RECLAMATION

Managing Water in the West

Funding Opportunity Announcement No. BOR-DO-17-F010

Revised February 7, 2017

WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2017



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

November 2016

Mission Statements

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

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

Synopsis

Federal Agency Name:	Department of the Interior, Bureau of Reclamation, Policy and Administration
Funding Opportunity Title:	Drought Response Program: Drought Resiliency Projects for Fiscal Year 2017
Announcement Type:	Funding Opportunity Announcement (FOA)
Funding Opportunity Number:	BOR-DO-17-F010
Catalog of Federal Domestic Assistance (CFDA) Number:	15.514
Dates: (See FOA Sec. D.4)	Application due date: February 14, 2017 at 4:00 p.m. Mountain Standard Time (MST)
Eligible Applicants: (See FOA Sec. C.1)	States, Indian tribes, irrigation districts, water districts, or other organizations with water or power delivery authority located in the Western United States or United States Territories as identified in the Reclamation Act of June 17, 1902, as amended
Recipient Cost Share: (See FOA Sec. C.2)	50 percent or more of total project costs.
Federal Funding Amount: (See FOA Sec. B.2)	Funding Group I: Up to $300,000 per agreement for a project that can be completed within two years. Funding Group II: Up to $750,000 per agreement for a project that can be completed within three years. Projects in this group will be funded on an annual basis. Funding for the second and third years of the project is contingent upon future appropriations.
Estimated Number of Agreements to be Awarded: (See FOA Sec. B.2)	Approximately 10 projects. It is expected that most awards will be made for projects in Funding Group I and fewer awards will be made for projects in Funding Group II.
Estimated Amount of Funding Available for Award: (See FOA Sec B.1)	The President's fiscal year (FY) 2017 budget request includes $4 million for the Drought Response Program. Of that amount, between $2 and $3 million will be made available for all awards under this FOA. Reclamation will determine the amount of funding available for award under this FOA once final FY 2017 appropriations have been made. The amount of funding available for awards may also vary depending on the demand for this and other Drought Response Program funding opportunities. Any awards are subject to a determination by Reclamation that FY 2017 appropriations are available and that awards can be made consistent with all program requirements. Applications submitted under this FOA may also be considered if additional funding becomes available in FY 2017 or thereafter.

This page is intentionally left blank.

Application Checklist

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

√	What to submit	Required content	Form or format	When to submit
	Mandatory Federal Forms: Application for Federal Financial Assistance Budget form Assurances	See Sec. D.2.2.1	SF-424, SF-424A, SF-424B, SF-424C, and SF-424D forms may be obtained at http://apply07.grants.gov/apply/FormLinks?family=15	*
	Title page	See Sec. D.2.2.2	Page 21	*
	Table of contents	See Sec. D.2.2.3	Page 21	*
	Technical proposal: Executive summary Background data Project description Evaluation criteria Performance measures	 See Sec. D.2.2.4 See Sec. D.2.2.4 See Sec. D.2.2.4 See Sec. E.1 See Sec. D.2.2.4	 Page 21 Page 22 Page 22 Pages 37 to 45 Page 22	* * * * * *
	Environmental and cultural resources compliance	See Sec. D.2.2.5	Page 23	*
	Letters of support	See Sec. D.2.2.7	Page 25	*
	Required permits or approvals	See Sec. D.2.2.8	Page 25	*
	Official Resolutions	See Sec. D.2.2.9	Page 25	**
	Project Budget:		Pages 26 to 32	*
	Funding plan and letters of commitment	See Sec. D.2.2.10	Page 26	*
	Budget proposal	See Sec. D.2.2.10	Page 27	*
	Budget narrative	See Sec. D.2.2.10	Page 28	*
	Unique Entity Identifier and System for Award Management	See Sec. D.3	Page 32	***

* Submit materials with your application on February 14, 2017 at 4:00 p.m. Mountain Standard Time (MST)

** Document should be submitted with your application; however, please refer to the applicable section of the FOA for extended submission date.

*** Should be completed by application deadline; however, please refer to the applicable section of the FOA for extended completion date.

This page is intentionally left blank.

Acronyms and Abbreviations

ASAP	Automated Standard Application for Payments
ARC	Application Review Committee
CE	Categorical Exclusion
CEC	Categorical Exclusion Checklist
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CPA	certified public accountant
CWA	Clean Water Act
DUNS	Data Universal Number System
EA	Environmental Assessment
EIS	Environmental Impact Statement
ESA	Endangered Species Act
FAPIIS	Federal Award Performance Integrity Information System
FEMA	Federal Emergency Management Agency
FOA	Funding Opportunity Announcement
FONSI	Finding of No Significant Impact
FY	fiscal year
Interior	U.S. Department of the Interior
MST	Mountain Standard Time
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
NRCS	Natural Resources Conservation Service
OM&R	operations, maintenance, and replacement
Project	Drought Resiliency Projects
SAM	System of Award Management
SCADA	supervisory control and data acquisition
SPOC	Single Point of Contact
Reclamation	Bureau of Reclamation
ROD	Record of Decision
U.S.	United States
USC	United States Code
USDA	U.S. Department of Agriculture
USFWS	U.S. Fish and Wildlife Service
USGS	U.S. Geological Survey
WaterSMART	Sustain and Manage America’s Resources for Tomorrow

This page is intentionally left blank.

Contents

Page

Section A. Funding Opportunity Description 1
A.1. Program Information 1
A.2. Objective of this Funding Opportunity Announcement 1
A.3. Statutory Authority 2
A.4. Other Related Funding Opportunities 2
A.5. Natural Resource Investment Center 3
Section B. Award Information 5
B.1. Total Project Funding 5
B.2. Project Funding Limitations 5
B.3. Assistance Instrument 6
Section C. Eligibility Information 7
C.1. Eligible Applicants 7
C.2. Cost Sharing Requirements 7
C.3. Eligible Projects 8
Section D. Application and Submission Information 19
D.1. Address to Request Application Package 19
D.2. Content and Form of Application Submission 19
D.3. Unique Entity Identifier and System for Award Management 32
D.4. Submission Date and Time 33
D.5. Intergovernmental Review 35
D.6. Funding Restrictions: Pre-award Costs 35
D.7. Automated Standard Application for Payments Registration 36
Section E. Application Review Information 37
E.1. Evaluation Criteria 37
E.2. Review and Selection Process 43
E.3. Federal Award Performance Integrity Information System 46
E.4. Anticipated Announcement and Federal Award Date 46
Section F. Federal Award Administration Information 47
F.1. Federal Award Notices 47
F.2. Administrative and National Policy Requirements 47
F.3. Reporting Requirements and Distribution 49
F.4. Releasing Applications 50
Section G. Agency Contacts 51
G.1. Reclamation Financial Assistance Management Contact 51
G.2. Reclamation Program Coordinator Contact 51
Section H. Other Information 53
H.1. National Environmental Policy Act 53
H.2. National Historic Preservation Act 54
H.3. Endangered Species Act 55

This page is intentionally left blank.

Section A. Funding Opportunity Description

A.1. Program Information

The United States (U.S.) Department of the Interior's (Interior) WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program establishes a framework to provide Federal leadership and assistance for using water efficiently, integrating water and energy policies to support the sustainable use of all natural resources, and coordinating the water conservation activities of various Interior bureaus and offices. Through the program, Interior is working to achieve a sustainable water strategy to meet the Nation's water needs.

The Bureau of Reclamation's (Reclamation) Drought Response Program is an important part of WaterSMART. Many areas in the Western U.S. are currently experiencing unprecedented drought conditions. While droughts in the Western U.S. are common, there is growing evidence that climate change is causing longer and more frequent droughts in some areas.[1] Drought directly impacts Reclamation's ability to deliver water and power to contractors, central to Reclamation's mission. As the Nation's largest wholesale water supplier, Reclamation must support our customers, stakeholders, and partners in building resiliency to drought and climate change.

Through the Drought Response Program, Reclamation provides assistance to states, tribes, and local governments to prepare for and address drought in advance of a crisis. The Drought Response Program supports a proactive approach to drought by providing financial assistance to water managers to: (1) develop and update comprehensive drought plans (Drought Contingency Planning), (2) implement projects that will build long-term resiliency to drought (Drought Resiliency Projects), and (3) implement emergency response actions.

This Funding Opportunity Announcement (FOA) supports Drought Resiliency Projects that will build long-term resiliency to drought and reduce the need for emergency response actions.

For further information on the Drought Response Program, including information on funding for Drought Contingency Planning, please see www.usbr.gov/drought.

For further information on the WaterSMART Program, please see www.usbr.gov/WaterSMART.

A.2. Objective of this Funding Opportunity Announcement

The objective of this Funding Opportunity Announcement (FOA) is to invite states, tribes, irrigation districts, water districts, and other organizations with water or power delivery authority to leverage their money and resources by cost sharing with Reclamation on Drought Resiliency Projects that will increase the reliability of water supply; improve

[1] The Third National Climate Assessment, published by the U.S. Global Change Research Program in 2014, links climate change to increased droughts in Western United States. http:/nca2014.globalchange.gov.

water management; implement systems to facilitate the voluntary sale, transfer, or exchange of water; and provide benefits for fish, wildlife, and the environment to mitigate impacts caused by drought. Drought Resiliency Project Grants support implementation of the President's June 2013 Climate Action Plan and Reclamation's Climate Change Adaptation Strategy (Climate Strategy), available at www.usbr.gov/climate/docs/ClimateChangeAdaptationStrategy.pdf.

