility of water supplies, diversifying water supplies, and providing added environmental benefits in many watersheds, rivers, and streams. *Water 2025* recognizes, however, that State and local governments should have a leading role in meeting water supply challenges. Accordingly, the *Water 2025* Challenge Grant Implementation Program provides a mechanism for the Bureau of Reclamation to partner with irrigation and water districts, and Western States, to focus scarce Federal dollars on projects that will provide the greatest benefits to the West and the rest of the Nation.

Water conflicts can have serious social, economic, and environmental impacts. Through *Water 2025*, Interior has identified the following four key tools to help prevent future conflict and crisis over water in the West and to allow proactive management of scarce water resources.

- Conservation, Efficiency, and Markets
- Collaboration
- Improved Technology
- Remove Institutional Barriers and Increase Interagency Coordination

1. The *Water 2025* Challenge Grant Implementation Program

Through the *Water 2025* Challenge Grant Implementation Program, Reclamation provides cost-shared funding on a competitive basis for on-the-ground construction projects that will create water markets and make more efficient use of existing water supplies. Increasing the efficiency of existing water delivery systems across the West will help prevent crises and conflicts and significantly increase future water supplies for farms, cities, people, and the environment.

B. Objective of Funding Opportunity Announcement

The objective of this Funding Opportunity Announcement (FOA) is to invite irrigation and water districts, United States Territories,States in the West, and other local entities with water delivery authority to leverage their money and resources by cost sharing with Reclamation on projects that create water markets and make more efficient use of existing water supplies. Projects will be selected through a competitive process that will focus on achieving the outcomes identified in *Water 2025*: *Preventing Crises and Conflict in the West*, particularly the "*Conservation, Efficiency and Markets,*" "*Improved Technology*" and "*Collaboration*." More information on *Water 2025* can be found at <http://www.doi.gov/water2025/>.

Interior believes that water banks and markets are essential to avoiding crisis in water-short areas of the West. Interior strongly supports the use of these mechanisms, providing that State law allows for them, to enable water to be shifted to address competing water uses while recognizing existing water rights. Interior also supports the exploration and development of new water banks and water markets as a tool for meeting water supply needs. Accordingly, Challenge Grant Implementation Program applications, including water banking or marketing elements, are given priority in the selection process, as explained in Section IV "Application and Submission Information" of this FOA.

C. Eligible Projects

Emphasis for this FOA will be directed toward applications that can be completed within 24 months and that reduce conflicts through water conservation, efficiency, and/or water markets.

Applications may include any one, or a combination, of the types of projects ("Tasks A-E") described immediately below (only State/Territorial agencies are eligible to submit Task E applications; see below). An applicant seeking funding for multiple projects (a Task A project and a Task C project, for example) may include both projects in a single application or may submit two separate applications. In general, if the projects are inter-related or closely related, they

should be combined in one application. Conversely, if the projects can be completed independently and are easily separated, they may be applied for separately. Descriptions of the projects funded to date can be found at <http://www.doi.gov/water2025/images/allCGprojects.pdf>.

Operations, Maintenance, and Replacement (OM&R) projects 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:

- Replacing malfunctioning components of an existing facility with the same components.
- Improving an existing facility to operate as originally designed
- An activity that is performed on a recurring basis even if that period is extended (i.e., 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.

Task Areas

Applications should result in a measurable increase in water use efficiency and/or conservation, or should include water marketing. With the exception of some Task E applications, projects to study water resource issues, where the end product is a report rather than measurable improvements to water supply issues, will not be funded under the Challenge Grant Implementation Program.

Task A – Water Banks and Water Markets

Task A projects are those that implement and use water markets and water banks as a mechanism to make water available to meet other existing water supply needs or uses (e.g., agricultural, municipal, or dedication to instream flows), as allowed under applicable State and Federal laws and authorities. Examples include, but are not limited to:

- Development of a water bank that would provide a mechanism for willing participants to buy, sell, lease, or exchange water to meet existing water

needs for agricultural, municipal, or instream uses, including ecological restoration or other uses that would avoid or reduce water conflicts.

- Projects that would result in the contribution of conserved water to an existing water market or bank.

- Projects involving an individual sale, lease, or exchange of conserved water to another water user for agricultural, municipal, or instream uses, particularly where it would prevent or reduce a conflict over water or provide an environmental benefit.

Task B – New Technologies for Improved Water Management

Task B projects are those that retrofit and modernize existing facilities to improve water management through the use of new technologies, with expected results being the achievement of additional conserved water supplies. Examples include, but are not limited to:

- Automation of canal gates or other control structures with associated telemetry equipment for offsite control.

- Water management programs such as Supervisory Control and Data Acquisition (SCADA) to remotely monitor and operate key river and canal facilities.

- Installation of evapotranspiration (ET) controllers to improve water applications by considering weather conditions and plant consumption needs.

- Use of remote sensing and/or Geographic Information Systems (GIS) tools to improve water applications through the analysis of weather and plant conditions.

Task C – Canal Lining

Task C projects are those that line currently unlined canals where there will be water savings and corresponding increases in available water supplies from the installation of creative canal lining technologies. Examples include, but are not limited to:

- New proven lining materials or technology

- Converting open canals to pipeline

Task D – Measuring Devices

Task D projects are those that construct/install measuring devices that will allow water supplies to be more accurately measured, tracked through the delivery system, and distributed, resulting in more efficient water use. Examples include, but are not limited to:

- Installation of advanced water measurement equipment, such as acoustic meters, magnetic meters, propeller meters, and weirs or flumes with reliable continuous totalizing sensors and recorders.

Task E – Development of Analytical Tools

Only State/Territorial agencies may apply for Task E projects.

Task E projects are those projects proposed by State/Territorial agencies, which develop a tool, program, or procedure that can be readily applied to optimize water management in a basin, sub-basin, or stream system. Priority will be given to projects with practical applications that will lead to demonstrable results. Projects could include, but are not limited to:

- Programs or procedures for improving supply and demand forecasting, administration of water rights, conjunctive management of surface and ground water resources, or efficient operation of a reservoir or river system.

- Analyses of a particular basin, district, or stream system to determine how best to optimize the efficiency of the system, with recommendations for water management improvements.

D. Program Authority

This FOA is issued in accordance with the authority of Public Law (P.L.) No. 110-161. Since inception, the *Water 2025* Program has received annual authority and is expected to continue to receive annual authority. Furthermore, Reclamation is seeking permanent program authority for the *Water 2025* Program.

Section II – Award Information

A. Total Project Funding

It is anticipated that between 10 and 60 agreements will be awarded, depending on the total amount of funding available and the amount requested by successful applications. Funding for *Water 2025* Challenge Grant Implementation Program awards is based on approval of Reclamation's budget. Actual amount of funding is dependent on the appropriations passed by Congress.

B. Project Funding Limitations

To facilitate the broad and effective use of limited Federal funds, Reclamation's share of any one proposed project shall be up to 50 percent of the total project costs for any application funded hereunder. Applicants may request up to $300,000 in Federal funding per agreement. However, Reclamation retains the right to make awards exceeding that amount on a case-by-case basis. Applications will be ranked and selected according to their merit without consideration of the dollar amount requested. However, applicant cost sharing in excess of 50 percent will be more favorably ranked during the selection process.

C. Reclamation Responsibilities

Substantial involvement between Reclamation and the recipient may be necessary during the performance of Challenge Grant projects. If substantial involvement is required during the performance of a Challenge Grant agreement, Reclamation will:

- Collaborate and participate with the recipient in the management of the project and closely oversee the recipient's activities to ensure that the program objectives are being achieved. This oversight may include review, input, and approval at key interim stages of the project as identified in the recipient's application.

D. Award Date

It is expected that the successful applicant will be announced during July 2008, and assistance agreements awarded during September, 2008.

