BUREAU OF RECLAMATION

Notice of Funding Opportunity No. R21AS00278

WaterSMART Grants: Water Marketing Strategy Grants for Fiscal Year 2021



U.S. Department of the Interior

February 2021

Mission Statements

The Department of the Interior conserves and manages the Nation's natural resources and cultural heritage for the benefit and enjoyment of the American people, provides scientific and other information about natural resources and natural hazards to address societal challenges and create opportunities for the American people, and honors the Nation's trust responsibilities or special commitments to American Indians, Alaska Natives, and affiliated island communities to help them prosper.

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, Water Resources and Planning Office
Funding Opportunity Title:	WaterSMART Grants: Water Marketing Strategy Grants for Fiscal Year (FY) 2021
Announcement Type:	Notice of Funding Opportunity (NOFO)
Funding Opportunity Number:	R21AS00278
Catalog of Federal Domestic Assistance (CFDA) Number:	15.507
Dates: (See NOFO Sec. D.4)	Application due date: Wednesday, April 7, 2021, at 4:00 p.m. Mountain Daylight Time (MDT)
Eligible Applicants: (See NOFO Sec. C.1)	**Category A:** States, Indian Tribes, irrigation districts, water districts; state, regional, or local authorities whose members include one or more organizations with water or power delivery authority; and, other organizations with water or power delivery authority. **Category B:** Nonprofit conservation organizations that are acting in partnership and with the agreement of an entity described in Category A. All applicants must be located in the Western United States or United States Territories, including Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and Puerto Rico.
Recipient Cost Share: (See NOFO Sec. C.2)	50 percent or more of total project costs
Federal Funding Amount: (See NOFO Sec. B.1)	**Funding Group I:** Up to $200,000 for a project that can be completed within 2 years **Funding Group II:** Up to $400,000 for a project that can be completed within 3 years
Estimated Number of Agreements to be Awarded: (See NOFO Sec. B.1)	It is anticipated that 10-12 awards may be funded under this NOFO.
Estimated Amount of Funding Available for Award: (See NOFO Sec B.1)	Reclamation will make approximately $3 million of the FY 2021 appropriations for WaterSMART Grants available for the implementation of Water Marketing Strategy Grants under this NOFO.

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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 Information Assurances	See Sec. D.2.2.1	SF-424, SF-424A, and SF-424B forms may be obtained at www.grants.gov/web/grants/forms/sf-424-mandatory-family.html	*
	Title page	See Sec. D.2.2.2	Page 17	*
	Table of contents	See Sec. D.2.2.3	Page 17	*
	Technical proposal: Executive summary Project location and description Evaluation criteria	See Sec. D.2.2.4 See Sec. E.1	Page 17 Page 31	* * * *
	Project Budget: Funding plan and letters of commitment Budget proposal Budget narrative	See Sec. D.2.2.5	Page 18	* * * *
	Environmental and cultural resources compliance	See Sec. D.2.2.6	Page 24	
	Required permits or approvals	See Sec. D.2.2.7	Page 25	*
	Letters of support	See Sec. D.2.2.9	Page 25	*
	Official Resolution	See Sec. D.2.2.10	Page 25	**
	Unique Entity Identifier and System for Award Management	See Sec. D.3	Page 26	***

* Submit materials with your application.
** Document should be submitted with your application; however, please refer to the applicable section of the NOFO for extended submission date.
*** Should be completed prior to the application deadline; however, please refer to the applicable section of the NOFO for extended completion date.

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Acronyms and Abbreviations

ASAP	Automated Standard Application for Payments
ARC	Application Review Committee
CBWP	Community-Based Water Planning
CE	Categorical Exclusion
CEC	Categorical Exclusion Checklist
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CWA	Clean Water Act
CWMP	Cooperative Watershed Management Program
Department	U.S. Department of the Interior
DUNS	Data Universal Number System
EA	Environmental Assessment
EIS	Environmental Impact Statement
ESA	Endangered Species Act
FAPIIS	Federal Award Performance Integrity Information System
FOIA	Freedom of Information Act
FONSI	Finding of No Significant Impact
FY	fiscal year
MDT	Mountain Daylight Time
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
NOFO	Notice of Funding Opportunity
P.L.	Public Law
Project	Water Marketing Strategy
Reclamation	Bureau of Reclamation
ROD	Record of Decision
SAM	System of Award Management
SECURE	Science and Engineering to Comprehensively Understand and Responsibly Enhance
U.S.C.	United States Code
USFWS	U.S. Fish and Wildlife Service
WaterSMART	Sustain and Manage America's Resources for Tomorrow
WIIN	Water Infrastructure Improvements for the Nation

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Section A. Funding Opportunity Description

A.1. Program Information

The U.S. Department of the Interior's (Department) WaterSMART (Sustain and Manage America's Resources for Tomorrow) Program provides a framework for Federal leadership and assistance to stretch and secure water supplies for future generations. Through WaterSMART, the Bureau of Reclamation (Reclamation) leverages Federal and non-Federal funding to support stakeholder efforts to stretch scarce water supplies and avoid conflicts over water.

Through WaterSMART Water Marketing Strategy Grants, Reclamation provides cost-shared financial assistance to States, Indian tribes, and local governments to develop water marketing strategies to establish or expand water markets or water marketing activities between willing participants, in compliance with state and Federal laws. Water Marketing Strategy Grants are a component of Reclamation's WaterSMART Grants Program, which also includes Water and Energy Efficiency Grants and Small-Scale Water Efficiency Projects (see *Section A.4. Other Related Funding Opportunities)*. For further information on the WaterSMART Grants Program, please see www.usbr.gov/watersmart/index.html.

This Notice of Funding Opportunity (NOFO) supports collaborative planning efforts to develop water markets that will proactively address water supply reliability and increase water management flexibility. Water markets between willing buyers and sellers can be used to help water users meet demands efficiently in times of shortage, thereby helping to prevent water conflicts. By encouraging collaboration and input to the planning process from a range of stakeholders, projects funded through this NOFO will expand the lines of communication between Reclamation and local stakeholders, helping to restore community trust.