Projects carried out through Drought Resiliency Project Grants can increase water management flexibility, making our water supply more resilient. This helps to prepare for and address the impacts of drought and climate change. Proposals submitted under this FOA must demonstrate that the proposed project is supported by an existing drought planning effort. It is a well-established principle that proactively identifying resiliency projects through drought planning, in advance of a crisis, is far more cost effective than emergency response. As stated on the National Drought Mitigation Center website, http://drought.unl.edu:

> *One frequently cited estimate from FEMA[2] is that "mitigation" —taking steps ahead of time to prevent known impacts from a natural disaster— saves $4 for every $1 expended. Planning ahead is generally seen as more efficient and more effective than measures taken in crisis mode. Drought researchers have found that after-the-fact assistance to farmers, for example, is expensive and doesn't necessarily reach the right people.*

Proposed projects that are supported by an existing drought plan are prioritized. This prioritization will help ensure that projects funded under this FOA are well thought out, have public support, and have been identified as the best way to address vulnerabilities to drought.

A.3. Statutory Authority

This FOA is issued under the authority of Section 9504(a) of the Secure Water Act, Subtitle F of Title IX of the Omnibus Public Land Management Act of 2009, Public Law (P.L.) 111-11 (42 United States Code (USC) 10364), and the Fish and Wildlife Coordination Act, 16 USC 661-666c, as delegated to Reclamation in Departmental Manual 255 DM 1.1B.

A.4. Other Related Funding Opportunities

A separate FOA for Drought Contingency Planning will be posted on Grants.gov, (www.grants.gov), concurrently with this FOA. The Drought Contingency Planning FOA (BOR-DO-17-F009) includes financial assistance provided under the Drought Response Program, on a 50/50 cost share basis, to develop a drought contingency plan or to update an existing plan.

Additionally, projects focused on water conservation, (such as canal lining or piping to conserve water, landscape irrigation measures, turf replacement, and rebate programs to

[2] Federal Emergency Management Agency (FEMA).

promote installing high efficiency appliances) are eligible for funding under Reclamation's WaterSMART Water and Energy Efficiency Grants FOA and are not eligible for funding under this FOA.

A.5. Natural Resource Investment Center

The Department of the Interior has established a Natural Resource Investment Center to work collaboratively with private sector investors, foundations, non-profit organizations and non-Federal government entities to build partnerships to address the challenges currently being faced in water infrastructure and water management more broadly. The Investment Center is available as a resource to you. Please visit doi.gov/invest for additional information on the Investment Center and to find out more about potential sources of non-Federal funding for projects being proposed in response to this or other FOAs.

This page is intentionally left blank.

Section B. Award Information

B.1. Total Project Funding

The President's FY 2017 budget request includes $4 million proposed for the Drought Response Program. Of that amount, it is estimated that between $2 and $3 million will be available for the implementation of Drought Resiliency Projects (Project) under this FOA. The amount of funding available for awards depends on final FY 2017 appropriations. This FOA will be canceled if FY 2017 appropriations are insufficient to support new awards. The total amount of funding for awards under this FOA will depend on the demand for funding under this and other elements of the Drought Response Program.

Applications submitted under this FOA may also be considered if additional funding becomes available in FY 2017 or thereafter. Please refer to Reclamation's WaterSMART Drought Response Program website (www.usbr.gov/drought) for updated funding information.

B.2. Project Funding Limitations

Multiple applications for funding may be submitted for consideration (for example, an applicant may submit a proposal for funding under Funding Group I and a separate proposal under Funding Group II). ***However, no more than $750,000 will be awarded to any one applicant under this FOA.***

The Federal share (Reclamation's share in addition to any other sources of Federal funding) of any one proposed project shall not exceed 50 percent of the total project costs. Generally, the non-Federal share of project costs must be expended at the same or greater rate as the Federal share of project costs.

Applicants are invited to submit proposal under one of two Funding Groups to implement projects that will build long-term resiliency to drought:

Funding Group I: Up to $300,000 in Federal funds provided through this FOA will be available for projects that generally should be completed in two years.

Funding Group II: Up to $750,000 in Federal funds provided through this FOA will be available for larger projects that may take up to three years to complete. Projects in this group will be funded on an annual basis. Funding for the second and third years of the project is contingent upon future appropriations.

It is expected that most awards will be made for projects in Funding Group I and fewer awards will be made for projects in Funding Group II.

B.3. Assistance Instrument

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

Substantial involvement by Reclamation may include:

- Collaboration and participation with the recipient in the management of the project and close oversight of the recipient's activities to ensure that the program objectives are being achieved.

- Oversight may include review, input, and approval at key interim stages of the project.

At the request of the recipient, Reclamation can provide technical assistance after award. If you would like to receive Reclamation technical assistance, you must account for these costs in your budget. To discuss available assistance and these costs, contact your local Reclamation office, listed at www.usbr.gov/main/offices.html.

Section C. Eligibility Information

C.1. Eligible Applicants

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

Applicants must also be located in the Western United States or 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, Wyoming, American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.

Those not eligible include the following entities:

- Federal governmental entities
- Institutions of higher education
- Individuals

C.2. Cost Sharing Requirements

Applicants must be capable of cost sharing 50 percent or more of the total project costs. Cost sharing may be made through cash or in-kind contributions from the applicant or third-party partners. Cost share funding from sources outside the applicant's organization (e.g., loans or state grants) should be secured and available to the applicant prior to award. Please see *Section D.2.2.9. Official Resolution* and *D.2.2.10 Funding Plan and Letters of Commitment* for more information regarding the documentation required to verify commitments to meet cost sharing requirements.

C.2.1. Cost Share Regulations

All cost share contributions must meet the applicable administrative and cost principles criteria established in 2 Code of Federal Regulations (CFR) Part 200, available at www.ecfr.gov.

C.2.2. In-Kind Contributions

In-kind contributions constitute the value of noncash contributions that benefit a federally assisted project. These contributions may be in the form of real property, equipment, supplies, and other expendable property, as well as the value of goods and services directly benefiting and specifically identifiable to the project or program. The cost or value of in-kind contributions that have been or will be relied on to satisfy a cost sharing or matching requirement for another Federal

financial assistance agreement, a Federal procurement contract, or any other award of Federal funds may not be relied on to satisfy the cost share requirement for an award under this FOA; except where the Federal statute authorizing a program specifically provides that Federal funds made available for such program can be applied to matching or cost sharing requirements of other Federal programs, such as awards to tribal organizations under P.L. 93-638, as amended. Applicants should refer to 2 CFR §200.434 for regulations regarding the valuation of in-kind donations and contributions, available at www.ecfr.gov.

C.3. Eligible Projects

C.3.1. Eligible Projects

Reclamation will provide funding for projects that build long-term resilience to drought and reduce the need for emergency response actions through this Drought Resiliency Projects Grants FOA. Drought resiliency can be defined as the capacity of a community to cope with and respond to drought. Under this FOA, Reclamation will fund projects that will build resiliency to drought by:

- Increasing the reliability of water supplies
- Improving water management
- Facilitating Water Markets, including projects that facilitate the voluntary sale, transfer, or exchange of water
- Providing benefits for fish and wildlife and the environment

To be eligible for funding under this FOA, the proposed resiliency project should improve the ability of water managers to continue to deliver water and power during a drought. The proposed project should decrease vulnerabilities and costs of drought by giving water managers flexibility in times of low water supply. In addition, the proposed project must be beyond routine water management activities or activities required by state law for conservation and efficiency. The proposed resiliency project should also help avoid the need for emergency response actions, such as water hauling programs and temporary infrastructure. Projects funded under this FOA must have ongoing benefits to build long-term resilience to drought, even if they also address an immediate drought concern.

Under this FOA, Reclamation will prioritize projects supported by an existing drought planning effort. Drought contingency planning efforts frequently identify potential projects or needs to improve resiliency to drought. These can include mitigation actions or tools that will improve water management flexibility or improve access to critical water supply information that will help water managers build resiliency and avoid a crisis during drought. In support of a proposal

submitted under this FOA, applicants must demonstrate that the proposed Project meets a need or project identified in an existing drought plan.

Tasks A-C, below, describe project categories eligible for funding under this FOA. Applications may include any one, or a combination, of the types of projects described in Tasks A-C. In general, if you are seeking funding for multiple projects (for example, a Task A Project and a Task C Project) and the projects are interrelated or closely related, they should be combined in one application. One phase of a larger Project may be eligible for funding under this program, so long as the phase proposed for funding will generate benefits to address drought resiliency, independent of completing additional phases.

Other projects that are similar to those tasks listed below may be submitted for consideration and will be allowed to the extent that they are consistent with program authorization and goals.

C.3.1.1. Task A—Increasing the Reliability of Water Supplies through Infrastructure Improvements

Even small investments in infrastructure can improve resiliency to drought conditions by increasing water management flexibility and providing alternative sources of water supply. For example, constructing new surface water intakes and new conveyance system components—such as pipes or pumping plants—can provide water managers with much needed options to deliver water from alternative sources or support voluntary transfers of water during drought. Likewise, aquifer recharge facilities can support water banking in wet years for use in dry years and sustainable conjunctive use programs. *Please note that all projects must be able to be completed within the two-year time frame for Funding Group I Projects or three-year time frame for Funding Group II Projects, including completion of associated environmental compliance activities.*

Task A projects include, but are not limited to the following:

- **System modifications or improvements.—**Projects that will increase flexibility of water conveyance and deliveries, facilitating access to water supplies in times of drought. Projects include, but are not limited to:

    - Constructing or modifying surface water intakes to access supplies when water levels are low (e.g., at dead pool), or to allow access at different locations

    - Constructing new conveyance system components (pipelines, canals, pumping plants, etc.), to increase flexibility to deliver water from different sources, to facilitate voluntary water marketing or to deliver water from alternative sources

- Constructing interties between water conveyance systems to increase options for water deliveries

- Installing barriers or other facilities to prevent saltwater intrusion into surface supplies

- **Storing water and/or recharging groundwater supplies.—**Projects that enable the capture or storage of additional water supplies that can be made available during drought. Projects include, but are not limited to:

  - Developing or expanding small-scale surface water storage facilities such as off-stream storage ponds.