Section III – Eligibility Information

A. Eligible Applicants

Eligible applicants include irrigation and/or water districts, water authorities of Federally recognized Tribes, and entities created under State or Territorial law with water management authority, which may include water user associations; water conservancy districts; canal, ditch, and reservoir companies; and municipal water authorities may apply for funding for the projects described in Tasks A, B, C, and D. State or Territory agencies or departments with water management authority are eligible to apply for funding for projects described under Tasks A, B, C, D, or Task E (**only State or Territory agencies/departments are eligible to apply for Task E projects)**. State or Territorial agencies include those with water management authority (e.g., State departments of water resources, State engineer's offices, and other State or Territory agencies, departments, and boards with water management authority). Those NOT eligible for Task E projects include irrigation districts, water conservancy districts, and other non-State entities. Applicants must also be located in the Western United States or the United States Territories as identified in the Reclamation Act of June 17, 1902, as amended and supplemented; specifically, Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, and Wyoming, American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.

Those not eligible for funding under the Challenge Grant Implementation Program include other State governmental entities, Federal governmental entities, universities, individuals, and other entities without water delivery authority.

Applicants should refer to Section IV of this document for further information regarding what is required to support eligibility for award of an agreement under this program.

B. Cost Sharing Requirement

Applicants must be willing to cost share 50 percent or more of the total project costs. Applicant cost sharing of more than 50 percent of the project costs is encouraged and will be given greater consideration in the ranking process for proposed projects.

Cost sharing may be made through cash or in-kind contributions from the applicant or third-party partners. 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.

- **STATE, LOCAL AND TRIBAL GOVERNMENTS that are recipients or sub-recipients shall use the following:**

  Circular A-87, revised May 10, 2004, "Cost Principles for State, Local, and Indian Tribal Governments"

  Circular A-102, as amended August 29, 1997, "Grants and Cooperative Agreements with State and Local Governments" (Grants Management Common Rule, Codification by Department of Interior, 43 CFR 12, Subpart C)

  Circular A-133, revised June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations"

- **NONPROFIT ORGANIZATIONS that are recipients or sub-recipients shall use the following:**

  Circular A-110, as amended September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" (Codification by Department of Interior, 43 CFR 12, Subpart F)

  Circular A-122, revised May 10, 2004, "Cost Principles for Non-Profit Organizations"

  Circular A-133, revised June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations@

- **ORGANIZATIONS OTHER THAN THOSE INDICATED ABOVE** that are recipients or sub-recipients shall use the basic principles of OMB Circular A-110 (Codification by Department of Interior, 43 CFR 12, Subpart F), and cost principles shall be in accordance with 48 CFR Subpart 31.2, titled "Contracts with Commercial Organizations," which is available at http://www.gpoaccess.gov/ecfr/ .

Additionally, please reference 43 CFR 12.77 for further regulations that cover the award and administration of sub-awards by State governments.

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, and 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 Challenge Grant applications.

Project costs that have been incurred prior to the date of award but after December 26, 2007, the date of authorization and appropriation under Public Law 110-161, ("pre-award costs") may be submitted for consideration as an allowable portion of the recipient's cost share for the project. Such costs may include, for example, 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.

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: (a) incurred for a common or joint purpose benefiting more than one cost objective, and (b) not readily assignable to any one cost objective. For further information on indirect costs, refer to the OMB cost principles circular that is applicable to the applicant.

C. Length of Project

Applicants should propose projects that can be completed within 24 months from the project start date, which is anticipated to be September for FY 2008 awards. However, applications for projects requiring more than 2 years to complete will be considered if it can be demonstrated that there will be measurable on-the-ground accomplishments each year.

D. 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.

Section IV – Application and Submission Information

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 the applicant is unable to access this information electronically, a request for paper copies of any of the documents referenced in this FOA can be obtained by contacting:

By mail: Bureau of Reclamation
Acquisition Operations Group
Attn: Randale Jackson
Mail Code: 84-27810
P.O. Box 25007
Denver, CO 80225

E-mail: rjackson@do.usbr.gov
Phone: 303-445-2432
Fax: 303-445-6345

B. Instructions for Submission of Project Application

Each applicant shall submit an application in accordance with the instructions contained in this section. Each application shall consist of the items listed in the Application Checklist, located near the beginning of this document. Detailed instructions for each of these elements are set forth immediately below.

Electronic applications must be submitted through < http://www.grants.gov> or may be submitted by mail. or by mail, as a complete package. Applicants shall submit an original and two copies of all application documents for hardcopy submissions. Materials arriving separately will not be included in the application package for consideration and may result in the application being rejected or not funded. Faxed 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.

1. Application Format and Length

Technical proposals shall be limited to **30 (thirty)** 8-1/2-inch by 11-inch pages, excluding any forms required in these instructions, and be **single-spaced** on 1 side of the page. The font used shall be at least 12 points in size and shall be easily readable. Applications will be prescreened for compliance to the 30-page limit. The cover page (Standard Form 424), Assurances (Standard Form 424B or D, as applicable), Budget (Standard Form 424A or C), official resolution(s), letters of commitment, blank pages, title pages, blueprints, appendices, and table of content pages will not be counted in the 30-page limit. All pages shall be consecutively numbered, including pages with tables and exhibits.

2. Application Content

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

- SF-424 Application cover page
- SF-424 (B or D)
- Title page
- Table of contents
- Technical proposal
  - Executive summary
  - Background data
  - Technical project description
- Post-project benefits (performance measures)
- Potential environmental impacts
- Required permits and approvals
- Funding plan
- Official resolution
- Project budget application
  - Budget proposal
  - Budget narrative
  - Budget form

a. SF-424 Application Cover Page

The cover page shall consist of a fully completed SF-424 - Application for Federal Assistance. This form must be signed by a person legally authorized to commit the applicant to performance of the project. **Applicants must submit a properly signed SF-424 with their application. Failure to adhere to this requirement may result in the elimination of the application from further consideration**. This form is available at <http://www.whitehouse.gov/omb/grants/grants_forms.html>.

b. SF-424 Assurances

Include with the application a completed and signed SF-424B – Assurances – Non-Construction Programs or an SF-424D – Assurances – Construction Programs. For questions regarding whether to use SF-424B or SF-424D, please contact Randale Jackson at: rjackson@do.usbr.gov. The Assurances form must be signed by a person legally authorized to commit the applicant to performance of the project. **Applicants must submit a properly signed SF-424B or SF-424D with their application. Failure to adhere to this requirement may result in the elimination of the application from further consideration**. These forms are available at <http://www.whitehouse.gov/omb/grants/grants_forms.html>.

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.

d. Table of Contents

List all major sections of the technical proposal in the Table of Contents.

e. Technical Proposal

The technical proposal includes: (1) the executive summary, (2) background data, and (3) technical project description. The technical proposal is limited to 30 pages. To ensure accurate and complete scoring of your application, your proposal you should address each subcriteria in the order presented here. Where applicable, the point value is indicated.

(1) Executive Summary

The executive summary should include the date, applicant name, city, county, and State. It should also specify contact information, including name, title, telephone number, and email address. The executive summary itself should consist of a 1-paragraph project summary that specifies the task area (A, B, C, and D – or E for State agencies) and briefly identifies how the proposed project contributes to accomplishing the goals of this task area. (For more information, see Section I.C, "Eligible Applicants.")

(2) Background Data

Provide a map of the area, showing the geographic location (State, county, and direction from nearest town). Describe the source of water supply, the water rights involved, current water uses (agricultural, municipal, domestic, or industrial), the number of water users served, and the current and projected water demand, and identify potential shortfalls in water supply. If water is primarily used for irrigation, describe major crops and total acres served.

In addition, describe the applicant's water delivery system. For agricultural systems, please include the miles of canals, miles of laterals, and existing

irrigation improvements (i.e., type, miles, and acres). For municipal systems, please include the number of connections and/or number of water users served and any other relevant information describing the system.

Applicants should 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)

(3) Technical Project Description

The technical project description should describe the work in detail and the approach to be used to carry it out. Break the work out into major tasks. This description shall have sufficient detail to permit a comprehensive evaluation of the proposal. The technical project description should also include an estimated project schedule that shows the stages and duration of the proposed work, including major milestones and dates. Also, briefly describe any engineering plans, designs, and analyses prepared in connection with the proposed work.

The technical project description should describe the mechanism by which the project will conserve water, improve delivery efficiency, and/or develop water banks and water markets. The technical proposal should explain how the project is relevant to the goals of Water 2025 and demonstrate results, such as planning efforts and calculations of project benefits. The technical project description should also identify sources and support for non-Federal funding.