A.2. Objective of this Notice of Funding Opportunity

The objective of this NOFO is to invite States, Indian Tribes, irrigation districts, water districts, and other organizations with water or power delivery authority to leverage their money and resources by cost sharing with Reclamation to develop a water marketing strategy to increase water supply reliability. Applicants under this NOFO may request funding to develop a water marketing strategy (project) to establish or expand water markets or water marketing activities. ***Note: The terms "project" and "strategy" are used interchangeably and refer to the applicant's proposed water marketing strategy project.***

For the purposes of this NOFO, "water marketing" refers to water rights transactions (e.g., the voluntary lease, sale, or exchange of water or water rights), or voluntary agreements governing water rights, water use, or water management

(e.g., non-diversion agreements, dry-year options, and agreements governing groundwater recharge and storage), undertaken in accordance with State and Federal laws, between willing participants.

A "water marketing strategy" is a framework for implementation of water marketing activities. Development of a water marketing strategy must include:

(1) Outreach and partnership building;

(2) Scoping and planning activities (e.g., hydrologic, economic, legal and other types of analysis); and

(3) Development of a water marketing strategy document describing how water marketing activities will be implemented.

Pilot activities integral to the development of a strategy (e.g., the movement of water on a pilot basis in compliance with applicable laws) can be included as an optional project component under scoping and planning activities.

As described in *Section C.3. Eligible Projects* of this NOFO, water marketing strategies may be scaled to meet the needs of the applicant and may build on work completed to date. (S*ee Section C.3. Eligible Projects* for a complete description of eligible activities.) Proposals will be selected on a competitive basis, using the evaluation criteria described in *Section E.1. Evaluation Criteria.*

Water marketing strategies that include participation by multiple stakeholders will be prioritized under this program to encourage more comprehensive plans that address issues important to different sectors (e.g., agricultural, municipal, commercial/industrial, Tribal and environmental). Strategies that will provide significant benefits (e.g., meeting an important water supply need, meeting the needs of multiple sectors, or decreasing the likelihood of conflicts over water) will also be prioritized.

Given current budget constraints and competing priorities for limited funding, Reclamation does not expect to submit recommendations to Congress for authorizing legislation or appropriations for construction following the completion of a water marketing strategy. However, potential projects identified in a water marketing strategy may be considered for funding under one of several competitive WaterSMART funding opportunities, depending on the type of project, including Water and Energy Efficiency Grants, Small-Scale Water Efficiency Projects, and Drought Resiliency Project Grants, as long as the project meets all program and eligibility requirements.

A.3. Statutory Authority

This NOFO is issued under the authority of Section 9504(a) of the Science and Engineering to Comprehensively Understand and Responsibly Enhance (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 [U.S.C.] §10364), as amended.

A.4. Other Related Funding Opportunities

Reclamation provides funding for water management projects through several other programs under WaterSMART. Through WaterSMART Grants, Reclamation provides two additional funding opportunities. The **Water and Energy Efficiency Grants** focus on projects that result in quantifiable and sustained water savings and projects that increase hydropower use. The **Small-Scale Water Efficiency Projects** provide funding for small-scale water management projects (up to $75,000 in Federal funding for each project) that have been identified through previous planning efforts.

Through the **Drought Response Program**, Reclamation provides funding to help build resilience to drought. Through Drought Contingency Planning, Reclamation supports the development of drought contingency plans with participation from a diverse set of stakeholders. Reclamation also provides funding for Drought Resiliency Projects supported by an existing drought contingency plan to build long-term resilience to drought.

In addition, through the **Cooperative Watershed Management Program (CWMP)**, Reclamation provides funding to watershed groups to encourage diverse stakeholders to form local solutions to address their watershed management needs. Reclamation provides funding through Phase I of the CWMP for watershed group development, restoration planning, and watershed management project design and through Phase II for the implementation of watershed management projects. For information on the NOFOs listed here, please visit the WaterSMART Program website: www.usbr.gov/watersmart.

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Section B. Award Information

B.1. Total Project Funding

Approximately $3 million is available for this NOFO. This NOFO may be canceled if appropriations are insufficient to support new awards. Applications submitted under this NOFO may also be considered if other funding becomes available in FY 2021 or subsequently. Updated funding information is available at www.usbr.gov/watersmart/watermarketing/index.html.

B.2. Project Funding Limitations

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 proposals under one of two different Funding Groups to develop a water marketing strategy:

Funding Group I: Up to $200,000 in Federal funds will be available for water marketing strategy projects that can be completed within 2 years from the date of award because they are relatively smaller in scope or less complex (e.g., involve fewer partners, or address a smaller geographic area, or are less complex because they build on prior work.

Funding Group II: Up to $400,000 in Federal funds will be available for more complex water marketing strategy projects that will require up to 3 years to complete because they are broader in scope (e.g., involve more partners, address a larger geographic area, or are more complex because the water marketing activities are more complex). See *Section C.3. Eligible Projects* for the specific requirements for developing a water marketing strategy under this program.

Applicants for Funding Group I and Funding Group II will conduct outreach, planning and scoping activities, and develop a water marketing strategy appropriate to the scope of their proposal. ***Note: Funding Group I proposals will be evaluated separately from Funding Group II proposals to ensure fairness.*** See *Section C.3. Eligible Projects* for the specific requirements for developing a water marketing strategy under this program.

B.3. Assistance Instrument

Awards will be made through grants or cooperative agreements. In cases where a cooperative agreement is used, recipients should expect Reclamation to have substantial involvement in the project that will 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 will include review, input, and approval at key interim stages of the plan, including input regarding the completion of planning steps in *Section C.4.2 Required Planning Steps and Final Project Report*; and review of the water marketing strategy document for conformance to program goals and objectives.

At the request of the recipient, Reclamation can provide technical assistance after award of the project. If you receive Reclamation's assistance, you must account for these costs in your budget. To discuss available assistance and these costs, contact the program coordinator identified in *Section G. Agency Contacts.*

Section C. Eligibility Information

C.1. Eligible Applicants

Under P.L. 111-11, §9502, applicants eligible to receive an award under this NOFO include:

1. **Category A:**
   - States, Indian Tribes, irrigation districts, and water districts;
   - State, regional, or local authorities, which include one or more organizations with water or power delivery authority as members; and
   - Other organizations with water or power delivery authority.
2. **Category B:** Nonprofit conservation organizations that are acting in partnership with and with the agreement of an entity described in Category A. Category B applicants must include with their application a letter from the Category A partner, stating that they are acting in partnership with the applicant and agree to the submittal and content of the proposal.

To be eligible, applicants must also be located in one of the following States or Territories: Alaska, Arizona, California, Colorado, Hawaii, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, the Virgin Islands, and Puerto Rico.