  - Installing water towers and storage tanks to store water for municipal and domestic use.

  - Installing recharge ponds or injection wells to increase recharge of surplus, inactive, or reclaimed water. Recharged water can serve multiple purposes such as sustainable conjunctive use in times of drought, deterring salt water intrusion into freshwater aquifers, and limiting additional land subsidence

- **Developing alternative sources of water supply including water treatment.—**Projects that develop alternative water supplies to build resiliency to the impacts of drought. Projects include, but are not limited to:

  - Constructing wells to provide back-up water supplies during times of drought

  - Constructing extraction wells at groundwater banks to improve extraction and return capabilities during dry years

  - Constructing or expanding small-scale water treatment facilities to treat impaired groundwater, municipal wastewater, stormwater runoff, for environmental, agricultural, or potable purposes

  - Constructing stormwater capture and reuse systems

  - Installing residential grey water and rain catchment systems

C.3.1.2. Task B—Projects to Improve Water Management through Decision Support Tools, Modeling, and Measurement

Task B Projects are intended to help provide entities with water use information and tools to monitor the onset of drought, detect different levels of drought that may trigger certain drought mitigation and response actions, and to identify

potential strategies to address drought. Task B Projects also includes the development of tools that facilitate water marketing between willing buyers and sellers to redistribute water supplies to meet other existing needs or uses (e.g., agricultural, municipal, or dedication to in-stream flows).

Task B Projects include, but are not limited to the following:

- **Developing water management and modeling tools to help communities evaluate options and implement strategies to address drought**

  - Developing online decision support tools to help communities identify alternative water supplies or water management options in times of drought.

    - For example, Reclamation has partnered with the State of Oklahoma to develop a drought tool familiarizing users with alternative sources of supply, treatment processes, distribution options, short term equipment solutions for treatment, and permitting requirements, see www.owrb.ok.gov/drought/DroughtTool.pdf.

    - Also, in 2015 Reclamation awarded the Texas Water Development Board with a Drought Resiliency Grant to modify their existing drought prediction tool to provide more accurate probabilistic forecast of average May - July rainfall, reservoir levels, and reservoir storage across the state by county. The project is expected to be completed in 2017, and the forecasts will be updated bi-weekly and made accessible for water managers through the Water Data for Texas website.

  - Developing new models or improving existing models for analyzing and predicting drought conditions. Such models should be based on proven methods to analyze drought frequency, duration, and intensity, as opposed to research type efforts.

  - Developing water budgets and tiered pricing programs that incentivize decreased consumptive use. Tiered pricing can be paired with water budgets to reward customers who use less water by charging lower rates for water in a lower tier. For example, Tier I pricing can include a relatively low price for indoor water use within a budgeted amount (e.g., 55 gallons per person per day). Reasonable water use above that amount—assumed to be for outdoor use—would be included within Tier 2 pricing at a higher cost than Tier 1. Tier 3 would establish an even higher price for all water use that exceeds the total water budget.

- Real-time operational modeling to track supply conditions and demands. Modeling can be used to analyze different operational scenarios to optimize pumping capacities, evaluate user restrictions, water delivery needs, etc., and determine how to best meet other compliance standards such as temperature control points, water quality, or Endangered Species Act (ESA) related requirements.

- Assessing water quality with respect to the level of drought to determine appropriate measures to protect water quality for fish and wildlife, agriculture and human consumption (e.g., water quality testing, constructing groundwater monitoring wells).

- **Installing water measurement equipment and monitoring instrumentation devices to accurately track water supply conditions** (e.g., water service meters, stream flow measurement structures, flow meters, well level instruments, reservoir level monitors). ***Note:*** *Projects to install meters or other water measurement devices are considered routine water management activities and are, therefore, not eligible for funding under this program as a standalone project.* However, meters or other measuring devices are eligible as a necessary sub-component of another eligible Drought Resiliency Project as described in Tasks A-C (e.g., meters could be coupled with development of an online consumptive use website for consumers to see and adjust their habits). Projects may include, but are not limited to:

  - Improving measurement accuracy. (e.g., installing weirs, flumes, ramps, etc. in open channels and installing meters in pressurized pipes)

  - Installing dual municipal meters to track indoor versus outdoor water use, allowing water purveyors to control or discourage landscape irrigation and other outdoor uses in times of drought

  - Installing and/or modifying monitoring equipment associated with stream flow measurement devices, water level sensors, etc.

- **Developing a water marketing tool or program that would provide a mechanism for willing participants to buy, sell, lease, or exchange water to avoid or reduce water conflicts**

C.3.1.3. Task C—Projects that Provide Protection for Fish, Wildlife, and the Environment

These projects seek to mitigate or minimize the potential drought-related impacts to ecosystems and to provide a sustainable environment for those species that are most vulnerable to periods of deficient water supplies. *Please note that projects that provide benefits for fish and wildlife and the ecosystems they inhabit or use must be directly related to the impacts of drought or potential drought.*

Task C Projects include, but are not limited to the following:

- Installing and/or modifying fish screens, ladders, bypasses, and modifications to water intakes (e.g., selective or lowered intakes).

- Improving fish hatcheries (e.g., coolers, holding pens, transport, disease control, or prevention)

- Improving habitat, including restoring habitat to pre-drought conditions. Examples of projects include, but are not limited to:

    - Projects that will increase stream flow to levels that are biologically compatible for threatened or endangered species in low-flow areas (e.g., by changing the timing or location of diversions)

    - Projects that strive to maintain biologically compatible parameters through the control of salinity (e.g., salinity barriers) or temperature (e.g., temperature curtains or powerplant bypass structures), and to aerate ecologically sensitive areas where dissolved oxygen levels are low

    - Restoring stream banks, managing and enhancing native vegetation, and installing stream flow deflectors in order to enhance pool and riffle habitats

    - Developing tools to evaluate and collect appropriate reservoir and stream flow levels to establish a baseline that can be used to evaluate and address ecological health and minimize adverse effects

    - Collecting in-stream habitat data to establish a baseline that can be used to evaluate and address ecological health

    - Restoring backwater/floodplain areas (for larval and juvenile fish and other wildlife species) to enhance and maintain rearing, and feeding and foraging habitats

C.3.2. Ineligible Projects

Projects not eligible for funding under this FOA include scientific research, water hauling, education and outreach, land fallowing, cover cropping, and reimbursement for economic losses resulting from drought. Emergency drought response projects that provide temporary benefits, including projects involving temporary facilities (e.g., temporary pipes and pumps), and projects expected to increase the total irrigated acreage or consumptive use of an applicant are also not eligible for funding. Projects for drought contingency plans are not eligible under

this FOA but may be eligible for funding under Reclamation's WaterSMART Drought Contingency Planning FOA.

Other projects that are not eligible for funding under this FOA include:

- Projects considered normal operations, maintenance, and replacement (OM&R)
- Water conservation projects (including water metering and measurement projects unless those projects are paired with another project eligible under Tasks A-C as a necessary subcomponent of that task)
- Projects that are part of a congressionally authorized Title XVI project under P.L.102-575, as amended (43 USC 390h et seq.). A list of congressionally authorized Title XVI projects can be found at http://www.usbr.gov/watersmart/title/authorized.html.
- Water purchases
- Construction of buildings for administration purposes
- Pilot projects
- Projects to conduct on-farm improvements

More explanation regarding these types of ineligible projects is included immediately below.

C.3.2.1. Operations, Maintenance, and Replacement

In accordance with Section 9504 of the Secure Water Act, projects that are considered normal OM&R are not eligible for funding under this FOA. OM&R is described as system improvements that replace or repair existing infrastructure or function without providing increased efficiency or effectiveness of water distribution over the expected life of the improvement. Examples of ineligible OM&R projects include:

- Replacing malfunctioning components of an existing facility with the same components
- Improving an existing facility to operate as originally designed
- Performing an activity on a recurring basis, even if that period is extended (e.g., 10-year interval)

- Sealing expansion joints of concrete lining because the original sealer or the water stops have failed
- Replacing broken meters with new meters of the same type
- Replacing leaky pipes with new pipes of the same type

Applicants that have questions regarding OM&R are encouraged to contact the Drought Response Program Coordinator (see *Section G. Agency Contacts*) prior to the application deadline for further information.

C.3.2.2. Water Conservation Projects

In order to avoid overlap with Reclamation's existing WaterSMART Grants program, projects primarily focused on water conservation are not eligible under this FOA, including:

- Lining or piping canals to conserve water
- Installing landscape irrigation measures
- Turf replacement
- Rebate programs to promote the installation of high efficiency appliances
- Water metering and measurement projects are ineligible as a standalone project but may be included if paired with another project eligible under Tasks A-C, as a necessary subcomponent of that task

Water conservation projects may be eligible for funding under Reclamation's WaterSMART Water and Energy Efficiency Grant FOA. For information about this FOA, please contact Josh German at jgerman@usbr.gov or 303-445-2839.

Projects that will result in water conservation as a secondary consideration, such as decision support tools that improve operational efficiency, are eligible under this FOA, so long as they are consistent with the eligible projects described in Tasks A-C. Please contact the Drought Response Program Coordinator further information (see *Section G. Agency Contacts*).