The following information is intended to assist the applicant in preparing a detailed project description and includes the point award for application evaluation. Your application should address each of the sub-criteria in the order presented to assist in the complete and accurate evaluation of your proposal.

(a) Conservation, Efficiency, Markets

Up to 35 points possible, subcriteria are listed in order of decreasing value.

Subcriteria No. 1:

Up to 14 points may be awarded for projects that propose water marketing or banking elements

Briefly describe any water marketing or banking elements included in the proposed project. In the response, please include the following information:

(1) Estimated amount of water to be marketed.

(2) A detailed description of the mechanism through which water will be marketed (e.g., individual sale, contribution of water to an existing market or bank, or the creation of a new water market or bank).

(3) A description of the scope of the water market involved (number of users, types of water use, etc.).

(4) A discussion of any applicable legal issues pertaining to water marketing or banking (e.g., restrictions to marketing under reclamation law or contracts, individual project authorities, or State water laws).

Subcriteria No. 2:
Up to 10 points may be awarded for a proposal that will conserve water and improve efficiency. Task E proposals will receive a 0 under this subcriterion, even if it appears the study or analytical tool will conserve water in the future. Up to 5 points may be allocated based on the percentage of the applicant's total average water supply that will be conserved directly as a result of the project. Up to 5 additional points may be awarded for proposals that will improve the applicant's delivery efficiency. Points shall be allocated based on the extent to which the proposal will decrease the applicant's transport losses; 1 point is awarded for each 10-percent decrease in transport losses up to 5 points total.

Describe the amount of water saved and any improvement to the applicant's overall delivery efficiency, including the following:

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 that conserve water, state the amount of water conserved in acre-feet per year (include direct water savings only).

Subcriteria No. 3:
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 described in Task E, where water savings are not quantifiable. This applies to proposals that will improve water management but do not clearly identify water savings.

(1) For projects that improve water management but which may not result in measurable water savings, state the amount of water expected to be better managed, in acre-feet per year and as a percentage of the average annual water supply.

(2) For projects involving the development of programs, procedures, or analytical tools to improve water management (Task E projects), describe the impact of the proposed work on improving water conservation, water use efficiency, or water management.

(3) For all projects involving physical improvements, specify the expected life of the improvement in number of years.

Subcriteria No. 4:
Up to 3 points may be awarded for the reasonableness of the cost for the benefits gained.

(b) Relevance to *Water 2025*
Up to 30 points possible, subcriteria (1) – (4) are listed in decreasing value.

Subcriteria No. 1:
Up to 11 points may be awarded for projects that are likely to result in reduced conflict. No points will be awarded for proposals that do not adequately describe how the work proposed is likely to reduce tension or conflict regarding water.

Explain how the proposed work is likely to result in decreased conflict or tension over water and include the following information in the response:

(1) State whether the project will make water available to address a specific conflict or issue; will it market water to other users, or will it generally make more water available in the water basin where the proposed work is located?

(2) State where the water that will be conserved, managed, or marketed as a result of the proposed work is currently going today (i.e., back to the stream, spilled at the end of the ditch, seeping into the ground, etc.).

Subcriteria No. 2:
Up to 8 points may be awarded if the proposed work is located in a "Hot Spot" area (Red, Orange, or Yellow) as described in the illustration: Potential Water Supply Crises by 2025, May 2003. Proposals that are not in a "Hot Spot" area receive a rating of 0 if the applicant does not make a convincing argument that the proposed project will prevent a water-related crisis.

Is the proposed work located in a "Hot Spot" area (Red, Orange, or Yellow) or an area identified as having unmet rural water needs, as described in the *Water 2025* illustration "Potential Water Supply Crises by 2025"? See link <www.doi.gov/water2025/supply.html>

(1) If the proposed work is in a Hot Spot, please describe the location.

(2) If the proposed work is not in a Hot Spot, please briefly discuss why it should be considered. (For example, even if it is not in a Hot Spot, is the project in an area experiencing tension over water?)

(3) If the project benefits multiple Hot Spots, please list each location.

Subcriteria No. 3:
Up to 6 points may be awarded if the proposal demonstrates stakeholder involvement.

Please describe how the project demonstrates collaboration and stakeholder involvement. Include the following information in your response:

(1) Prove a general description of how the project demonstrates collaboration and stakeholder involvement (i.e., describe who besides the applicant will benefit from the proposed work and how).

(2) Identify any non-Reclamation funding partners (e.g., State, city, or other water user(s) or interest groups) contributing funds to the proposed project.

(3) State whether any letters of support are included with the application.

Subcriteria No. 4:
Up to 5 points may be awarded if the proposal is in a basin with connections to Reclamation project activities. No points will be awarded for proposals with no connection to a Reclamation project or Reclamation activity.

State how the project is connected to Reclamation project activities. Indicate if the applicant receives Reclamation project water or if the project is on Reclamation project lands, involves Reclamation facilities, or is in the same basin as a Reclamation project or activity. Also indicate if the proposed work will contribute water to a basin where a Reclamation project is located:

(c) Demonstrated Results
Up to 20 points will be awarded for proposals that can demonstrate results. Proposals will be evaluated based on the level of planning supporting the project; whether the applicant provided information supporting the estimated benefits of the project; and support for the applicant's plan for verifying and documenting actual project benefits, in terms of the actual amount of water conserved, marketed, or better managed. Proposals will be evaluated on the following subcriteria (subcriteria are listed in order of decreasing value).

Subcriteria No. 1:
Up to 8 points may be awarded for proposals with planning efforts that provide support for the proposed project. Points may also be awarded if the proposal describes how the project conforms to and meets the goals of any applicable State or regional water plans and identifies any aspects of the project that implement a feature of an existing water plan(s). For Task E proposals only, points may be awarded if the proposal describes the methodology and the basis for the approach taken and identifies personnel responsible for implementing the project and their qualifications for the assigned tasks.

Does the project have a Water Conservation Plan, System Optimization Review, and/or district or geographic area drought contingency plans in place?

Please self-certify, or provide copies, where appropriate to verify there is a water conservation plan, System Optimization Review, and/or district or geographic area drought contingency plans in place.

Provide the following information regarding project planning:

(1) Identify any district-wide, or system-wide, planning that provides support for the proposed project. This could include a Water Conservation Plan or other planning efforts done to determine the priority of this project in relation to other potential projects.

(2) Identify and describe any engineering or design work performed specifically in support of the proposed project.

(3) Describe how the project conforms to and meets the goals of any applicable State or regional water plans, and identify any aspect of the project that implements a feature of an existing water plan(s).

(4) ***For Task E projects only***: Describe the methodology and the basis for the approach taken, and identify personnel responsible for implementing the project (either by name and title or by anticipated title/person) and their qualifications for the assigned tasks.

Subcriteria No. 2:
Up to 6 points may be awarded to proposals which provide support for how estimates of the benefits were made (calculations, measurements, and references).

Provide a brief summary of the information regarding how direct and indirect project benefits were calculated, and reference any supporting documents.

Subcriteria No. 3:
Up to 6 points may be awarded to proposals that provide support for performance measure to quantify actual project benefits upon completion of the project.

Provide a brief summary describing the performance measure that will be used to quantify actual benefits upon completion of the project (i.e., water saved, marketed, or better managed). For more information calculating performance measure, see Section VIII "Other Information."

(d) Project Financing and Cost Sharing
(*15 points*)

This criterion evaluates whether the costs associated with the project are reasonable for the work proposed, whether the budget is sufficiently detailed to support the estimated costs, and whether the cost-share funds are secure. Proposals will be evaluated on the following subcriteria (subcriteria are listed in order of decreasing value):

Subcriteria No. 1:
Up to 8 points may be awarded for applicants that demonstrate the financial ability to pay for the estimated project costs and any increase in operation and maintenance (O&M) costs associated with the proposed work. Points shall be allocated based on the reliability of the funding sources, adequate documentation showing that funds are available for applicant and any funding partners, and estimates of any changes to O&M costs as a result of the proposed work.

Provide the following information demonstrating that the applicant has the financial ability to pay for estimated construction costs and any increase in O&M costs associated with the project:

(a) Is a funding plan identifying all sources of non-Reclamation funding included in the application?