Those **not eligible** include, but are not limited to, the following entities:

- Federal governmental entities
- Institutions of higher education
- Individuals
- 501(c)4 organizations
- 501(c)6 organizations

C.2. Cost Sharing Requirements

Applicants must be capable of cost sharing **50** percent or more of the total project costs. The total project cost is defined as the total allowable costs incurred under a Federal award and all required cost share and voluntary committed cost share contributions, including third-party contributions.

Cost share may be made through cash, costs contributed by the applicant, or third-party in-kind contributions. Third-party in-kind contributions are the value of non-cash contributions of property or services that benefit the federally assisted project and are contributed by non-Federal third parties, without charge. 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.2.2.11. Official Resolution* and *Section D.2.2.5. Project Budget, Funding Plan and Letters of*

Commitment for more information regarding the documentation required to verify commitments to meet cost-sharing requirements.

Other sources of Federal funding may not be counted towards the required cost share. The exception to this requirement is 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. *If it is determined that the Federal funding cannot be applied towards the non-Federal cost share, the work associated with the funding may be removed from the proposed project.*

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 the Electronic Code of Federal Regulations, www.ecfr.gov.

C.2.2. Third-Party In-Kind Contributions

Third-party in-kind contributions may be in the form of equipment, supplies, and other expendable property, as well as the value of services directly benefiting and specifically identifiable to the proposed project. The cost or value of third-party 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 NOFO. Applicants should refer to 2 CFR §200.434 *Contributions and Donations* for regulations regarding the valuation of third-party in-kind contributions, available at www.ecfr.gov.

C.3. Eligible Projects

C.3.1. Eligible Projects

Proposals for the development of a water marketing strategy to establish or expand water markets or water marketing activities are eligible for funding under this NOFO. Water marketing strategies funded under this NOFO must address the required project components described below in *Section C.4.1. Required Project Components*. Proposed projects must also include the required components for developing a water marketing strategy described in *Section C.4.2. Required Planning Steps and Final Project Report*.

C.3.2. Ineligible Projects

Proposals for the development of planning studies, other than Water Marketing Strategies, are not eligible for funding under this NOFO. This includes proposals for the development of a Drought Contingency Plan, the development of appraisal

investigations, feasibility studies, special studies, Basin Studies, or studies authorized under the Title XVI Water Recycling and Reuse Program, through P.L. 102-575.

C.3.3. Length of Projects

Projects funded under Funding Group I of this NOFO should be completed within 2 years of award, and projects funded under Funding Group II of this NOFO should be completed within 3 years of award.

C.4. Project Requirements

Projects proposed for funding under this NOFO must address the required project components of a water marketing strategy grant described below. Projects must also meet the required project planning steps, also described below. In addition, projects must include a final performance report that summarizes all work undertaken and provides findings and conclusions on project results and benefits. The required project components and project planning steps are intended to guide the planning process but still allow recipients flexibility to use an approach that meets their budget and planning needs.

C.4.1. Required Project Components

Projects funded under this NOFO must address each of the three required project components described below. If the applicant has already completed significant work on a particular component, the applicant must summarize prior work when addressing that component in the final performance report. It is not mandatory that the project address all the sub-tasks listed under each component. The applicant can substitute appropriate sub-tasks or may provide explanations for certain sub-tasks that have already been completed or are not necessary. However, it is also important that sub-tasks identified by the applicant support an overarching water marketing strategy.

Projects focused primarily on one sub-task, such as software development, and which are not strongly linked to the development of a comprehensive water marketing strategy, are not likely to score well under the evaluation criteria. For projects focused on a specific sub-task, we recommend looking into one of Reclamation's other funding opportunities mentioned in *Section A.4*. For example, Reclamation provides funding for the development of software or tools supporting water marketing as a discrete project under the Drought Response Program.

Projects funded under this NOFO must include each of the three required project components, as follows:

Project Component 1. Outreach and Partnership Building—Informing and obtaining input from potential market participants and stakeholders within the relevant geographic area, which may include but is not limited to:

- Conducting outreach to potential partners, participants, and interested or affected stakeholders in the area through public meetings, webinars, notices, or other forms of communication, and research.
- Hosting workshops to gather input and feedback on the development of the water marketing strategy.
- Making the draft strategy document available for public review and comment.

Note: Outreach and partnership building costs, including advertising and public relations costs, must be directly related to the development of the strategy project, as opposed to providing general information or advertisements. Please see the applicable cost principles contained in 2 CFR Part §200.421 *Advertising and Public Relations*, available at the Electronic Code of Federal Regulations (www.ecfr.gov).

Project Component 2. Scoping and Planning Activities—Studies to explore the potential to develop a new water market or to conduct water marketing activities which may include, but are not limited to, the following types of analyses:

- Conducting financial or economic analyses to identify potential buyers and sellers, assess demands for the water market, and research the cost of implementing the water market.
- Researching different water marketing approaches to support development of administrative or institutional requirements for implementation of a water market/water marketing activities.
- Analyzing water rights issues or legal requirements, including legal mechanisms for transferring water within the relevant area, and legal constraints on existing water rights (type and place of use requirements, title issues, or other constraints). ***Note:*** Funding for this activity cannot exceed 30 percent of the total project cost. Funding may not be used for the preparation of a specific water court case.
- Quantifying water rights, consumptive use, diversions, and return flows to determine how much water is available for marketing and to avoid impacts to downstream water users.
- Analyzing economic, social, community, and environmental impacts of potential market/transaction(s).
- Conducting hydrologic or engineering studies related to water supply, use of existing infrastructure (e.g., for water storage, delivery, or transfer), new infrastructure requirements (e.g., interties to support water transfers), or hydrologic impacts of water marketing. ***Note:*** If some measurements, monitoring, or field work is required to complete this task, such work may be eligible for funding so long as funding for this work does not exceed 30 percent of the total project cost and the applicant includes funding in their budget for related environmental compliance work.
- Analysis of decision support tools, including software databases, registries, dashboards or models that would help facilitate water marketing.

Note: Some work that would be considered development or modification of decision support tools to support water marketing activities may be considered eligible for funding so long as this work is integral to the development of a water marketing strategy and funding for this work does not exceed 30 percent of the total project cost.