C.3.2.3. Title XVI Water Recycling and Reuse

Title XVI is Reclamation's Water Recycling and Reuse Program focused on identifying and investigating opportunities to reclaim and reuse wastewaters and naturally impaired ground and surface water. In general, this FOA is not intended for large scale water recycling and reuse projects. *Note, however, that small-scale improvements that relate to an existing water recycling facility (that is **not** an authorized Title XVI project) may be considered eligible for funding.*

Any projects or project elements that are part of a congressionally authorized Title XVI project of P.L.102-575, as amended (43 USC 390h et seq.), are not eligible for funding under this FOA. A list of congressionally authorized Title XVI projects can be found at http://www.usbr.gov/watersmart/title/authorized.html.

In addition, if a project sponsor is likely to seek funding for the activity through the Title XVI Program in the future (e.g., seeking congressional authorization for the project or preparing a Title XVI feasibility study that describes the activity as part of a proposed Title XVI project) that activity should be pursued under the Title XVI Program instead of this FOA.

If your project is in the same area as a congressionally authorized project, or if you are unclear whether your project is part of a congressionally authorized Title XVI project, please contact Amanda Erath at 303-445-2766.

For additional information on the Title XVI Program, please see www.usbr.gov/WaterSMART/title.

C.3.2.4. Water Purchases

Proposals to use Federal funding to purchase water are not eligible under this FOA. Applicants seeking funding to purchase water in a drought emergency should request emergency drought assistance under Reclamation's Drought Response Program.

For more information about the requirements for receiving emergency drought assistance, please see www.usbr.gov/drought, or contact the Drought Response Program Coordinator (see *Section G: Agency Contacts*).

C.3.2.5. Building Construction

Proposals to construct a building are not eligible for Federal funding under this FOA (e.g., a building to house administrative staff or to promote public awareness of water conservation).

C.3.2.6. Pilot Projects

Proposals to conduct a pilot study to evaluate technical capability, economic feasibility, or viability for full-scale implementation or to test an unproven material or technology are not eligible for Federal funding under this FOA.

C.3.2.7. On-Farm Improvements

Projects to conduct on-farm improvements are not eligible under this FOA. Applicants interested in on-farm improvements should contact the U.S. Department of Agriculture (USDA) and Natural Resources Conservation Service (NRCS) to investigate opportunities for Federal assistance. For more information on NRCS programs, including application deadlines and a description of available funding, please contact your local NRCS office or see www.nrcs.usda.gov for further contact information in your area.

Applicants interested in projects for water delivery systems improvements that will enable farmers to make additions on-farm improvements in the future should look into Reclamation's Water and Energy Efficiency Grants or contact Josh German at jgerman@usbr.gov or 303-445-2839.

C.3.3. Length of Projects

In general, Funding Group I projects should be completed within two years of award. Funding Group II projects should be completed within three years of award.

Applications for projects requiring more time will be considered for funding only under limited circumstances.

This page is intentionally left blank.

Section D. Application and Submission Information

D.1. Address to Request Application Package

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

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

By mail: Bureau of Reclamation
Financial Assistance Operations
Attn: Mr. Matthew Reichert
Mail Code: 84-27852
P.O. Box 25007
Denver, CO 80225

By e-mail: mreichert@usbr.gov

By telephone: 303-445-3865

D.2. Content and Form of Application Submission

All applications must conform to the requirements set forth below.

D.2.1. Application Format and Length

The total application package shall be no more than ***50*** consecutively numbered pages. If an application exceeds *50* pages, only the first *50* pages will be evaluated. The font shall be at least 12 points in size and easily readable. Page size shall be 8½ by 11 inches, including charts, maps, and drawings. Oversized pages will not be accepted. The technical proposal and evaluation criteria section shall be limited to a maximum of ***20*** pages. The SF-424 forms, letters of project support, funding commitment letters, official resolution, and drought plan will not be considered in the total page count.

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

D.2.2. Application Content

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

- Mandatory Federal Forms
  - SF-424 Application for Federal Assistance

  - SF-424 Budget Information (A or C Form, as applicable to the project)
  - SF-424 Assurances (B or D Form, as applicable to the project)

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

- Title page
- Table of contents
- Technical proposal and evaluation criteria (limited to ***20*** pages)
  - Executive summary
  - Background data
  - Project description
  - Evaluation criteria
  - Performance measures
- Environmental and cultural resources compliance
- Drought plan (attach as an appendix, this will not count toward the page limitation)
- Required permits or approvals
- Letters of project support (will not count toward the page limitation)
- Official resolution (will not count toward the page limitation)
- Project budget
  - Funding plan and letters of commitment
  - Budget proposal
  - Budget narrative

D.2.2.1. Mandatory Federal Forms

The application must include the following standard Federal forms:

SF-424 Application for Federal Assistance

A fully completed SF-424 Application for Federal Assistance signed by a person legally authorized to commit the applicant to performance of the project must be submitted with the application. Failure to submit a properly signed SF-424 may result in the elimination of the application from further consideration.

SF-424 Budget Form

A fully completed SF-424A Budget Information Non-Construction Programs or SF-424C Budget Construction Programs must be submitted with the application.

If you have a question whether to use an SF-424A or SF-424C, please contact the Reclamation Financial Assistance Management contact identified in *Section G. Agency Contacts*.

SF-424 Assurances

A SF-424B Assurances Non-Construction Programs, or a SF-424D Assurances Construction Programs, signed by a person legally authorized to commit the applicant to performance of the project must be included with the application. If you have a question whether to use a SF-424A or SF-424C, please contact the Reclamation Financial Assistance Management contact identified in *Section G. Agency Contacts.* Failure to submit a properly signed SF-424B or SF-424D may result in the elimination of the application from further consideration.

D.2.2.2. 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, and telephone of the project manager.

D.2.2.3. Table of Contents

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

D.2.2.4. Technical Proposal and Evaluation Criteria

The technical proposal and evaluation criteria (***20*** pages maximum) includes:

(1) Executive summary
(2) Background data
(3) Project description
(4) Evaluation criteria
(5) Performance measures

Executive Summary

The executive summary should include:

- The date, applicant name, city, county, and state
- A one paragraph project summary that specifies the work proposed, including how funds will be used to accomplish specific project activities and briefly identifies how the proposed project contributes to accomplishing the goals of this FOA (see *Section C.3.1. Eligible Projects)*
- The length of time and estimated completion date for the proposed project
- Whether or not the proposed project is located on a Federal facility

Background Data

Provide a map of the area showing the geographic location (include the state, county, and direction from nearest town) of the proposed Project.

As applicable, describe the source of water supply, the total quantity of water supply managed and supplied, the water rights involved, current water uses (e.g., agricultural, municipal, domestic, or industrial), the number of water users served, and the current and projected water demand. If water is primarily used for irrigation, describe major crops and total acres served. Also, identify potential shortfalls in water supply and/or provide information on reductions in supply under historical drought conditions. The above information will be used to assess any estimated quantities of additional supply or reduced consumption associated with the proposed project.

In addition, describe the applicant's water delivery or distribution system as appropriate. For agricultural systems, please include the types and approximate total lengths of canals and laterals (e.g., unlined or lined open channel, pipe, including types of pipe and lining materials), the number of irrigation turnouts and other significant existing irrigation improvements (e.g., automated control structures, remote monitoring devices and supervisory control and data acquisitions [SCADA] systems). For municipal systems, please include the total approximate length of distribution lines, number and sizes of storage tanks, number of pump stations and capacities, and the number of connections and/or number of water users served and any other relevant information describing the system.

Identify any past working relationships with Reclamation. This should include the date(s), description of the relationship(s) with Reclamation, and a description of the projects(s).

Project Description

The project description should describe the work in detail, including specific activities that will be accomplished. This description shall have sufficient detail to permit a comprehensive evaluation of the proposal.

Performance Measures

All applicants are required to propose a method (performance measure) of quantifying the benefits of their proposed Project once it is implemented. Quantifying project benefits is an important means to determine the relative effectiveness of various water management efforts, as well as the overall effectiveness of the Project.

Evaluation Criteria

(See *Section E.1. Evaluation Criteria* for additional details, including a detailed description of each criterion and subcriterion and points associated with each.)

The evaluation criteria portion of your application should thoroughly address each criterion and subcriterion in the order presented to assist in the complete and accurate evaluation of your proposal.

It is suggested that applicants copy and paste the evaluation criteria and subcriteria in* Section E.1. Evaluation Criteria *into their applications to ensure that all necessary information is adequately addressed.

D.2.2.5. Environmental and Cultural Resources Compliance

To allow Reclamation to assess the probable environmental and cultural resources impacts and costs associated with each application, all applicants must respond to the following list of questions focusing on National Environmental Policy Act (NEPA), Endangered Species Act (ESA), and National Historic Preservation Act (NHPA) requirements. Please answer the following questions to the best of your knowledge. If any question is not applicable to the project, please explain why. The application should include the answers to:

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

- Are you aware of any species listed or proposed to be listed as a Federal threatened or endangered species, or designated critical habitat in the project area? If so, would they be affected by any activities associated with the proposed project?

- Are there wetlands or other surface waters inside the project boundaries that potentially fall under Clean Water Act (CWA) jurisdiction as "Waters of the United States?" If so, please describe and estimate any impacts the proposed project may have.

- When was the water delivery system constructed?

- Will the proposed 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.

- 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.

- Are there any known archeological sites in the proposed project area?

- Will the proposed project have a disproportionately high and adverse effect on low income or minority populations?

- Will the proposed project limit access to and ceremonial use of Indian sacred sites or result in other impacts on tribal lands?

- Will the proposed project contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area?

Note, if mitigation is required to lessen environmental impacts, the applicant may, at Reclamation's discretion, be required to report on progress and completion of these commitments. Reclamation will coordinate with the applicant to establish reporting requirements and intervals accordingly.