(b) Describe any documentation supporting the funding plan that demonstrates that the cost-share funds are available (operating budget, financial analysis or report, loan commitment or letter of credit, or other document).

(c) Provide an estimate of any change in O&M costs (increase or decrease) as a result of the proposed work, and describe how any increase in such costs will be paid for.

(d) Are letters of commitment from all cost-sharing partners included with the application? (See IV.B.2.h)

Subcriteria No. 2:
Up to 5 points may be awarded for proposed projects for which the costs are reasonable, appropriate for the work proposed, necessary, and predominantly allocated to direct costs.

Address the following:

Does the budget identify direct, indirect, environmental, and contingency costs? If not, explain why.

Subcriteria No. 3:
Up to 2 additional points may be awarded to proposals that provide non-Federal funding in excess of 50 percent of the project costs.

Is 50 percent or more non-Federal funding provided? If more than 50 percent, state the percentage of non-Federal funding provided.

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 the National Environmental Policy Act (NEPA), the Endangered Species Act (ESA), and the National Historic Preservation Act (NHPA). Please answer the following questions to the best of your knowledge. If any question is not applicable to the project, please explain why. If the applicant has any questions, please contact a local Reclamation office; see Section VIII "Other Information."

(1) Will the project impact the surrounding environment (i.e., soil [dust], air, water [quality and quantity], animal habitat, etc.)? 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) Are you aware of any endangered or threatened species in the project area? If so, would they be affected by any activities associated with the proposed project?

(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.

(7) Are there any known archeological sites in the proposed project area?

g. Required Permits or Approvals

Applicants must obtain all required approvals and permits, and shall coordinate and obtain any approvals required from site owners and operators. Applicants must also state in the application whether any permits or approvals are required and explain the applicant's plan for obtaining such permits or approvals.

h. Funding Plan and Letter of Commitment

All applications must include a funding plan that describes how the non-Reclamation share of the project costs will be obtained. Reclamation will use this information in making a determination of financial capability. **Applicants must be able to fund at least 50 percent of the project costs and must provide documentation of the sources of funding through an approved funding plan**.

Additionally, if project funding is being provided by a source other than the applicant, the applicant shall submit letters of commitment from these additional sources. This is a **mandatory requirement** for all applications submitted in response to this FOA. Letters of Commitment by the applicant's cost share partners shall identify the amount of the funding commitment and any time constraints on the availability of funds. Any other contingencies, associated with availability of the funding commitment must be clearly stated.

The funding plan must include all of the applicant's proposed project costs. In order to fully evaluate an applicant's capability to meet the cost share, the following elements must be addressed:

(1) A description of how the applicant will make its contribution to the cost-share requirement, including a description of monetary and in-kind contributions, and identification of the 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 the applicant seeks to include as project costs.

(3) If project funding is being provided by funding partners, not including the applicant or Reclamation, please provide the identity and amount of funding to be provided, as well as the required letters of commitment.

(4) If the request for Federal funding is greater than $300,000, discuss what lesser amount would be acceptable if Reclamation is unable to provide the total funding request. Discuss any decrease in project size or other problems due to decreased Federal funding.

(5) Describe any other funding requested or received for the proposed work from other Federal partners. **Note:** Federal funding may not be counted

towards the applicant's 50 percent cost share for the Challenge Grant Implementation Program project unless otherwise allowed by statute.

(6) Describe any other pending funding requests for the proposed work that have not yet been approved, and explain how the project will be affected if such funding is denied.

i. Official Resolution

All applications shall include an official resolution adopted by the applicant's board of directors, governing body, or for Western States, an authorized official to commit the applicant to the financial and legal obligations associated with the receipt of financial assistance under the *Water 2025* program, 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.
- If selected for a Challenge Grant, the applicant will work with Reclamation to meet established deadlines for entering into a cooperative agreement.

It is a **mandatory prerequisite** for funding under the *Water 2025* Challenge Grant Implementation Program that the application package includes an official resolution meeting the requirements set forth above. Submission of a resolution that does not meet these requirements will result in elimination of the application from further consideration. The official resolution should be included with the application package; however, if the applicant is unable to submit the official resolution at that time because of the timing of board meetings or other justifiable reasons, the official resolution may be submitted up to 30 days after the application deadline.

j. Budget Proposal

(1) General Requirements

Include a project budget with the annual estimated project costs associated with the proposed project. Additionally, the budget proposal should contain an estimate of any increase or decrease in annual O&M costs resulting from the project. The price base (date) for construction and O&M estimates should also be included. The project budget should include the value of in-kind contributions of goods and services and sources of funds provided to complete the project. The proposal needs to clearly delineate between BOR and applicant contributions.

(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). 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 below: **Submission of the following information found after the sample budget format is mandatory. An award will not be made to any applicant who fails to fully disclose this information**.

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					
FRINGE BENEFITS					
Full-time employees					
Part-time employees					
TRAVEL					
Trip 1					
Trip 2					
EQUIPMENT					
Item A					
Item B					
Item C					
SUPPLIES/MATERIALS					
Office Supplies					
Construction					
CONTRACTUAL/ CONSTRUCTION					
ENVIRONMENTAL AND REGULATORY COMPLIANCE					
OTHER					
Reporting					
TOTAL DIRECT COSTS					
INDIRECT COSTS - __%					
TOTAL PROJECT COSTS					

a. Salaries and Wages

Indicate program manager and other key personnel by name and title. Other personnel may be indicated by title alone. For all positions, indicate salaries and wages, estimated hours or percent of time, and rate of compensation proposed. All labor estimates, including any proposed subcontractors, shall be allocated to

specific tasks as outlined in the recipient's technical application. Labor rates and proposed hours shall be displayed for each task.

Clearly identify any proposed salary increases and the effective date.

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

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.

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.

d. Equipment

Itemize costs of all equipment having a value of over $500 and include information as to the need for this equipment. If equipment is being rented, specify the number of hours and the hourly rate.

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.

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.

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 *Water 2025* Challenge Grant Implementation Program project, 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.

Reasonable environmental costs included in the line item will be considered project costs and will be cost shared by the applicant and Reclamation. **The amount of the line item should be based on the actual expected environmental compliance costs for the project**. However, at a minimum, the amount budgeted for environmental compliance should be equal to at least 2 percent of the total project costs. If the amount budgeted is less than 2 percent of the total project costs, the applicant must include a compelling explanation of why less than 2 percent was budgeted. Any environmental compliance costs that exceed the amount budgeted for by the applicant must generally be paid for solely by the applicant.

How environmental compliance activities will be performed (e.g., by Reclamation, the applicant, or a consultant), and how the 2 percent 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.

h. Reporting

Pursuant to Section VI.C. "**REPORTING REQUIREMENTS AND DISTRIBUTION**" of this FOA, Challenge Grant recipients are required to report on the status of their project on a regular basis, including quarterly reports, annual reports, and a final report. Applicants should include a line item in this category for the cost of complying with the project reporting requirements, including any cost that will be incurred in tracking final project benefits for inclusion in the final report. Upon completion of the project, recipients will be required to submit a final report that describes completion of the project and quantifies the actual project benefits (water saved, marketed, or better managed). If information regarding project benefits is not available immediately upon completion of the

project, Reclamation may elect to extend the terms of the agreement until such information is available and until a final report is submitted.

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.

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 VIII) 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 the applicant does 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.nbc.gov/icshome.cfm>.

k. Total Cost

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

(3) Budget Narrative

Additionally, applicants shall include a narrative description of the items included in the project budget. The budget narrative provides a discussion or explanation for items included in the budget proposal. Samples of an acceptable budget format and budget narrative are shown above.

(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**://** www.whitehouse.gov/omb/grants/grants_forms.html>

Section V – Application Review Information

A. Review and Selection Process

The Government reserves the right to reject any and all applications which do not meet the requirements of this solicitation and which are determined to be outside the scope of the *Water 2025* Program. Awards will be made to the responsible applicants submitting applications which conform to the solicitation and are most advantageous to the Government, considering the factors and any significant subfactors listed below. Award selection may be made to maintain balance among the program tasks listed in Section I.