Projects funded under this NOFO may also include pilot activities as part of this project component. Pilot activities test moving water and are allowable if they would support the development of a water marketing strategy, in compliance with applicable laws. If pilot activities are included, the applicant *must* include funding in their budget for related environmental compliance work.

Project Component 3. Development of a Water Marketing Strategy Document—A water marketing strategy is a written document that describes a proposed approach to establish or expand a new water market or water marketing activities based on the results of the outreach, and scoping and planning activities that are performed under project components one and two. The strategy document content requirements that apply to the development of the water marketing strategy for Funding Group I and Funding Group II projects are shown in Table 1.

Table 1. —Strategy Document Content Requirements

Requirement	Description
Implementation Plan	Describe how the water market/water marketing activities will be implemented following completion of the strategy including: How the water market will operate or how marketing activities will be conducted, including a discussion of any alternatives that were considered and support for why the recommended approach was selected; Long-term project management and financial sustainability; Actual or potential administrative structure and institutional components; Participants, water rights, and infrastructure involved; How transactions will be tracked; Description of any decision support tools, software databases, registries, dashboards, or models which are needed to facilitate implementation of the water marketing strategy. Issues to be resolved and the steps to be taken prior to implementation; Description of any decision support tools, software databases, registries, dashboards, or models which are needed to facilitate implementation of the water marketing strategy

Table 1. —Strategy Document Content Requirements

Requirement	Description
Implementation Plan Pilot Activities (if applicable):	Describe the types of pilot activities undertaken, how the activities were implemented and their duration; and The outcome of all pilot activities including what was learned, and how this information informed others and was incorporated into the strategy.
Legal Framework	Describe the legal framework for the water market/marketing activities, including: How the water marketing activity fits within state water law requirements; Any contracts, interstate-compacts treaties, or other legal requirements that may impact the water market or marketing activities; Actual or potential rules and requirements that will govern the implementation of the water market/marketing activities; Actual or potential contracts, agreements that are being drafted or would need to be drafted, and any legal actions that would need to be taken (e.g., change of water rights) to support the water market/marketing activities; and Any legal issues to be resolved prior to implementation.
Monitoring	How water marketing activities will be monitored, including: The process by which market participants will track the physical movement of water from seller to buyer, How the purchasers will recognize the receipt of water, and How transactions will be monitored to avoid harm to other water users.
Stakeholder Support and Input	Describe how stakeholder support and input was incorporated in the water market/water marketing activities, including: Who was involved in the planning process; who expressed their support for the planning process; was the project supported by entities representing environmental, agricultural, municipal, Tribal, or recreation uses, and, What input from stakeholders was incorporated into the water marketing strategy?

Level of Detail in the Strategy Document: The level of detail in addressing the strategy document content requirements may vary depending on how much prior planning has occurred, the level of complexity of the issues being addressed, and how close the project is to implementation. Planning efforts in beginning stages may include a general description of the above-described required project components, for example, describing potential administrative structures under consideration, potential plans for long-term

operations and financing. More advanced planning efforts should be fully developed with more detailed information. For example, the strategy should include a description of the actual administrative structure, institutional components, the rules, and requirements. The water marketing strategy document may include additional project components that are not described above, and these will be considered so long as they are consistent with program requirements.

Note: If awarded funding, the recipient is solely responsible for developing the water marketing strategy document. Reclamation does not exercise control over the recommended approach or decisions that come from the analysis.

C.4.2. Required Planning Steps and Final Project Report

Once the applicant has been informed that a proposal submitted under this NOFO has been selected for funding, Reclamation will enter into a financial assistance agreement with the applicant, documenting the requirements and conditions related to the provision of financial assistance. The financial assistance agreement will include in the scope of work the following required planning steps and final project report to be undertaken as part of the development of a water marketing strategy.

- **Conducting Outreach and Planning Activities—**As part of the required planning steps, the applicant should begin informing and obtaining input from potential market participants and stakeholders within the relevant geographic areas. The applicant may conduct studies to explore the potential to develop a new water market, or to conduct water marketing activities.

- **Development of a Water Marketing Strategy Document**—A written water marketing strategy meeting the strategy document content requirements described above in Project Component 3 must be submitted to Reclamation for review.

- **Final Project Report—**All projects awarded funding under this NOFO must include a written final project report briefly summarizing the work undertaken, lessons learned, and findings and conclusions on project results and benefits (for example, are the expected benefits of the water market/activity stated in the proposal still realistic after completion of the strategy?). The final report must also identify any outstanding issues to be resolved before the water market or marketing activities can be implemented, and any steps that might be taken to resolve those issues. *Note: the final report is in addition to the water marketing strategy document described in the bullet immediately above.*

Note: The program requirements described here are intended to increase the transparency of the planning process, encourage collaboration and participation by interested stakeholders, and ensure that the water marketing strategy project will be successful upon completion. Reclamation participation in this project is limited to the provision of funding and technical assistance for the development of a strategy

that strives to support water marketing activities. Reclamation review of the strategy document is only to ensure compliance with program requirements, not to approve the recommended approach or decisions documented in the strategy.

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 NOFO by emailing the Financial Assistance Support Section staff at bor-sha-fafoa@usbr.gov.

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 technical proposal and evaluation criteria section shall be limited to a maximum of **20** consecutively numbered pages. If this section of the application exceeds **20** pages, only the first **20** 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. Margins should be standard 1-inch margin. Oversized pages will not be accepted.

Applications will be prescreened for compliance to the page number limitations. Excess pages will be removed and not considered in the evaluation of the proposed project.

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-424A Budget Information
  - SF-424B Assurances
  - SF-LLL Disclosure of Lobbying Activities

  These forms may be obtained at www.grants.gov/web/grants/forms/sf-424-family.html.
- Title page
- Table of contents
- Technical proposal and evaluation criteria (limited to **20** pages)
  - Executive summary

  - Project location
  - Project description
  - Evaluation criteria
- Project budget
  - Funding plan and letters of commitment
  - Budget proposal
  - Budget narrative
- Environmental and cultural resources compliance (as applicable to the project)
- Required permits or approvals (as applicable to the project)
- Letters of project support (will not count towards the page limitation)
- Official resolution (will not count towards the page limitation)

It is highly recommended that application packages be structured in the order identified above.

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 must be submitted with the application.

SF-424 Assurances

A SF-424B Assurances Non-Construction Programs, signed by a person legally authorized to commit the applicant to performance of the project, must be included. Failure to submit a properly signed SF-424B may result in the elimination of the application from further consideration.