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

If you have any questions regarding NEPA, ESA and NHPA requirements, please see *Section H. Other Information,* and contact your local Reclamation office, listed at www.usbr.gov/main/offices.html.

D.2.2.6. Existing Drought Contingency Plan

If there is an existing drought contingency plan addressing the relevant geographic area, please attach a copy (or relevant sections) of the existing plan. *(Note, this will not count against the application page limit).*

D.2.2.7. Letters of Support

Please include letters from interested stakeholders supporting the proposed project. To ensure your proposal is accurately reviewed, please attach all letters of support/partnership letters as an appendix. *(Note, this will not count against the application page limit.)* **Letters of support received after the application deadline for this FOA will not be considered in the evaluation of the proposed project.**

D.2.2.8. Required Permits or Approvals

Applicants must state in the application whether any permits or approvals are required and explain the plan for obtaining such permits or approvals.

Note that improvements to Federal facilities that are implemented through any project awarded funding through this FOA must comply with additional requirements. The Federal government will continue to hold title to the Federal facility and any improvement that is integral to the existing operations of that facility. Please see P.L. 111-11, Section 9504(a)(3)(B). Reclamation may also require additional reviews and approvals prior to award to ensure that any necessary easements, land use authorizations, or special permits can be approved consistent with the requirements of 43 CFR Section 429, and that the development will not impact or impair project operations or efficiency.

D.2.2.9. Official Resolution

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

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

An official resolution meeting the requirements set forth above is mandatory. If the applicant is unable to submit the official resolution by the application deadline because of the timing of board meetings or other justifiable reasons, the official resolution may be submitted up to 30 days after the application deadline.

D.2.2.10. Project Budget

The project budget includes:

(1) Funding plan and letters of commitment
(2) Budget proposal
(3) Budget narrative

Funding Plan and Letters of Commitment

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

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

- The amount of funding commitment
- The date the funds will be available to the applicant
- Any time constraints on the availability of funds
- Any other contingencies associated with the funding commitment

Commitment letters from third party funding sources should be submitted with your project application. If commitment letters are not available at the time of the application submission, please provide a timeline for submission of all commitment letters. Cost share funding from sources outside the applicant's organization (e.g., loans or state grants), should be secured and available to the applicant prior to award.

Reclamation will not make funds available for an award under this FOA until the recipient has secured non-Federal cost share. Reclamation will execute a financial assistance agreement once non-Federal funding has been secured or Reclamation determines that there is sufficient evidence and likelihood that non-Federal funds will be available to the applicant subsequent to executing the agreement.

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

- How you will make your contribution to the cost share requirement, such as monetary and/or in-kind contributions and source funds contributed by the applicant (e.g., reserve account, tax revenue, and/or assessments).
- Describe any costs incurred before the anticipated Project start date that you seek to include as project costs. For each cost, identify:

- The Project expenditure and amount
- Whether the expenditure is or will be in the form of in-kind services or donations
- The date of cost incurrence
- How the expenditure benefits the Project

- Describe any funding requested or received from other Federal partners. *Note: other sources of Federal funding may not be counted towards the cost share unless otherwise allowed by statute.*

- Describe any pending funding requests that have not yet been approved, and explain how the Project will be affected if such funding is denied.

Please include the following chart (Table 1) to summarize all funding sources. Denote in-kind contributions with an asterisk (*).

Table 1.—Summary of Non-Federal and Federal Funding Sources.

FUNDING SOURCES	AMOUNT
Non Federal Entities	
1.	
2.	
3.	
Non-Federal Subtotal	
Other Federal Entities	
1.	
2.	
3.	
Other Federal Subtotal	
REQUESTED RECLAMATION FUNDING	

Budget Proposal

The budget proposal should include detailed information on the categories listed below and must clearly identify all Project costs. Unit costs must be provided for all budget items including the cost of work to be provided by contractors. The budget proposal should also include any in-kind contributions of goods and services that will be provided to complete the Project. It is strongly advised that applicants use the budget proposal format shown below on Table 2 or a similar

format that provides this information. If selected for award, successful applicants must submit detailed supporting documentation for all budgeted costs.

Table 2.—Sample Budget Proposal Format

BUDGET ITEM DESCRIPTION	COMPUTATION		Quantity Type	TOTAL COST
	$/Unit	Quantity		
Salaries and Wages				
Employee 1				$
Employee 2				$
Employee 3				$
Fringe Benefits				
Full-Time Employees				$
Part-Time Employees				$
Travel				
Trip 1				$
Trip 2				$
Trip 3				$
Equipment				
Item A				$
Item B				$
Item C				$
Supplies and Materials				
Item A				$
Item B				$
Contractual/Construction				
Contractor A				$
Contractor B				$
Other				
Other				$
TOTAL DIRECT COSTS				**$**
Indirect Costs				
Type of rate	percentage	$base		**$**
TOTAL ESTIMATED PROJECT COSTS				**$**

Budget Narrative

Submission of a budget narrative is mandatory. An award will not be made to any applicant who fails to fully disclose this information. The budget narrative provides a discussion of, or explanation for, items included in the budget

proposal. Include the value of in-kind contributions of goods and services and sources of funds provided to complete the Project. The types of information to describe in the narrative include, but are not limited to, those listed in the following subsections. Costs, including the valuation of in-kind contributions and donations, must comply with the applicable cost principles contained in 2 CFR Part §200, available at the Electronic Code of Federal Regulations (www.ecfr.gov).

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

Include estimated hours for compliance with reporting requirements, including final project and evaluation. Please see *Section F.3. Reporting Requirements and Distribution* for information on types and frequency of reports required.

Clearly identify any proposed salary increases and the effective date.

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

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.

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.

Equipment

Itemize costs of all equipment having a value of over $5,000 and include information as to the need for this equipment, as well as how the equipment was priced if being purchased for the agreement. If equipment is being rented, specify the number of hours and the hourly rate. Local rental rates are only accepted for

equipment actually being rented or leased for the project. If equipment currently owned by the applicant is proposed for use under the proposed project, and the cost to use that equipment is being included in the budget as in-kind cost share, provide the rates and hours for each piece of equipment owned and budgeted. These should be ownership rates developed by the recipient for each piece of equipment. If these rates are not available, the U.S. Army Corp of Engineer's recommended equipment rates for the region are acceptable. Blue book, FEMA, and other data bases cannot be used.

Materials and Supplies

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

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 the time of award, no other approvals will be required. Any changes or additions will require a request for approval. Identify how the budgeted costs for subrecipients, consultants, or contractors were determined to be fair and reasonable.

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 and the recipient in complying with environmental regulations applicable to an award under this FOA, including costs associated with any required documentation of environmental compliance, analyses, permits, or approvals. Applicable Federal environmental laws could include NEPA, ESA, NHPA, CWA, and other regulations depending on the project. Such costs may include, but are not limited to:

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

The amount of the line item should be based on the actual expected environmental compliance costs for the project, including Reclamation's cost to review environmental compliance documentation. However, the minimum amount budgeted for environmental compliance should be equal to at least one to two percent of the total project costs. If the amount budgeted is less than one to two percent of the total project costs, you must include a compelling explanation of why less than one to two percent was budgeted.

How environmental compliance activities will be performed (e.g., by Reclamation, the applicant, or a consultant) and how the environmental compliance funds will be spent, will be determined pursuant to subsequent agreement between Reclamation and the applicant. The amount of funding required for Reclamation to conduct any environmental compliance activities, including Reclamation's cost to review environmental compliance documentation, will be withheld from the Federal award amount and placed in an environmental compliance account to cover such costs. 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.

Other Expenses

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

Indirect Costs

Indirect costs that will be incurred in performance of Project activities, which will not otherwise be recovered, may be included as part of the budget proposal. Show the proposed rate, cost base, and proposed amount for allowable indirect costs based on the applicable cost principles for the recipient's organization. Applicants must not incorporate indirect rates within direct cost line items.

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

If the applicant has never received a Federal negotiated indirect cost rate, the budget may include a *de minimis* rate of up to 10 percent of modified total direct costs. For further information on modified total direct costs, refer to 2 CFR §200.68, available at www.ecfr.gov.

If the applicant does not have a federally approved indirect cost rate agreement and is proposing a rate greater than the *de minimis* 10 percent rate, 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 Services, at www.doi.gov/ibc/services/finance/indirect-cost- services.

Total Costs

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

D.3. Unique Entity Identifier and System for Award Management

All applicants (unless the applicant has an exception approved by Reclamation under 2 CFR §25.110[d]) are required to:

(i) Be registered in the System for Award Management (SAM) before submitting its application;

(ii) Provide a valid unique entity identifier in its application; and

(iii) Continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration by a Federal awarding agency.

Meeting the requirements set forth above is mandatory. If the applicant is unable to comply with these requirements by the application deadline, the unique entity identifier must be obtained and SAM registration must be initiated within 30 days after the application deadline in order to be considered for selection and award. Applications that do not comply with these requirements may be removed from consideration.

Reclamation will not make a Federal award to an applicant until the applicant has complied with all applicable unique entity identifier and SAM requirements and, if an applicant has not fully complied with the requirements by the time the Reclamation is ready to make an award, Reclamation may determine that the applicant is not qualified to receive a Federal award and use that determination as a basis for making a Federal award to another applicant.

D.4. Submission Date and Time

Application submission date deadline:

February 14, 2017 at 4:00 p.m. Mountain Standard Time (MST)

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

Please note that any application submitted for funding under this FOA may be subjected to a Freedom of Information Act request (5 USC Section 552, as amended by P.L. No. 110-175), and as a result, may be made publicly available. Following awards of funding, Reclamation may post all successful applications on the Reclamation website, www.usbr.gov/drought after conducting any redactions determined necessary by Reclamation, in consultation with the recipient.