The evaluation process will be comprised of three levels as follows:

1. First-Level Screening

All applications will be screened to ensure that:

- The application meets the requirements of the solicitation package, including submission of technical and budget proposals, a funding plan, letter(s) of commitment, if applicable, and related forms that are prepared in accordance with the instructions stated in Sections IV.B, IV.C, IV.D, IV.E, and IV.F of this document.

- The application must contain 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, prepared in accordance with Section IV.F of this document, 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 secured by the applicant.

- The applicant meets the eligibility requirements stated in Section III of this document.

- The application meets the description of eligible projects in Section I of this document (Tasks A-E) and is within the scope of the *Water 2025* Program.

- The project can be accomplished within 24 months. For multiyear applications, the project will accomplish measurable, on-the-ground improvements annually.

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.

2. Second-Level Evaluation (Technical Review)

Technical criteria will comprise 100 points of the total evaluation weight. Individual technical criteria and significant subcriteria, as described above in Section IV. B, "**INSTRUCTIONS FOR SUBMISSION OF PROJECT APPLICATION,**" with their respective point award. Applications will be scored against those criteria by a Technical Proposal Evaluation Committee (TPEC), made up of experts in relevant disciplines selected from across Reclamation.

3. Third-Level Evaluation (Managerial Review)

Management will conduct a final review to prioritize projects based on availability of funds to ensure balance among the program tasks listed in Section I, and to ensure that the project meets the scope and priorities of the *Water 2025* Program. During this review, management may also take into consideration any positive or negative past performance by the applicant and any partners in previous working relationships with Reclamation.

4. Pre-Award Clearances and Approvals

After completion of the third-level evaluation, Reclamation will notify applicants of its initial recommendations. All "initially recommended" applications will then be forwarded to the appropriate Reclamation regional or area office for completion of environmental compliance. **An overview of the environmental compliance process for Challenge Grant Implementation projects and a summary of potentially applicable NEPA, NHPA, and ESA requirements are available in Section VIII "Other Information." All requirements must be met prior to the start of the project.**

Before an agreement is finalized, the local Reclamation office will also complete a business evaluation and determination of responsibility for all applicants recommended for award. Assuming all pre-award clearances are satisfactory, an award of funding will be made once the agreement is finalized (approximately 2 to 3 months from date of initial selection).

B. Other Factors

During the third-level review (management review), past performance of the applicant and any cost-share partners in working relationships with Reclamation will be considered.

Prior to award of an assistance agreement, the Grant and Cooperative Agreement Officer (GCAO) will consider several factors in the selection process which are important, but not quantified, such as:

- Pre-award clearances, determinations, reviews, and approvals, which may include, but are not limited to, allowability and allocability of proposed costs; financial strength and stability of the organization; past performance; and adequacy of personnel practices, procurement procedures, and accounting policies and procedures, as established by applicable OMB circulars.

Section VI – Award Administration Information

A. Award Notices

Successful applicants will receive, by mail, a notice of award and agreement document, signed by a GCAO, notifying the applicant of project award and project starting date.

B. Award Document

If the applicant is awarded an agreement as a result of this FOA, the proposed project and other relevant information from the application will be included in the agreement.

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.

1. Financial Reports

- SF-269 or SF-269a, Financial Status Report
- SF-272, Report of Federal Cash

2. Program Performance Reports

- Interim reports
- Annual reports
- Final report

3. Significant Developments Reports

Section VII – Agency Contacts

There will be no pre-application conference. Organizations or individuals interested in submitting applications in response to this solicitation may direct questions to Reclamation in writing. Questions may be submitted to the attention of Randale Jackson, Grant and Cooperative Agreement Officer, as follows:

By mail:

Bureau of Reclamation
Acquisition and Assistance Management Division
Attn: Randale Jackson
Mail Code: 84-27810
P.O. Box 25007
Denver, CO 80225

By Fax:

(303) 445-6344

By e-mail:

rjackson@do.usbr.gov

Section VIII – Other Information

A. Performance Measures

All applicants for the *Water 2025* Challenge Grant Implementation Program are required to propose a method (or "performance measure") of quantifying the actual benefits of their project once it is completed. Actual benefits are defined as water actually conserved, marketed, or better managed, as a direct result of the project. A provision will be included in all assistance agreements with Challenge Grant recipients describing the performance measure, and requiring the recipient to quantify the actual project benefits in their Final Report to Reclamation upon completion of the project. Quantification of project benefits is an important means of determining the relative effectiveness of various water management efforts, as well as the overall effectiveness of *Water 2025*.

The following information is intended to provide applicants with examples of some acceptable performance measures that may be used to estimate pre-project benefits and to verify water saved or marketed after the project is completed. **However, the following is not intended to be an exclusive list of acceptable performance measures. Applicants are encouraged to propose alternatives to the measures listed below if another measure is more effective for the particular project.** Reclamation understands that in some cases baseline information may not be available, and that methods other than those suggested below may need to be employed. If an alternative performance measure is suggested, the applicant must provide information supporting the effectiveness of the proposed measure as applied to the proposed project.

1. Canal Lining or Piping

Canal lining or piping projects are implemented to decrease canal seepage and evaporation.

Pre-project estimations of baseline data:
To calculate potential water savings, physical measurements of seepage losses are necessary. Two testing procedures which can be used are listed below:

- Ponding Tests: Conduct ponding tests along canal reaches proposed for lining or piping.

- Inflow/Outflow testing: Measure water flowing in and out of the canal reach, taking evaporation into consideration.

- If ponding or inflow/outflow tests cannot be performed, document the estimated historical seepage and evaporation rates for the canal reach based on historical knowledge.

Post-project methods for quantifying the benefits of canal lining or piping projects:

- Using tests listed above, compare pre- and post-project test results to calculate water savings. For inflow and outflow testing, remember to consider losses from evaporation.

- If ponding or inflow/outflow tests cannot be performed, benefits can be calculated by comparing the estimated historic seepage and evaporation rates for the canal reach to the post-project seepage and evaporation.

- Results can be verified using a ratio of historic diversion-delivery rates. Also include a comparison of historical canal efficiencies and current canal efficiencies. For example, if an irrigation district needed to divert 6 acre-feet of water to deliver 2 acre-feet of water to a field through an unlined or unpiped canal, this would be a 67 percent inefficiency ([100%-(2AF/6AF *100)]=67% inefficiency). If after lining or piping the canal, the irrigation district only needed to divert 4 acre-feet of water to deliver the 2 acre feet; this would be a 17 percent improvement in efficiency ([100%-(2AF/4AF *100)]=50% inefficiency).

- Record reduction in water purchases by shareholders and compare to historical water purchases. Use of this method would require consideration and explanation of other potential reasons for decreased water purchases.

For more information regarding canal seepage monitoring and verification, visit <http://www.agwatercouncil.org/resources/monitoring-protocols/monitoring-protocols.html>

2. Measuring Devices

Good water management requires accurate water measurement. Potential benefits derived from measurement include:

- Quantification of system losses between measurement locations.

- Accurate billing of customers for the actual amount of water used.

- Facilitation of accurate and equitable distribution of water within a district.

- Implementation of future system improvements such as remote flow monitoring and canal operation automation.

Installation of measuring devices may include but are not limited to the following:

- Flow meters
- Weirs
- Flumes
- Meter gates

Pre-project estimations of baseline data:
Pre-project flows are difficult to estimate without a measuring device in place. However, the applicant may be able to use data from measurement devices located elsewhere in the delivery system (if available). Otherwise, the applicant may have to rely on other historical data.

b. Post-project methods for quantifying the benefits of projects to install measuring devices:

- Compare post-project water measurement (deliveries or consumption) data to pre-project water uses.

- Compare pre- and post-project consumptive use by crop via remote-sensing information.

- Survey users to determine utility of the devices for decision making.

- Document the benefits of any rate structure changes made possible by the installation of measuring devices. For example, if districts are able to convert from billing water users at a flat rate to billing for actual water use using a volumetric or tiered water pricing structure. (Assumes non-metered to metered district.)