SF-LLL Disclosure of Lobbying Activities

A fully completed and signed SF-LLL, Disclosure of Lobbying Activities is defined in 2 CFR § 200.450 and is required if the applicant has made or agreed to make payment to any lobbying entity for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with a covered Federal action.

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, email 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) include:

(1) Executive summary
(2) Project location
(3) Project description
(4) Evaluation criteria

Executive Summary

The executive summary should include:

- The date, applicant name, city, county, and state.

- Please indicate whether you are a Category A applicant or a Category B applicant. If you are a Category B applicant, briefly explain how you are acting in partnership with a Category A partner. *(**Note:** Category B applicants **must** include a letter from the Category A partner confirming that they are partnering with the applicant and agree to the submittal and content of the proposal. See Section C.1. Eligible Applicants).*

- A one-paragraph project summary that briefly identifies project partners and describes the work proposed, including how funds will be used to accomplish specific project activities and how the proposed project contributes to accomplishing the goals of this NOFO.

  ***Example:** The Harney Community-Based Water Planning (CBWP) Collaborative, in conjunction with the Harney County Court in Burns, Oregon, will develop a strategy for using market-based mechanisms to reduce groundwater overallocation in the Harney Basin, in the southeastern corner of Oregon. The goal of the strategy is to reduce groundwater use to address the estimated 110,000 acre-feet per year overallocation of groundwater through water marketing. The CBWP's water marketing strategy project will examine successful ground water markets, including accounting and management tools; evaluate compliance with Oregon water law; and assess different implementation options for a groundwater market that considers irrigation, domestic, municipal, and ecological needs. This project brings together farmers; ranchers; rural, domestic, and municipal water users; Burns-Paiute Tribe members and staff; The Nature Conservancy; and Federal, local, and State governments.*

- The length of time and estimated completion date for the proposed water marketing strategy project; and
- Whether or not a Reclamation project, facility, or activity is located within the geographic area to be addressed in the proposed water marketing strategy.

Project Location

Provide specific information on the proposed project location or project area including a map showing the geographic location. For example, {project name} is located in {state and county} approximately {distance} miles {direction, e.g. northeast} of {nearest town}. The project latitude is {##°##'N} and longitude is {###°##'W}.

Project Description

The project description should describe the work in detail, including the specific activities to be accomplished. This description shall have sufficient detail to permit a comprehensive evaluation of the proposal. The project description should clearly indicate if the proposal is for Funding Group I or Funding Group II. Proposals should address the requirements for conducting a water marketing strategy in this NOFO, identified in *Section C.4. Project Requirements*.

Please do not include your project schedule and milestones here; that information is requested in response to the Project Implementation criterion below. In addition, please avoid discussion of the benefits of the project, which are also requested in response to evaluation criteria. This section is solely intended to provide an understanding of the technical aspects of the project.

Evaluation Criteria

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

The evaluation criteria portion of your application should thoroughly address each criterion and sub-criterion 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 sub-criteria in **Section E.1. Evaluation Criteria** *into their applications to ensure that all necessary information is adequately addressed.*

D.2.2.5. Project Budget

The project budget includes:

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

Project costs for environmental and cultural compliance and engineering/design that were incurred or are anticipated to be incurred prior to award should be included in the proposed project budget, as applicable to the project.

If the proposed project is selected, the awarding Reclamation Grants Officer will review the proposed pre-award costs to determine if they are consistent with program objectives and are allowable in accordance with the authorizing legislation. Proposed pre-award costs must also be compliant with all applicable administrative and cost principles criteria established in 2 CFR Part 200, available at www.ecfr.gov, and all other requirements of this NOFO**. In no case will costs incurred prior to September 1, 2021, be considered for inclusion in the proposed project budget.**

Please note that the costs for preparing and applying in response to this NOFO, including the development of data necessary to support the proposal, are not eligible project costs under this NOFO and must not be included in the project budget.

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. 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 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 NOFO 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.

Please identify the sources of the non-Federal cost-share contribution for the project, including:

- any monetary contributions by the applicant towards the cost-share requirement and source of funds (e.g., reserve account, tax revenue, and/or assessments);

- any costs that will be contributed by the applicant;
- any third-party in-kind contributions (i.e., goods and services provided by a third party);
- any cash requested or received from other non-Federal entities; and
- any pending funding requests (e.g., grants or loans) that have not yet been approved and explain how the project will be affected if such funding is denied.

In addition, please identify whether the budget proposal includes any project costs that have been or may be incurred prior to award. For each cost, describe:

- The project expenditure and amount
- The date of cost incurrence
- How the expenditure benefits the project

Budget Proposal

The total project cost is the sum of all allowable items of costs, including all required cost sharing and voluntary committed cost sharing, including third-party contributions, that are necessary to complete the project (Table 2).

Table 2.—Total Project Cost Table

SOURCE	AMOUNT
Costs to be reimbursed with the requested Federal funding	$
Costs to be paid by the applicant	$
Value of third-party contributions	$
TOTAL PROJECT COST	**$**

The budget proposal should include detailed information on the categories listed below and must clearly identify ***all*** cost items, including those that will be contributed as non-Federal cost share by the applicant (required and voluntary), third-party in-kind contributions, and those that will be covered using the funding requested from Reclamation, and any requested pre-award costs. Unit costs must be provided for all budget items, including the cost of services or other work to be provided by consultants and contractors. Applicants are strongly encouraged to review the procurement standards for Federal awards found at 2 CFR §200.317 through §200.326 before developing their budget proposal.

It is also strongly advised that applicants use the budget proposal format shown above in Table 2 and below in Table 3 or a similar format that provides this information. If selected for award, successful applicants must submit detailed supporting documentation for all budgeted costs.

Note: Costs for the analysis of water rights issues or legal requirements, including legal mechanisms for transferring water within the relevant area, and legal constraints on existing water rights (type and place of use requirements, title issues, or other constraints) may not exceed 30 percent of the total project cost.

Table 3.—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				$
Equipment				
Item A				$
Item B				$
Item C				$
Supplies and Materials				
Item A				$
Item B				$
Contractual/Construction				
Contractor A				$
Contractor B				
Third-Party In-Kind Contributions				
Contributor A				
Contributor 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. 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 third-party in-kind contributions, must comply with the applicable cost principles contained in 2 CFR Part §200, available at the Electronic Code of Federal Regulations (www.ecfr.gov).