D.4.1. Application Delivery Instructions

Applications may be submitted electronically through Grants.gov (www.grants.gov) or hard copies may be submitted to either one of the following addresses. Under no circumstances will applications received through any other method (such as email or fax) be considered eligible for award.

By mail:
Bureau of Reclamation
Financial Assistance Operations
Attn: Mr. Matthew Reichert
Mail Code: 84-27852
P.O. Box 25007
Denver, CO 80225

By express delivery:
Bureau of Reclamation mail services
Attn: Mr. Matthew Reichert
Denver Federal Center Bldg. 67,
Rm. 152
6th Avenue and Kipling Street
Denver, CO 80225

By courier services:
Bureau of Reclamation
Attn: Mr. Matthew Reichert
Denver Federal Center Bldg.
56, Rm. 1000
6th Avenue and Kipling Street
Denver, CO 80225

D.4.2. Instructions for Submission of Application

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

D.4.2.1. Applications Submitted by Mail, Express Delivery or Courier Services

Please follow these instructions to submit your application by mail, express delivery, or courier services.

- Applicants shall submit one copy of all application documents for hardcopy submissions. Only use a binder clip for documents submitted. Do not staple or otherwise bind application documents.

- Hard copy applications may be submitted by mail, express delivery, or courier services to the addresses identified in this FOA.

- Materials arriving separately will not be included in the application package and may result in the application being rejected or not funded. This does not apply to letters of support, funding commitment letters, or official resolutions.

- Faxed and emailed copies of application documents will not be accepted.

- Do not include a cover letter or company literature/brochure with the application. All pertinent information must be included in the application package.

D.4.2.2. Applications Submitted Electronically

If the applicant chooses to submit an electronic application, it must be submitted through Grants.gov (www.grants.gov). Reclamation encourages applicants to submit their applications for funding electronically at www.grants.gov/applicants/apply-for-grants.html. Applicant resource documents and a full set of instructions for registering with Grants.gov (www.grants.gov) and completing and submitting applications online are available at www.grants.gov/applicants/apply-for-grants.html.

- Please note that submission of an application electronically requires prior registration through Grants.gov, which may take 7 to 21 days. Please see registration instructions at www.grants.gov/applicants/apply-for-grants.html. **In addition, please note that the Grants.gov system only accepts applications submitted by individuals that are registered and active in SAM as both a user and an Authorized Organizational Representative.**

- Applicants have experienced significant delays when attempting to submit applications through Grants.gov. If you plan to submit your application through Grants.gov you are encouraged to submit your application several days prior to the application deadline. If you are a properly registered Grants.gov applicant and encounter problems with the Grants.gov application submission process, you must contact the Grants.gov Help

Desk to obtain a case number. This case number will provide evidence of your attempt to submit an application prior to the submission deadline.

Regardless of the delivery method used, you must ensure that your proposal arrives by the date and time deadline stated in this FOA. Applications received after this date and time due to weather or express delivery/courier performance will not be considered for award. Late applications will not be considered unless it is determined that the delay was caused by Federal government mishandling or by a problem with the Grants.gov application system.

D.4.2.3. Acknowledgement of Application Receipt.

If an application is submitted by mail, express delivery, or courier, Reclamation will notify you in writing that your application was received and whether it was received prior to the deadline identified in the FOA.

If an application is submitted through Grants.gov, you will receive an email acknowledging receipt of the application from Grants.gov. In addition, Reclamation will notify you in writing that your application was retrieved from Grants.gov.

D.5. Intergovernmental Review

This FOA is subject to Executive Order 12372, "Intergovernmental Review of Federal Programs." A list of states that have elected to participate in the intergovernmental review process can be found at https://www.whitehouse.gov/sites/default/files/omb/assets/grants/spoc.pdf. Applicants in these states must contact their state's Single Point of Contact (SPOC) to find out about and comply with the state's process under Executive Order 12372. The names and addresses of the SPOCs are listed in the Office of Management and Budget's website, https://www.whitehouse.gov/sites/default/files/omb/assets/grants/spoc.pdf.

D.6. Funding Restrictions: Pre-award Costs

Project pre-award costs that have been incurred prior to the date of award but after July 1, 2016, may be submitted for consideration as an allowable portion of the recipient's cost share for the project. **In no case will pre-award costs incurred prior to July 1, 2016, be considered for cost share purposes.**

For example, such costs might include design or construction plans and environmental compliance costs directly supporting the proposed project. Reclamation will review the proposed pre-award costs to determine if they are allowable in accordance with the authorizing legislation and applicable cost principles. To be considered allowable, any pre-award costs proposed for consideration under the new awards must comply with all applicable requirements under this FOA.

D.7. Automated Standard Application for Payments Registration

All applicants must also be registered with and willing to process all payments through the Department of Treasury Automated Standard Application for Payments (ASAP) system. All recipients with active financial assistance agreements with Reclamation must be enrolled in ASAP under the appropriate Agency Location Code(s) and the Data Universal Number System (DUNS) Number prior to the award of funds. If a recipient has multiple DUNS numbers they must separately enroll within ASAP for each unique DUNS Number and/or Agency. All of the information on the enrollment process for recipients, including the enrollment initiation form and the enrollment mailbox can be found at www.usbr.gov/mso/aamd/asap.html.

Note that if your entity is currently enrolled in the ASAP system with an agency other than Reclamation, you must enroll specifically with Reclamation in order to process payments.

Section E. Application Review Information

E.1. Evaluation Criteria

The evaluation criteria portion of your application should thoroughly address each of the following criteria and subcriteria in the order presented to assist in the complete and accurate evaluation of your proposal. **Applications will be evaluated against the evaluation criteria (listed below), which comprise a total of 100 points.** Please note that projects may be prioritized to ensure balance among the program task areas and to ensure that the projects address the goals of the Drought Response Program.

*Please note, if the work described in your application is a phase of a larger project, **only** discuss the benefits that will result directly from the work discussed in your application and that is reflected in the budget, not the overall project.*

The following criteria will be used by the Application Review Committee to rank proposals submitted under this FOA. ***It is suggested that applicants copy and paste the evaluation criteria and sub-criteria immediately below into their applications to ensure that all necessary information is adequately addressed.***

E.1.1. Evaluation Criterion A—Project Benefits (40 points)

Up to **40 points** may be awarded based on the expected drought resiliency benefits of the proposed project. Proposals containing a well-supported and detailed description of both quantifiable and qualitative benefits will receive the most points under this criterion. *For projects that do not make additional water supplies available, please describe how the project will improve water management. For projects that make additional water supplies available AND improve water management, please respond to all questions under this criterion.*

Please describe how the proposed project will improve drought resiliency, including:

- Will the project make additional water supplies available?
    - If so, what is the estimated quantity of additional supply the project will provide and how was this estimate calculated?
    - What percentage of the total water supply does the additional water supply represent? How was this estimate calculated?
    - Provide a brief qualitative description of the degree/significance of the benefits associated with the additional water supplies.

- How will the project build long-term resilience to drought? How many years will the project continue to provide benefits?

- How will the project improve the management of water supplies? For example, will the project increase efficiency, increase operational flexibility, or facilitate water marketing (e.g., improve the ability to deliver water during drought or access other sources of supply)? If so, how will the project increase efficiency or operational flexibility?

- Will the project make new information available to water managers?If so, what is that information and how will it improve water management?

- Will the project have benefits to fish, wildlife, or the environment? If so, please describe those benefits.

- What is the estimated quantity of water that will be better managed as a result of this project? How was this estimate calculated?

- What percentage of the total water supply does the water better managed represent? How was this estimate calculated?

- Provide a brief qualitative description of the degree/significance of anticipated water management benefits.

If the proposed project includes any of the following components, please provide the applicable additional information:

Salt Water Barriers.—What supply of water is the barrier protecting and to what degree is it comprehensive protection? What is the protected water supply mainly used for?

Wells.—What is the estimated capacity of the new well(s), and how was the estimate calculated? How much water do you plan to extract through the well(s)? Will the well be used as a primary supply or supplemental supply when there is a lack of surface supplies? Please provide information documenting that proposed well(s) will not adversely impact the aquifer it/they are pumping from (overdraft or land subsidence). At a minimum, this should include aquifer description, information on existing or planned aquifer recharge facilities, a map of the well location and other nearby surface water supplies, and physical descriptions of the proposed well(s) (depth, diameter, casing description, etc.). If available, information should be provided on nearby wells (sizes, capacities, yields, etc.), aquifer test results, and if the area is currently experiencing aquifer overdraft or

land subsidence. Please describe the groundwater monitoring plan that will be undertaken and the associated monitoring triggers for mitigation actions. Describe how the mitigation actions will respond to or help avoid any significant adverse impacts to third parties that occur due to groundwater pumping.

New Water Marketing Tool or Program.—How does the new tool or program increase the flexibility of acquiring water on the open market? What is the scope of water users and uses that will benefit? Are there any legal issues pertaining to water marketing that could hinder project implementation (e.g., restrictions under Reclamation or state law or contracts, or individual project authorities).

Metering/Water Measurement Projects. —To what extent are the methods tested/proven? To what degree will the project improve the ability to predict the onset of drought earlier and/or with more certainty? To what degree will the project improve the ability to anticipate the severity and magnitude of drought? To what degree will the project improve the likelihood/timing of detecting mitigation action triggers? Explain why this is a necessary sub-component of another eligible Drought Resiliency Project as described in Tasks A-C.

Environmental/Wildlife Projects

- What are the types and quantities of environmental benefits provided, such as the types of species and their numbers benefited, acreage of habitat improved, restored or protected, or the amount of flow provided? How was this estimate calculated?

- What is the status of the species of interest (i.e. endangered, threatened, etc.? How has the drought impact the species?