3. New Technologies for Improved Water Management

a. Data Acquisition

Proposals may involve the installation or expansion of a Supervisory Control and Data Acquisition (SCADA) system that monitors flows in an individual district or in a basin including several districts. SCADA systems provide water managers with real-time data on the flow and volume of water at key points along a water delivery system. Access to such data allows water managers to make accurate and timely deliveries of water, reducing over-deliveries and spillage at the end of the canal.

Pre-project estimations of baseline data:

- Collect data on diversions and deliveries to water users, making estimates if necessary.

- Document employee time spent pre-project on ditch/canal monitoring and water control.

Post-project methods for quantifying benefits of SCADA system projects:

- Calculate amount of increased carryover storage in associated reservoirs. This is a long-term measure which will be more meaningful over a period of years.

- Track and record the diversions to water users and compare to pre-project diversions. This would show results of improved management if yearly fluctuations in weather are accounted for.

- Report delivery improvements; i.e., changes in supply, duration or frequency that are available to end users because of SCADA.

- Document other benefits such as less mileage by operators on dusty roads (which saves time and influences air quality) and less damage to canal banks due to fluctuating water levels in canals.

b. System Control

Proposals may include system automaton projects aimed at *preventing* spillage from canals, or drainage capture/reuse projects focused on *intercepting* spills and redirecting them to drains, canals or re-regulation reservoirs for reuse.

(1) Spillage Reduction through System Automation

Pre-project estimations of baseline data:

- Establish baseline data by measuring existing spillage or document historic spillage. A rated measuring device should be positioned to measure spillage losses. To account for temporal variations, a minimum of 1-year history of pre-project measurements is desirable for future comparison to post-project water usage. Spillage volumes can vary substantially between wet and dry years; therefore, some multi-year estimates of spillage may be necessary.

- Track pre-project water diversions using district or state diversion records.

Post-project methods for quantifying benefits of spillage reduction projects:

- Using rated devices, measure post-project flows. Gather enough data to account for seasonal and temporal variations. Using baseline and post-project data, calculate savings using the following formula: Savings = $(\text{Spillage})_{\text{w/o project}} - (\text{Spillage})_{\text{w/project}}$.

- Track post-project changes in the amount of water diverted and compare to pre-project diversion data.

- Compare estimated historic spills from district/project boundaries to post-project spills.

- Document how the additional water resulting from the reduction in spillage was used; i.e., water retained in the river to support riparian habitat, transferred for another use, or used to meet normal water demands in times of drought.

- Report specific volume changes to spills, diversions, or deliveries due to system automation.

For more information regarding canal seepage monitoring and verification, visit <http://www.agwatercouncil.org/resources/monitoring-protocols/monitoring-protocols.html>

(2) Drainage Reuse Projects

Drain water reuse can be a district level or regional conservation effort that consists of recovering residual irrigation water from drains and returning it to the water supply system for delivery to users.

Several types of projects can focus on drainage and reuse including:

- Pump stations with constant flow rates
- Variable speed pump stations without SCADA controls
- Variable pump stations with SCADA controls
- Storage reservoirs with pump stations and constant flow rates
- Storage reservoirs with variable speed pump stations and SCADA controls

Pre-project estimations of baseline data:

- A rated measuring device should be positioned to measure drain water losses. To account for temporal variations, a minimum of 1-year history of pre-project measurements is desirable for future comparison to post-project water usage. Drainage volumes can vary substantially between wet and dry years; therefore, some multi-year measurements of drain water losses may be necessary.

Post-project methods for quantifying benefits of drainage reuse projects:

- Using rated devices, measure post-project flows. Gather enough data to account for seasonal and temporal variations. Using baseline data and post-project data, calculate savings using the following formula: Savings = (Drainage $_{\text{w/o project}}$-Drainage $_{\text{w/project}}$) + (Spillage $_{\text{w/o project}}$-Spillage $_{\text{w/project}}$).

- Take readings from measuring devices positioned to measure drain water loss. A system analysis can be done with the following equation: Drainage $_{\text{w/project}}$ = (1-%Reuse)*Drainage $_{\text{w/o project.}}$

- Measure and record post-project water deliveries to fields, tailwater volumes entering reservoirs and tailwater volumes recycled to fields. Compare this data to previous history.

- Estimate any benefits to farmers, such as improved flexibility in water management, reduction in shortages of supply to tailenders, etc. If it is not possible to quantify these benefits in acre-feet, a narrative explanation is acceptable.

For more information regarding drainage reuse monitoring and verification, visit < http://www.agwatercouncil.org/resources/monitoring-protocols/monitoring-protocols.html>

c. ET Controllers

An ET controller automatically adjusts the amount of water applied to landscape based on weather conditions. The "smart" ET controller receives radio, pager, or internet signals with evapo-transpiration information, so that watering is limited to the replacement of only the moisture that the landscape lost due to heat, humidity, and wind. Other controllers use historical data to adjust the watering program.

Pre-project estimations of baseline data:

Domestic (interior) water usage: In many cases landscape water use and domestic water use are measured together. In these cases, domestic water use can be estimated and then subtracted from the total water use to estimate landscape water use using one of the following methods:

- Domestic water use can be estimated based on the number of persons in the household and type of plumbing (low-flow or not).

- Domestic usage can also be estimated using the assumption that landscape water is negligible during certain parts of the year, and therefore, Domestic Usage = (Average Use per Capita) $_{\text{determined non-irrigation season.}}$

Once the domestic usage value is obtained, landscape water applied can be calculated using the following formula:

(Landscape water applied) $_{\text{w/o ET Controllers}}$ = Total water use - Domestic Water

Post-project suggested methods for quantifying benefits of ET Controllers:

- To calculate water savings, the following formula can be applied:

  Estimated Savings = N [(Average amount of landscape water applied per participant) $_{\text{w/o ET Controller}}$ – (Average amount of landscape water applied per participant) $_{\text{w/ ET Controller}}$]

  N = number of participants (households or landscapes)

- Compare meter readings prior to ET controller installation and post-installation.

- Compare actual water applied post-project to estimated water application if only using sprinkler controller on a set timer application.

For more information regarding ET Controller monitoring and verification, visit <http://www.agwatercouncil.org/resources/monitoring-protocols/monitoring-protocols.html>

d. On-Farm System Improvements

On-farm system improvements increase the efficiency of the irrigation system by reducing water losses from deep percolation and unrecoverable tailwater.

Irrigation system improvements may include:

- Converting to more efficient irrigation systems based on crops, soil, terrain, and weather conditions.
- Upgrading existing irrigation systems (i.e., shifting sprinkler nozzle size, upgrading to surge irrigation).
- Improving irrigation scheduling, management or delivery methods.

Pre-project estimations of baseline data:

Documentation of water savings based on delivered water is complicated by the fact that crops are rotated from year to year, and weather patterns and water availabilities also change. However, one should record on-farm water deliveries and crop ET of irrigation water to make post-project comparisons possible.

Post-project methods for quantifying the benefits of on-farm improvements:

- Record post-project on-farm water deliveries and crop ET of irrigation water and apply the following forming: Savings = [(On-farm delivery)/(Crop ET of irrigation water) $_{\text{w/o project}}$] – [(On-farm delivery)/(Crop ET of irrigation water)] $_{\text{w/project}}$
- Monitor delivery to affected fields and calculate water savings using delivery records and formula above.
- Compare post-project volume of water applied and runoff with the historical water volume applied and runoff.
- Document the Distribution Uniformity (DU) of the original system and compare it to the new system DU because yield and water savings may be difficult to document over a 1-year study period due to yearly and crop variations.

For more information regarding canal seepage monitoring and verification visit <http://www.agwatercouncil.org/resources/monitoring-protocols/monitoring-protocols.html>

4. Water Banks and Water Markets

a. Water Marketing (Transfers)

Water Marketing is the temporary or long-term transfer of the right to use water from one user to another, by sale, lease, or other form of exchange, as allowed under state laws. Water Marketing is a method of moving water supplies to areas of greatest financial value and can be a useful mechanism to increase the beneficial use of existing water supplies. Depending on the state laws, there are various methods in which a seller can make water available for transfer.

Examples are as follows:

1. Groundwater substitution is one method in which a seller uses their groundwater resources in-lieu of receiving surface water. This frees up the surface water for transfer.