The budget narrative should support Table 3.

Salaries and Wages

Indicate the Project Manager and other key personnel by name and title. The Project Manager must be an employee or board member of the applicant. Other personnel should 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 must identify the direct labor rate separately from the fringe rate or fringe cost for each position. All labor estimates must be allocated to specific tasks as outlined in the project description. Labor rates and proposed hours shall be displayed for each task.

The budget proposal and narrative should include estimated hours for compliance with reporting requirements, including the final financial and performance reports. Please see *Section F.3. Reporting Requirements and Distribution* information on types and frequency of reports required.

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

Identify the rates/amounts, what costs are included in this category, and the basis of the rate computations. Federally approved rate agreements are acceptable for compliance with this item.

Travel

Identify the purpose of each anticipated 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. *Note: travel costs incurred by contractors should not be included in this section but can be included in the contract cost estimate.*

Equipment

Budget proposals should not include the purchase of equipment. Per 2 CFR §200.33, equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000.

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 (i.e., quotes, past experience, engineering estimates, or other methodology). *Note: If the materials/supplies will be provided by a consultant, the costs should be included in the consultant contract cost estimate.*

Contractual

Identify all work that will be accomplished by 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. For each proposed contract, identify the procurement method that will be used to select the consultant or contractor and the basis for selection. Please note that all procurements with an anticipated aggregate value that exceeds the Simplified Acquisition Threshold (currently $250,000) must use a competitive procurement method (see 2 CFR §200.320 – Methods of procurement to be followed). Only contracts for architectural/engineering services can be awarded using a qualifications-based procurement method. If a qualifications-based procurement method is used, profit must be negotiated as a separate element of the contract price. See 2 CFR §200.317 through §200.326 for additional information regarding procurements, including required contract content.

Third-Party In-Kind Contributions

Identify all work that will be accomplished by third-party contributors, 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. Third-party in-kind contributions, including contracts, must comply with all applicable administrative and cost principles criteria, established in 2 CFR Part 200, available at www.ecfr.gov, and all other requirements of this NOFO.

Environmental and Regulatory Compliance Costs (if applicable)

If the proposed project includes pilot activities, including monitoring, measurement, or other field work, the applicant must include a line item in the budget to cover environmental compliance costs. Note that pilot projects can incur relatively high environmental compliance costs (e.g., between $30,000 and $50,000 per project).

Prior to awarding financial assistance, Reclamation must first ensure compliance with Federal environmental and cultural resources laws and other regulations ("environmental compliance"). Every project funded under this program will have environmental compliance activities undertaken by Reclamation and the recipient.

Depending on the potential impacts of the project, Reclamation may be able to complete its compliance activities without additional cost to the recipient. Where environmental or cultural resources compliance requires significant participation by Reclamation, costs incurred by Reclamation will be added as a line item to the budget during development of the financial assistance agreement and cost shared

accordingly (i.e., withheld from the Federal award amount). Any costs to the recipient associated with compliance will be identified during the process of developing a final project budget for inclusion in the financial assistance agreement.

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 are costs incurred by the applicant for a common or joint purpose that benefit more than one activity of the organization and are not readily assignable to the activities specifically benefitted without undue effort. Costs that are normally treated as indirect costs include, but are not limited to, administrative salaries and fringe benefits associated with overall financial and organizational administration; operation and maintenance costs for facilities and equipment; and payroll and procurement services. If indirect costs will be incurred, identify the proposed rate, cost base, and proposed amount for allowable indirect costs based on the applicable cost principles for the applicant's organization. It is not acceptable to simply incorporate indirect rates within other direct cost line items.

Any non-Federal entity that does not have a current negotiated (including provisional) rate, except for those non-Federal entities described in appendix VII to 2 CFR 200, paragraph D.1., may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC) which may be used indefinitely. For further information on MTDC, 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 Interior Business Center, and Indirect Cost Services, at www.doi.gov/ibc/services/finance/indirect-cost-services.

D.2.2.6. Prohibition on Certain Telecommunication and Video Surveillance Services or Equipment

Federal award recipients are prohibited from using government funds to enter contracts (or extend or renew contracts) with entities that use covered telecommunications equipment or services as described in §889 of the 2019 National Defense Authorization Act. This prohibition applies even if the contract is not intended to procure or obtain, any equipment, system, or service that uses covered telecommunications equipment or services.

D.2.2.7. Environmental and Cultural Resources Compliance (if applicable)

Please answer the questions from *Section H.1. Environmental and Cultural Resource Considerations* in this section.

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.

D.2.2.9. Existing Analysis Contributing to the Water Marketing Strategy

If the applicant intends to rely on planning work relevant to one or more of the three required components of a water marketing strategy in developing the strategy, please include a link to any existing plans or work (or attach relevant sections). *Note: this will not count against the application page limit.*

D.2.2.10. Letters of Support and Letters of Partnership

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. Letters of support received after the application deadline for this NOFO will not be considered in the evaluation of the proposed project. See *Section E.1.2. Evaluation Criterion B—Level of Stakeholder Support.*

To be eligible, Category B applicants must include with their application a letter from the Category A partner, stating that they are acting in partnership with the applicant and agree to the submittal and content of the proposal. *See Section C.1. Eligible Applicants.*

D.2.2.11. 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 NOFO, 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 to bor-sha-fafoa@usbr.gov up to 30 days after the application deadline.

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 complete registration 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. You can find additional information on how to complete a SAM registration here: sam.gov/SAM/pages/public/loginFAQ.jsf.

D.4. Submission Date and Time

Application submission date deadline:

Wednesday, April 7, 2021, at 4:00 p.m. Mountain Daylight Time (MDT)

Applications received after the application deadline will not be considered unless it can be determined that the delay was caused by Reclamation mishandling or technical issues with the Grants.gov application system. Please note that difficulties related to an applicant's Grants.gov profile (e.g., incorrect organizational representative), the upload of documents to Grants.gov, or an applicant's SAM registration are not considered technical issues with the Grants.gov system.