- If the proposed project will benefit federally listed threatened or endangered species please consider the following elements:

- Is the species subject to a recovery plan or conservation plan under the ESA?

- What is the relationship of the species to water supply?

- What is the extent of the proposed project that would reduce the likelihood of listing, or would otherwise improve the status of the species?

- Is the species adversely affected by a Reclamation project?

E.1.2. Evaluation Criterion B—Drought Planning and Preparedness (20 points)

Up to **20 points** may be awarded for a proposal based on the extent that the proposed drought resiliency project(s) is supported by an existing drought plan. Such drought plans do not require Reclamation approval and may include plans prepared by someone other than the applicant (e.g., an existing state, county, municipal, or other plan is acceptable).

Proposals that demonstrate that the proposed project is clearly supported by an existing drought plan will be awarded the most points under this criterion. *Please note that this criterion does not address the benefits of the project and the description should be limited to the extent to which a plan supports the project. Project benefits are addressed under* E.1.1. Evaluation Criterion A—Building Drought Resiliency*, above.*

For purposes of evaluating this criterion, please:

- Attach a copy of the applicable drought plan, or sections of the plan, as an appendix to your application. These pages will not be included in the total page count for the application.

- Explain how the applicable plan addresses drought. Proposals that reference plans clearly intended to prepare for and address drought will receive more points under this criterion.

    - Explain whether the drought plan was developed with input from multiple stakeholders. Was the drought plan developed through a collaborative process?

    - Does the drought plan include consideration of climate change impacts to water resources or drought?

- Describe how your proposed drought resiliency project is supported by and existing drought plan.

        - Does the drought plan identify the proposed project as a potential mitigation or response action?

        - Does the proposed project implement a goal or need identified in the drought plan?

        - Describe how the proposed project is prioritized in the referenced drought plan?

E.1.3. Evaluation Criterion C—Severity of Actual or Potential Drought Impacts to be Addressed by the Project (20 points)

Up to **20 points** may be awarded based upon the severity of actual or potential drought impacts to be addressed by the project. Proposals that address more urgent needs and more severe drought impacts will receive higher priority consideration on this criterion than proposals that address less significant needs and impacts.

Describe the severity of the impacts that will be addressed by the project:

- What are the ongoing or potential drought impacts to specific sectors in the project area if no action is taken (e.g., impacts to agriculture, environment, hydropower, recreation and tourism, forestry), and how severe are those impacts? Impacts should be quantified and documented to the extent possible. For example, impacts could include, but are not limited to:

  - Whether there are public health concerns or social concerns associated with current or potential drought conditions (e.g., water quality concerns including past or potential violations of drinking water standards, increased risk of wildfire, or past or potential shortages of drinking water supplies? Does the community have another water source available to them if their water service is interrupted?)

  - Whether there are ongoing or potential environmental impacts (e.g., impacts to endangered, threatened or candidate species or habitat)

  - Whether there are ongoing, past or potential, local, or economic losses associated with current drought conditions (e.g., business, agriculture, reduced real estate values)

  - Whether there are other drought-related impacts not identified above (e.g., tensions over water that could result in a water-related crisis or conflict).

  - Describe existing or potential drought conditions in the project area.

  - Is the project in an area that is currently suffering from drought or which has recently suffered from drought? Please describe existing or recent drought conditions, including when and the period of time that the area has experienced drought conditions (please provide supporting documentation, [e.g., Drought Monitor, droughtmonitor.unl.edu]).

- Describe any projected increases to the severity or duration of drought in the project area resulting from climate change. Provide support for your response (e.g., reference a recent climate change analysis, if available).

E.1.4. Evaluation Criterion D—Project Implementation (10 points)

Up to **10 points** may be awarded based upon the extent to which the proposed project is capable of proceeding upon entering into a financial assistance agreement. Applicants that describe a detailed plan (e.g., estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates) will receive the most points under this criterion.

- Describe the implementation plan of the proposed project. Please include an estimated project schedule that shows the stages and duration of the proposed work, including major tasks, milestones, and dates.

- Describe any permits that will be required, along with the process for obtaining such permits.

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

- Describe any new policies or administrative actions required to implement the project.

E.1.5. Evaluation Criterion E—Nexus to Reclamation (10 points)

Up to **10 points** may be awarded based on the extent that the proposal demonstrates a nexus between the proposed project and a Reclamation project or activity. Describe the nexus between the proposed project and a Reclamation project or activity, including:

- How is the proposed project connected to a Reclamation project or activity?

- Will the project help Reclamation meet trust responsibilities to any tribe(s)?

- Does the applicant receive Reclamation project water?

- Is the project on Reclamation project lands or involving Reclamation facilities?

- Is the project in the same basin as a Reclamation project or activity?

- Will the proposed work contribute water to a basin where a Reclamation project is located?

E.2. Review and Selection Process

The Federal government reserves the right to reject any and all applications which do not meet the requirements of this FOA or which are outside the scope of Drought Response Program. Awards will be made for Projects most advantageous to the Federal government. Award selection may be made to maintain balance among the program tasks listed in *Section C.3.1. Eligible Projects*. The evaluation process will be comprised of the steps described in the following subsections.

E.2.1. Initial Screening

All applications will be screened to ensure that:

- The applicant meets the eligibility requirements stated in this FOA.

- The applicant meets the unique entity identifier and SAM registration requirements stated in this FOA (this may be completed up to 30 days after the application deadline).

- The application meets the requirements of the FOA package, including submission of technical and budget proposals, a funding plan, letter(s) of commitment, and related forms.

- The application contains a properly executed SF-424 Application for Financial Assistance and form SF-424B Assurances Non-Construction Programs, or SF-424D Assurances Construction Programs and a completed SF-424A Budget Information Non-Construction Programs or SF-424C Budget Information Construction Programs.

- The application includes an official resolution, adopted by the applicant's board of directors, governing body, or appropriate authorized official (this may be submitted up to 30 days after the application deadline).

- The application and funding plan meets or exceeds the minimum non-Federal cost share requirements identified in this FOA.

- The project can be completed by September 30, 2019 (Funding Group I), or by September 30, 2020 (Funding Group II). Note: Under limited

circumstances, an exception may be made for Funding Group I projects requiring more than two years.

Reclamation reserves the right to remove an application from funding consideration if it does not pass all Initial Screening criteria listed above. An applicant that has submitted an application that is determined to be ineligible for funding will be notified along with other applicants, or sooner, if possible.

E.2.2. Application Review Committee

Evaluation criteria will comprise the total evaluation weight as stated in Section E.1. Evaluation Criteria. Applications will be scored against the evaluation criteria by an Application Review Committee (ARC), made up of experts in relevant disciplines selected from across Reclamation. The ARC will also review the application to ensure that the proposed project meets the description of eligible projects and meets the objective of this FOA.

During the ARC review, Reclamation may contact applicants to request clarifications to the information provided, if necessary.

E.2.3. Red-Flag Review

Following the results of the ARC review, Reclamation will review the top-ranking applications and identify any reasons why a proposed Project would not be feasible or otherwise advisable, including environmental or cultural resources compliance issues, permitting issues, legal issues, or financial position. Positive or negative past performance by the applicant and any partners in previous working relationships with Reclamation may be considered, including whether the applicant is making significant progress toward the completion of outstanding financial assistance agreements and whether the applicant is in compliance with all reporting requirements associated with previously funded projects.

In addition, during this review Reclamation will address any specific concerns or questions raised by members of the ARC, conduct a preliminary budget review, and evaluate the applicant's ability to meet cost share as required.

E.2.4. Managerial Review

Reclamation management will prioritize projects to ensure the total amount of all awards does not exceed available funding levels. Management will also ensure that all projects meet the scope, priorities, requirements, and objectives of this

FOA. Management may also prioritize projects to ensure that multiple project types are represented.

E.2.5. Pre-Award Clearances and Approvals

The following pre-award clearances and approvals must be obtained before an award of funding is made. If the results of these pre-award reviews and clearances are satisfactory, the award of funding will be made once the agreement is finalized (approximately one to three months from the date of initial selection). If the results of pre-award reviews and clearances are unsatisfactory, consideration of funding for the project may be withdrawn.

E.2.5.1 Environmental Review

Reclamation will forward all proposals selected for award consideration to the appropriate Reclamation region or area office for completion of environmental compliance. To the extent possible, environmental compliance will be completed before a financial assistance agreement is signed by the parties. However, in most cases, the award will be made contingent on completion of environmental compliance. The financial assistance agreement will describe how compliance will be carried out and how the costs will be paid. Ground disturbing activities may not occur until this second level of environmental analysis is completed.

E.2.5.2 Budget Analysis and Business Evaluation

A Reclamation Grants Officer will also conduct a detailed budget analysis and complete a business evaluation and responsibility determination. During this evaluation, the Grants Officer will consider several factors that are important, but not quantified, such as:

- Allowability, allocability, and reasonableness of proposed costs
- Financial strength and stability of the applicant
- Past performance, including satisfactory compliance with all terms and conditions of previous awards, such as environmental compliance issues, reporting requirements, proper procurement of supplies and services, and audit compliance
- Adequacy of personnel practices; procurement procedures; and accounting policies and procedures, as established by applicable Office of Management and Budget circulars

E.3. Federal Award Performance Integrity Information System

Prior to making an award with a Federal total estimated amount greater than $150,000, Reclamation is required to review and consider any information about the applicant that is in the designated integrity and performance system accessible through SAM (currently Federal Award Performance Integrity Information System [FAPIIS]) (see 41 United States Code [U.S.C.] §2313). An applicant, at its option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about itself that a Federal awarding agency previously entered and is currently in the designated integrity and performance system accessible through SAM. Reclamation will consider any comments by the applicant, in addition to the other information in FAPIIS, in making a judgment about the applicant's integrity, business ethics, and record of performance under Federal awards when completing the review of risk posed by applicants as described in 2 CFR §200.205 Federal awarding agency review of risk posed by applicants.