2. Crop idling or shifting, whereby sellers agree to idle fields or shift from higher to lower water using crops can make water available for transfer. The seller is then able to transfer water based on the difference in crop consumption that is realized from the idling or shifting.

3. Conserved water made available through canal modernization or other conservation projects may also be available for transfer, depending on state laws.

To identify other methods that can be used by a seller to transfer water, consult state law.

Pre-project estimations of baseline data:

- Collect pre-project monthly ground water pumping, water consumption, water quality, diversion, and cropping information, using measuring devices and/or historical data.

Post-project methods for quantifying benefits of water marketing projects:

(1) Groundwater substitution transfers

- Track monthly diversions, by year and type of use (agriculture, municipal, environmental, etc.) for both the buyer and seller of the marketed water and compare to pre-project diversions.

- For all wells utilized in the transfer, track monthly groundwater pumping, by year and type of use and compare to pre-project pumping volumes. This should be done with inline flow meters.

- Provide a map indicating location of groundwater wells and all features of the underlying aquifer to ensure that the groundwater is not impacting stream flows.

- Compare post-project groundwater pumping costs, including capital and operation and maintenance (O&M) costs to pre-project costs.

(2) Crop shifting or idling transfers

- Track monthly diversions by year and type of use and/or crop, before and after project implementation for both the buyer and seller of the marketed water.

- Compare cropping records by year and crop type, and compare pre- and post-project records for seller of the marketed water.

- Devise a field-monitoring procedure to verify that fields remain fallowed.

- Utilize remote-sensing technology to verify fallowed fields, crop water consumption, and uniformity of crop water consumption on seller's fields.

(3) Other Transfers

- Compare pre-water market stream flow measurements with stream flow measurements during the water market period.

- Compare pre- and post-water market effects in terms of the length of the irrigation season. Determine whether or not water marketing helped extend the irrigation season.

- Compare pre- and post-water balances that are associated with the seller's transfer where the differences were used or stored. The water balance should include all water supplies, uses and losses associated with the water that was transferred.

- Measure the benefits resulting from the application of the transferred water. For example, state how many acres were irrigated that could not otherwise have been irrigated or whether the transfer had environmental benefits, such as providing flows for endangered fish or aquatic species or maintaining wetland areas.

- Compare pre-water market stream water quality measurements with measurements during the water market period. This may include pre/post changes in water temperature during critical months, pathogens, bacteria count, etc.

- Document local economic impacts of transfer.

b. Groundwater Banking (Conjunctive Use)

Some districts are implementing programs regarding ground water banking to control water quantity and quality issues. Program elements may address:

- Active accounting of water supply and monitoring of water quality.

- Rules regulating ground water deposits and withdrawals including production limits.

- Creation or expansion of recharge and/or recharge capabilities.

- Pricing incentives for users to utilize conjunctive use of water supplies.

- Securing reliable surface water supply.

Pre-project estimations of baseline data:

- Establish a baseline with historical data from existing wells, including pumping volumes (amount, duration and timing) and depth to ground water elevations.

- Document stream flows and spring discharges.

Post-project methods for quantifying the benefits of groundwater banking projects:

- Compare pre- and post-project recharge and/or pumping volumes.

- Compare pre- and post-project changes (amount, duration, and timing) in affected stream flows or changes in spring discharge related to ground water banking.

- Compare pre- and post-project depth to groundwater elevations.

- Determine changes in net groundwater use through a water table-specific yield method coupled with a detailed sub-basin hydrologic balance.

B. Environmental Compliance Requirements

Before approving expenditures for the implementation of a *Water 2025* Challenge Grant Implementation project, Reclamation is required to comply with applicable environmental laws. Such compliance requires the participation and cooperation of both Reclamation and *Water 2025* grant recipients. This information is intended to inform applicants about the environmental compliance process associated with *Water 2025* Challenge Grant projects and to summarize the requirements of certain Federal environmental laws.

Reclamation addresses environmental compliance issues in *two steps* in the evaluation of *Water 2025* Challenge Grant proposals. 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.

1. Step One – The Proposal Evaluation Process

In the evaluation and selection process, Reclamation performs an initial review of the Challenge Grant proposal for potential environmental issues. At this stage, Reclamation's review is focused on: (1) whether the applicant has budgeted appropriately for environmental compliance; and (2) whether any significant environmental issues; i.e., issues that would make the project infeasible, are apparent.

Applicants for Challenge 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 *at least* 2 percent of the total project costs. If less than 2 percent is budgeted, applicants must provide justification. Proposals will be scored based on whether the amount budgeted appears reasonable.

Environmental compliance costs that are included in the applicant's budget proposal are considered project costs, and may be cost-shared by the recipient and Reclamation. Any actual costs above the amount budgeted for by the applicant must generally be paid for solely by the applicant. 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 two 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 Challenge Grant Implementation project funding answer a series of questions about the potential environmental impacts of their proposed project. In general, proposals 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 applicant has 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.

2. Step Two – 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. *Water 2025* 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 will all applicable environmental laws.

3. Overview of Relevant Environmental Laws

Following is a brief overview of the ***National Environmental Policy Act (NEPA)***, the ***National Historic Preservation Act (NHPA)***, and the ***Endangered Species Act (ESA)***. While these statutes are not the only environmental laws that may apply to *Water 2025* 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 Challenge Grant proposal for award.

The descriptions below are intended to provide applicants with information about the environmental compliance issues that may apply to their projects, and to help applicants budget appropriately for the associated compliance costs.

a. National Environmental Policy Act

The 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 project under *Water 2025*, 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:

- Some projects may fit within a recognized **Categorical Exclusion (CE)** to NEPA; i.e., one of the established categories of activities that generally do not have significant impacts on the environment.

If a project fits within a CE, no further NEPA compliance measures are necessary. Use of a CE can involve simple identification of an applicable **Departmental CE** or documentation of a **Reclamation CE** using a **Categorical Exclusion Checklist (CEC)**. If a CE is being considered, Reclamation will have to determine the applicability of the CE and whether extraordinary circumstances (i.e., reasons that the CE cannot be applied) exist. That process takes anywhere from a day to about 30 days, depending upon the specific situation.

- If the project does not fit within a CE, compliance with NEPA might require preparation of an **Environmental Assessment/Finding of No Significant Impact (EA/FONSI).** Generally, where no CE applies but there are not believed to be any significant impacts associated with the proposed action, an EA will be required. The EA is used to determine whether any potentially significant effects exist (which would trigger the further step of an Environmental Impact Statement, below). If no potentially significant effects are identified, the EA process ends with the preparation of a FONSI. The EA/FONSI process is more detailed than the CE/CEC process and can take weeks or even months to complete. Consultation with other agencies and public notification are part of the EA process.

- The most detailed form of NEPA compliance, where a proposed project has potentially significant environmental effects, is completion of an **Environmental Impact Statement (EIS)** and **Record of Decision.** An EIS requires months or years to complete, and the process includes considerable public involvement, including mandatory public reviews of draft documents. Projects proposed for completion under *Water 2025* grants rarely require completion of an EIS.

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 is experienced in evaluating effects in context and by intensity. You are encouraged to contact your local Reclamation Office with questions regarding NEPA compliance issues.

b. National Historic Preservation Act

To comply with Section 106 of the National Historic Preservation Act, Reclamation must consider whether a proposed project has the *potential to cause*

effects to historic properties, before it can award a *Water 2025* 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, Challenge 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, outlined as follows.

- If Reclamation determines that the project does *not* have the potential to cause effects to historic properties, then Reclamation will document its findings and the Section 106 process will be concluded. This can take anywhere from a couple of days to 1 month.

- If Reclamation determines that the proposed project *could* have effects on historic properties, a multi-step process, involving consultation with the **State Historic Preservation Officer (SHPO)** and other entities, will follow. Depending on the nature of the project and impacts to cultural resources, consultation can be complex and time-consuming. The process includes a determination whether additional information is necessary; evaluation of the significance of identified cultural resources; assessing the effect of the project on historic properties; and, if the project would have an adverse effect, evaluation of alternatives or modifications to avoid, minimize or mitigate the effects. A **Memorandum of Agreement (MOA)** is then used to record and implement any necessary measures. At a minimum, completion of the multi-step Section 106 process takes about 2 months.