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

D.4.1. Application Delivery Instructions

The applications may be submitted electronically through Grants.gov (www.grants.gov) or a hard copy 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 or United States Postal Service overnight services:

Bureau of Reclamation
Financial Assistance Support Section
Attn: Water Marketing Strategy NOFO
P.O. Box 25007, MS 84-27133
Denver, CO 80225

All other express delivery:

Bureau of Reclamation mail services
Attn: Water Marketing Strategy NOFO
Denver Federal Center
Bldg. 67, Rm. 152
6th Avenue and Kipling Street
Denver, CO 80225

By courier services:

Bureau of Reclamation
Attn: Water Marketing Strategy NOFO
Denver Federal Center
Bldg. 67, Rm. 581
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 should 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 NOFO.
- 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 through the URL: 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: .

- 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 NOFO. 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 Reclamation mishandling or technical issues with the Grants.gov application system. Please note that difficulties related to an applicant's Grants.gov profile (e.g., incorrect organizational representative), uploading documents to Grants.gov, or an applicant's SAM registration are not considered technical issues with the Grants.gov system.

D.4.2.3. Acknowledgement of Application Receipt.

If an application is submitted by mail, express delivery, or courier, Reclamation will notify you via email that your application was received.

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 via email that your application was successfully downloaded from Grants.gov.

D.5. Intergovernmental Review

This NOFO is not subject to *Executive Order 12372 Intergovernmental Review of Federal Programs.*

D.6. 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 prior to award. 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, can be requested by e-mail from sha-dro-ASAP_ENR@usbr.gov.

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

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Section E. Application Review Information

E.1. Evaluation Criteria

The evaluation criteria should be addressed in the technical proposal section of the application. Applications should thoroughly address each criterion and sub-criterion in the order presented below in this NOFO to assist in the complete and accurate evaluation of the proposal. **Applications will be evaluated against the evaluation criteria (listed below), which comprise a total of 90 points.**

Evaluation Criteria: Scoring Summary	Points:
A. Water Marketing Benefits	40
B. Level of Stakeholder Support and Involvement	30
C. Ability to Meet Program Requirements	20
Total	***90***

The following criteria will be used by the Application Review Committee (ARC) to rank proposals submitted under this NOFO. ***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.***

Note: *Funding Group I proposals will be evaluated separately from Funding Group II proposals to ensure fairness. Proposals may be prioritized to ensure balance among Funding Group I and II and to ensure that the proposals funded address the goals of the WaterSMART Program.*

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

Up to **40 points** may be awarded based on the extent to which the proposed water marketing strategy project is likely to result in significant benefits to water supply reliability. In responding to this criterion, please do your best to describe, in detail, the benefits that can be expected to occur upon implementation of the proposed water marketing strategy project. If some information is unknown, please explain how it will be addressed in the development of the strategy. Please address each of the following:

- Explain whether the water market/water marketing strategy project will address a specific water supply shortfall and describe the extent of benefits to different sectors, including agricultural, municipal/industrial, Tribal and environmental sectors, including:
    - Will the water marketing strategy project address a specific water supply shortfall?

  - What is the nature and severity of the shortfall, and which sectors are affected? Please provide support for your response.
  - How and to what extent will the water market/water marketing strategy activities, once implemented, address the shortfall? Please describe the expected benefits (e.g., how water users will benefit) and provide support for your response.
  - Will the water market/water marketing strategy activities benefit multiple sectors (e.g., agricultural, municipal, tribal, and environmental) and/or types of water uses (e.g., hydropower generation, municipal, recreation, and irrigation)? If so, to what extent, and which sectors and water user will benefit? Provide support for your response.

- Explain how and to what extent the proposed water market/water marketing strategy activities will improve water supply reliability in general in the area upon implementation of the strategy (address all that apply):
  - reducing the likelihood of conflicts over water;
  - increasing resiliency to drought;
  - sustaining agricultural communities;
  - demonstrating a water marketing approach that is innovative and which may be applied by others; or
  - providing instream flows for species, recreation or water quality objectives.

- Explain the extent to which the water market/water marketing strategy activities will be ready to proceed upon completion of the strategy, addressing each of the following:
  - Describe your plans and timeline for implementing the strategy upon its completion.
  - Are there complex issues, including issues of law or policy, that would need to be resolved before the strategy could be implemented?
  - Explain whether previous planning, outreach and/or water marketing activities have been completed, including work on any of the three required project components. Note that links to existing work that will contribute to the strategy are requested in *Section D.2.2.9. Existing Analysis Contributing to the Water Marketing Strategy (if applicable)*. While previous planning/water marketing is not required, these efforts may support the resolution of complex issues within the timeframe for the grant, so that implementation may follow quickly upon completion of the strategy.

E.1.2. Evaluation Criterion B—Level of Stakeholder Support and Involvement (30 points)

Up to **30 points** may be awarded based on the extent to which the proposal demonstrates that the proposed project is supported by a diverse set of stakeholders; that the planning process will be inclusive and incorporate input from a wide range of stakeholders; and that the project will complement, and not duplicate, other ongoing efforts in the area. Please address each of the following:

- Identify stakeholders in the planning area who have *committed to be involved* in the planning process.
    - Describe their commitment, e.g., will they contribute funding or in-kind services or otherwise engage in the planning process?
    - Please explain whether the proposed project is supported by a diverse set of stakeholders (appropriate given the types of interested stakeholders within the watershed and the scale, type, and complexity of the proposed strategy). For example, is the project strategy supported by entities representing environmental, agricultural, municipal, Tribal, or recreation uses?

Documentation can include letters from stakeholders committing to be involved in the planning process (see *Section D.2.2.10. Letters of Support)*; such letters should explain what their specific interest is and how they plan to participate.

- Describe stakeholders in the planning area who have *expressed their support* for the planning process, whether or not they have committed to participate. Support can include letters of support from stakeholders or a description of feedback from interested stakeholders—such letters should identify the stakeholder's specific interest.
- Is there opposition to the proposed strategy? If so, describe the opposition and explain how it will be addressed. Opposition will not necessarily result in fewer points.
- Do any separate planning efforts express support for the proposed water market/water marketing activities? Or will the proposed water marketing strategy complement other ongoing or recent planning efforts within the area? Other relevant planning efforts can include:
    - Water Management Plans
    - Water Conservation Plans
    - Drought Contingency Plans
    - State Water Plans
    - Other planning efforts

- Please describe any relevant planning efforts, including who is undertaking these efforts and whether they support or are complemented by the proposed water marketing strategy. Explain how the proposed water marketing strategy will avoid duplication or complication of other ongoing planning efforts.
- Describe what efforts that *you will undertake* to ensure participation by a *diverse* array of stakeholders in developing the water marketing strategy. If specific stakeholders have not yet been identified, or if some sectors are not yet represented, explain how you will accomplish this in the first few months after an award. Support can include a description of key stakeholder interests in the planning area and what efforts that you will undertake to engage them in the planning process, including outreach to stakeholders or collaborating with other groups or partners.