E.4. Anticipated Announcement and Federal Award Date

Reclamation expects to contact potential award recipients and unsuccessful applicants in May 2017 or slightly later if necessary. Within one to three months after that date, financial assistance agreements will be awarded to applicants that successfully pass all pre-award reviews and clearances.

Section F. Federal Award Administration Information

F.1. Federal Award Notices

Successful applicants will receive by electronic mail, a notice of selection signed by a Reclamation Grants Officer. This notice is not an authorization to begin performance.

F.2. Administrative and National Policy Requirements

F.2.1. Environmental and Cultural Resources Compliance

All projects being considered for award funding will require compliance with the National Environmental Policy Act (NEPA) before any ground-disturbing activity may begin. Compliance with all applicable state, Federal and local environmental, cultural, and paleontological resource protection laws and regulations is also required. These may include, but are not limited to, the Clean Water Act CWA), the Endangered Species Act (ESA), the National Historic Preservation Act (NHPA), consultation with potentially affected tribes, and consultation with the State Historic Preservation Office.

Reclamation will be the lead Federal agency for NEPA compliance and will be responsible for evaluating technical information and ensuring that natural resources, cultural, and socioeconomic concerns are appropriately addressed. As the lead agency, Reclamation is solely responsible for determining the appropriate level of NEPA compliance. Further, Reclamation is responsible to ensure that findings under NEPA, and consultations, as appropriate, will support Reclamation's decision on whether to fund a project. Environmental and cultural resources compliance costs are considered project costs. These costs will be considered in the ranking of applications.

Under no circumstances may an applicant begin any ground-disturbing activities (e.g., grading, clearing, and other preliminary activities) on a project before environmental and cultural resources compliance is complete and Reclamation explicitly authorizes work to proceed. This pertains to all components of the proposed project, including those that are part of the applicant's non-Federal cost share. Reclamation will provide a successful applicant with information once such compliance is complete. An applicant that proceeds before environmental and cultural resources compliance is complete may risk forfeiting Reclamation funding under this FOA.

F.2.2 Approvals and Permits

Recipients shall adhere to Federal, state, territorial, tribal, and local laws, regulations, and codes, as applicable, and shall obtain all required approvals and permits. Recipients shall also coordinate and obtain approvals from site owners and operators.

F.2.3. Requirements for Agricultural Operations under P.L. 111-11, Section 9504(a)(3)(B)

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

- Not to use any associated water savings to increase the total irrigated acreage of the applicant
- Not to otherwise increase the consumptive use of water in the operation of the applicant, as determined pursuant to the law of the state in which the operation of the applicant is located

F.2.4. Title to Improvements P.L.111-11, Section 9504(a)(3)(D)

If the activities funded through an agreement awarded under this FOA result in a modification to a portion of a federally owned facility that is integral to the existing operations of that facility, the Federal government shall continue to hold title to the facility and the improvements thereto. Title to improvements, P.L.111-11, Section 9504(a)(3)(D) that are not integral to existing water delivery operations shall reside with the project sponsor.

F.2.5. Operation and Maintenance Costs under P.L.111-11, Section 9504(a)(3)(E)(iv)

The non-Federal share of the costs for operation and maintenance of any infrastructure improvement funded through an agreement awarded under this FOA shall be 100 percent.

F.2.6. Liability under P.L.111-11, Section 9504(a)(3)(F)

F.2.6.1. In General

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

F.2.6.2. Tort Claims Act

Nothing in this section increases the liability of the United States beyond that provided in Federal Tort Claims Act.

F.3. Reporting Requirements and Distribution

Recipients of awards made under this FOA will be required to submit the following reports during the term of the agreement. The specific terms and conditions pertaining to the reporting requirements will be included in the financial assistance agreement.

F.3.1. Financial Reports

Recipients will be required to submit a fully completed form SF-425, Federal Financial Report on at least a semi-annual basis and with the final performance report. The SF-425 must be signed by a person legally authorized to obligate the recipient.

F.3.2. Interim Program Performance Reports

Recipients will be required to submit interim performance reports on at least a semi-annual basis. At a minimum, each interim performance report must include the following information:

- A comparison of actual accomplishments to the milestones established by the financial assistance agreement for the period
- The reasons why established milestones were not met, if applicable
- The status of milestones from the previous reporting period that were not met, if applicable
- Whether the project is on schedule and within the original cost estimate
- Any additional pertinent information or issues related to the status of the project

F.3.3 Final Program Performance Report

Recipients will be required to submit a final performance report encompassing the entire period of performance. The final performance report must include, but is not limited to the following information:

- Whether the project objectives and goals were met

- Discussion of the benefits achieved by the project, including information and/or calculations supporting the benefits
- How the project improves long-term resiliency to drought
- How the project demonstrates collaboration, if applicable
- Photographs documenting the project are also appreciated

Note: Reclamation may print photos with appropriate credit to the applicant. Also, final reports are public documents and may be made available on Reclamation's website, www.usbr.gov/drought.

F.4. Releasing Applications

Following awards of funding, Reclamation may post all successful applications on the Reclamation website after conducting any redactions determined necessary by Reclamation, in consultation with the recipient.

Section G. Agency Contacts

There will be no pre-application conference. Organizations or individuals interested in submitting applications in response to this FOA may direct questions to the Reclamation personnel identified below.

G.1. Reclamation Financial Assistance Management Contact

Questions regarding application and submission information and award administration may be submitted to the attention of Mr. Matthew Reichert, Grants Management Specialist, as follows:

By mail: Bureau of Reclamation
Financial Assistance Operations
Attn: Mr. Mattthew Reichert
Mail Code: 84-27852
P.O. Box 25007
Denver, CO 80225

By email: mreichert@usbr.gov

By phone: 303-445-3865

G.2. Reclamation Program Coordinator Contact

Questions regarding applicant and project eligibility and application review may be submitted to the attention of Mr. Darion Mayhorn, Program Analyst, as follows:

By mail: Bureau of Reclamation
Water Resources and Planning
Attn: Mr. Darion Mayhorn
Mail Code: 84-51000
P.O. Box 25007
Denver, CO 80225

By e-mail: dmayhorn@usbr.gov

By phone: 303-445-3121

This page is intentionally left blank.

Section H. Other Information

The following is a brief overview of NEPA, NHPA, and ESA. While these statutes are not the only environmental laws that may apply to drought resiliency 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 to award a Drought Resiliency Project Grant. The descriptions below are intended to provide you with information about the environmental compliance issues that may apply to your projects and to help you budget appropriately for the associated compliance costs.

H.1. 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 Drought Resiliency Project Grant, 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 **Interior CE** or documentation of a **Reclamation CE** using a **Categorical Exclusion Checklist (CEC)**. If a CE is being considered, Reclamation will determine the applicability of the CE and whether extraordinary circumstances (i.e., reasons that the CE cannot be applied) exist. That process can take anywhere from 1 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 (EIS)**, 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 **EIS** and **Record**

of Decision (ROD). An EIS requires months or years to complete, and the process includes considerable public involvement, including mandatory public reviews of draft documents. It is not anticipated that projects proposed under this program will 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 that has experience in evaluating effects in context and by intensity.

Reclamation has the sole discretion to determine what level of environmental NEPA compliance is required. If another Federal agency is involved, Reclamation will coordinate to determine the appropriate level of compliance. You are encouraged to contact your regional or area Reclamation office.with questions regarding NEPA compliance issues (see www.usbr.gov/main/offices.html). You may also contact the Drought Response Program Coordinator for further information (see *Section G: Agency Contacts*).

H.2. National Historic Preservation Act

To comply with Section 106 of the NHPA, Reclamation must consider whether a proposed project has the **potential to cause effects to historic properties**, before it can award a Drought Resiliency Project 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, Drought Resiliency Project 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, including:

- If Reclamation determines that the proposed 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 one 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 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 as to whether additional information is necessary
- Evaluation of the significance of identified cultural resources
- Assessment of the effect of the project on historic properties
- A determination as to whether the project would have an adverse effect and evaluation of alternatives or modifications to avoid, minimize, or mitigate the effects
- A Memorandum of Agreement is then used to record and implement any necessary measures. At a minimum, completion of the multi-step Section 106 process takes about two months.

- Among the types of historic properties that might be affected by Drought Resiliency Project 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, drought resiliency 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.

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

H.3. Endangered Species Act

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

Before Reclamation can approve funding for the implementation of a Drought Resiliency Project Grant, 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 proposed project. A rough overview of the possible course of ESA compliance is:

- If Reclamation can determine that there are no endangered or threatened species or designated critical habitat in the project area, then the ESA review is complete and no further compliance measures are required. This process can take anywhere from one day to one 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 USFWS/NOAA Fisheries Service concurs in writing, then no further consultation is required and the 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 USFWS/NOAA Fisheries Service 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 USFWS or NOAA Fisheries Service is required to comply with the ESA. The process includes the creation of a **Biological Opinion** by the USFWS/NOAA Fisheries Service, including a determination of 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. Nondiscretionary **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.

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 a CEC, documented simultaneously. The best source of information concerning the compliance with the ESA in a particular project area is the local Reclamation environmental staff that can be helpful in determining the presence of listed species and possible effects that would require consultation with the USFWS or NOAA Fisheries Service. Contact your regional or area Reclamation office with questions regarding ESA compliance issues (see

www.usbr.gov/main/offices.html). You may also contact the Drought Response Program Coordinator for further information (see *Section G: Agency Contacts*) .