Among the types of historic properties that might be affected by *Water 2025* 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, *Water 2025* 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 their 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. If an applicant

has previously received Federal financial assistance, it is possible that a cultural resources survey has already been completed.

c. Endangered Species Act

Pursuant to Section 7 of the Endangered Species Act (ESA), each Federal agency is required to consult with the U.S. Fish and Wildlife Service (FWS) or 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 *Water 2025* project, it is required to comply with Section 7 of the ESA. The steps necessary for ESA compliance vary, depending on the presence of endangered or threatened species and the effects of the project. A rough overview of the possible course of ESA compliance is as follows:

- If Reclamation can determine that there are no endangered or threatened species or designated critical habitat in the project area, the ESA review is complete and no further compliance measures are required. This process can take anywhere from 1 day to 1 month.

- If Reclamation determines that endangered or threatened species may be affected by the project, then a **"Biological Assessment"** must be prepared by Reclamation. The Biological Assessment is used to help determine whether a proposed action may affect a listed species or its designated critical habitat. The Biological Assessment may result in a determination that a proposed action *is not likely to adversely affect* any endangered or threatened species. If the FWS/NOAA Fisheries concurs in writing, then no further consultation is required and that ESA compliance is complete. Depending on the scope and complexity of the proposed action, preparation of a Biological Assessment can range from days to weeks or even months. The FWS/NOAA Fisheries generally respond to requests for concurrence within 30 days.

- If it is determined that the project *is likely to adversely affect* listed species, further consultation ("**formal consultation**") with FWS or NOAA Fisheries is required to comply with the ESA. The process includes the creation of a **Biological Opinion** by the FWS/NOAA Fisheries, including a determination whether the project would **"jeopardize"** listed species and, if so, whether any **reasonable and prudent** alternatives to the proposed project are necessary to avoid jeopardy. Non-discretionary **reasonable and prudent measures** and **terms and conditions** to minimize the impact of

incidental take may also be included. Under the timeframes established in the ESA regulations, the Biological Opinion is issued within 135 days from the date that formal consultation was initiated, unless an extension of time is agreed upon.

Obviously, the time, cost, and extent of the work necessary to comply with the ESA depends upon whether endangered or threatened species are present in the project area and, if so, whether the project might have effects on those species significant enough to require formal consultation.

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 FWS or NMFS. You are encouraged to contact your local Reclamation Office with questions regarding ESA compliance issues.

C. General Provisions

General Provisions applicable to this agreement are available at:

http://www.usbr.gov/mso/aamd/downloads/Standard_Terms_Agreements_06_2006.doc

D. Special Provisions

Applicants are advised to review 43 CFR 12 for further guidance relating to the administration of an anticipated agreement beyond the point of award.

1.1 GRANTS.GOV APPLY: ELECTRONIC APPLICATION SUBMISSION AND RECEIPT PROCEDURES (Reclamation 06/06)

This provision provides information on the application submission and receipt instructions for applications submitted through Grants.gov Apply. Please read the following instructions carefully and completely.

PLEASE NOTE THAT YOU MUST REGISTER WITH GRANTS.GOV PRIOR TO SUBMITTING AN APPLICATION THROUGH THE GRANTS.GOV WEBSITE AND ***THE REGISTRATION PROCESS MAY TAKE FROM 7 TO 21 DAYS*****.**

1. Electronic Delivery. Reclamation is participating in the Grants.gov Initiative that provides the Grant Community with a single site to find and apply for grant funding opportunities. Reclamation encourages applicants to submit their applications electronically through http://www.grants.gov/Apply.

2. <u>The following describes what to expect when applying on line using Grants.gov/Apply:</u>

a. Instructions. On the site, you will find step-by-step instructions which enable you to apply electronically for Reclamation funds. The Grants.gov/Apply feature includes a simple, unified application process that makes it possible for applicants to apply for grants online.

Before applying, you will need to complete the Grants.gov registration process. The information applicants need to register can be found at http://www.grants.gov/GetStarted. The site also contains registration checklists to help you walk through the process (column on the left side of the Get Started page). Reclamation recommends that you download the checklists and prepare the information requested before beginning the registration process. Reviewing and assembling required information before beginning the registration process will make the process quicker and will save time.

b. DUNS Requirement. All applicants applying for funding, including renewal funding, must have a Dun and Bradstreet Universal Data Numbering System (DUNS) number. The DUNS number must be included in the data entry field labeled "Organizational Duns" on the form SF-424. Instructions for obtaining a DUNS number can be found at the following website: http://www.grants.gov/GetStarted.

c. Central Contractor Registry and Credential Provider Registration. In addition to having a DUNS number, applicants applying electronically through Grants.gov must register with the Federal Central Contractor Registry and with a Credential Provider. The http://www.grants.gov website at http://www.grants.gov/GetStarted provides step-by-step instructions for registering in the Central Contractor Registry and for registering with a credential provider. All applicants filing electronically must register with the Central Contractor Registry and receive credentials from the Grants.gov credential provider in order to apply on line. Failure to register with the Central Contractor Registry and credential provider will result in your application being rejected by the Grants.gov portal.

The registration process is a separate process from submitting an application. **Applicants are, therefore, encouraged to register early**. The registration process can take approximately two weeks to be completed. Therefore, registration should be done in sufficient time to ensure it does not impact your ability to meet required submission deadlines. You will be able to submit your application online anytime after you receive your e-authentication credentials.

d. Electronic Signature. Applications submitted through Grants.gov constitute submission as electronically signed applications. The registration and

e-authentication process establishes the Authorized Organization Representative (AOR). When you submit the application through Grants.gov, the name of your authorized organization representative on file will be inserted into the signature line of the application. **Applicants must register the individual who is able to make legally binding commitments for the applicant organization as the Authorized Organization Representative.**

3. Instructions on how to submit an electronic application to Reclamation via Grants.gov/Apply:

Grants.gov has a full set of instructions on how to apply for funds on its website at http://www.grants.gov/CompleteApplication. The following provides simple guidance on what you will find on the Grants.gov/Apply site. Applicants are encouraged to read through the page entitled, "Complete Application Package" before getting started. Grants.gov allows applicants to download the application package, instructions and forms that are incorporated in the instructions, and work off line.

a. Customer Support. The Grants.gov website provides customer support via (800) 518-GRANTS (this is a toll-free number) or through e-mail at support@grants.gov. The customer support center is open from 7:00 a.m. to 9:00 p.m. Eastern time, Monday through Friday, except Federal holidays, to address Grants.gov technology issues. For technical assistance on program related questions, contact the number listed in the Program Section of the program you are applying for.

4. Timely Receipt Requirements and Proof of Timely Submission.

Electronic Submission. All applications must be received by http://www.grants.gov/Apply **by (insert time) Eastern time** on the due date listed in the funding announcement. Proof of timely submission is automatically recorded by Grants.gov. An electronic time stamp is generated within the system when the application is successfully received by Grants.gov. The applicant will receive an acknowledgement of receipt and a tracking number from Grants.gov with the successful transmission of their application. Applicants should print this receipt and save it, along with facsimile receipts for information provided by facsimile, as proof of timely submission.

When Reclamation successfully retrieves the application from Grants.gov, Grants.gov will provide an electronic acknowledgment of receipt to the e-mail address of the AOR. Proof of Timely submission shall be the date and time that Grants.gov receives your application. Applications received by Grants.gov, after the established due date for the program will be considered late and will not be considered for funding by Reclamation.

Reclamation suggests that applicants submit their applications during the operating hours of the Grants.gov Support Desk, so that if there are questions concerning transmission, operators will be available to walk you through the process. Submitting your application during the Support Desk hours will also ensure that you have sufficient time for the application to complete its transmission prior to the application deadline. Applicants using dial-up connections should be aware that transmission should take some time before Grants.gov receives it.

Grants.gov will provide either an error or a successfully received transmission message. The Grants.gov Support desk reports that some applicants abort the transmission because they think that nothing is occurring during the transmission process. Please be patient and give the system time to process the application. Uploading and transmitting many files, particularly electronic forms with associated XML schemas, will take some time to be processed.