E.1.3. Evaluation Criterion C—Ability to Meet Program Requirements (20 points)

Up to **20 points** may be awarded based on the extent to which the proposal supports the applicant's ability to proceed with developing the proposed water marketing strategy upon entering into a financial assistance agreement and to complete the proposed strategy within the required timeframe. Please see *Section C.4. Project Requirements* of this NOFO, describing the required project components of a water marketing strategy grant and the required project planning steps. Please address each of the following bullets:

- Describe how the three required project components (outreach and partnership building, scoping and planning activities, and development of a water marketing strategy) of a water marketing strategy grant will be addressed within the required timeframe. Please include an estimated project schedule that shows the stages and duration of the proposed work including major tasks, milestones, and dates. If prior planning work will be relied on to meet any of the required project components, please explain this and describe the work that will be relied on. Your response should demonstrate your understanding of the tasks required to address the required project components of a water marketing strategy grant. ***Note***: *the budget proposal will also be considered under this sub-criterion (e.g., whether the budget is reasonably detailed and appropriate for the work proposed).*
- Describe the availability and quality of existing data and models[1] applicable to the proposed water marketing strategy.
- Identify staff with appropriate technical expertise and describe their qualifications. Describe any plans to request additional technical assistance from Reclamation, or by contract.

[1] Data and models include but are not limited to: hydrologic models, operational models, climate data, water demand data or projections, water quality data, recreational water needs, environmental water needs, demographics, and economic data and models.

If pilot activities are to be a part of the project, please include the following:

- Describe any permits or approvals that will be required, along with the process for obtaining such permits or approvals.
- Identify and describe any engineering or design work performed specifically, in support of the proposed pilot activities.
- Describe how the environmental compliance estimate was developed. Has the compliance cost been discussed with the local Reclamation office?

E.2. Review and Selection Process

The Federal government reserves the right to reject any and all applications that do not meet the requirements or objectives of this NOFO. Awards will be made for projects most advantageous to the Federal Government. The evaluation process will be comprised of the steps described in the following subsections.

E.2.1. Initial Screening

All application packages will be screened to ensure that:

- The applicant meets the eligibility requirements stated in this NOFO.
- The applicant meets the unique entity identifier and SAM registration requirements stated in this NOFO (this may be completed up to 30 days after the application deadline).
- The application meets the content requirements of the NOFO package, including submission of a technical proposal, including responses to the evaluation criteria, a funding plan, budget proposal, and budget narrative.
- The application contains a properly executed SF-424, Application for Financial Assistance and form SF-424B, Assurances Non-Construction Programs, and a completed SF-424A, Budget Information Non-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 plans meet or exceeds the minimum non-Federal cost-share requirements identified in this NOFO.

Reclamation reserves the right to remove an application from funding consideration if it does not pass all of these Initial Screening criteria. 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 Criteri*a. Applications will be scored against the evaluation criteria by an 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 NOFO. The ARC also has the discretion to determine whether or not a project is a water marketing strategy.

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 will 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 completing outstanding financial assistance agreements and whether the applicant is in compliance with all reporting requirements associated with previously funded work.

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 NOFO. After completion of the Managerial Review, Reclamation will notify applicants whose proposals have been selected for award consideration.

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

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.2.5.1 Environmental Review

Reclamation will forward all proposals that include pilot activities to the appropriate Reclamation Regional 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 and a notice to proceed is issued.

Even in cases where environmental compliance work has been completed previously or is being completed by another Federal agency, Reclamation must still review and adopt such environmental compliance and issue a notice to proceed before ground disturbing activities may be initiated.

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 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 June 2021 or slightly later if necessary. 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 with pilot activities 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 Federal, State, 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), ESA, 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.

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 (e.g., grading, clearing, and other preliminary activities) on a project before environmental and cultural resources compliance is complete and a Reclamation Grants Officer provides written notification that all such clearances have been obtained. This pertains to all components of the proposed project, including those that are part of the applicant's non-Federal cost-share. An applicant that proceeds before environmental and cultural resources compliance is complete may risk forfeiting Reclamation funding under this NOFO.

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. Responsibility for Content

The Recipient is solely responsible for the content of the water marketing strategy. Reclamation's participation in a financial assistance agreement is limited to providing funding and technical assistance for the development of a water marketing strategy that strives to support water marketing activities. Reclamation does not exercise control over the content or approval of the strategy developed under this award. Reclamation review of the water marketing strategy document and final project report is only to ensure compliance with Program requirements. A water marketing strategy developed under a financial assistance agreement is a water management planning document and does not provide recommendations or represent a statement of policy or position of Reclamation, or the Department. The water marketing strategy does not propose or address the feasibility of any specific project and does not represent a commitment for provision of Federal funds for projects identified in the strategy.

F.2.4. Intangible Property (2 CFR §200.315)

Title to intangible property acquired under a Federal award vests upon acquisition in the non-Federal entity (see §200.59 Intangible Property [of this CFR]). The non-Federal entity must use that property for the originally authorized purpose and must not encumber the property without approval of the Federal awarding agency. When no longer needed for the originally authorized purpose, disposition of the intangible property must occur in accordance with the provisions in §200.313(e) Equipment (of this CFR).

The non-Federal entity may copyright any work that is subject to copyright and was developed, or for which ownership was acquired, under a Federal award. The Federal awarding agency reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use the work for Federal purposes, and to authorize others to do so.

The non-Federal entity is subject to applicable regulations governing patents and inventions, including government wide regulations issued by the Department of Commerce at 37 CFR §401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Awards, Contracts and Cooperative Agreements."

The Federal government has the right to:

- obtain, reproduce, publish, or otherwise use the data produced under a Federal award and
- authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

F.2.5. Freedom of Information Act

In response to a FOIA request for research data relating to published research findings produced under a Federal award that were used by the Federal government in developing an agency action that has the force and effect of law, the Federal awarding agency must request, and the non-Federal entity must provide, within a reasonable time, the research data so that the data can be made available to the public through the procedures established under the FOIA. If the Federal awarding agency obtains the research data solely in response to a FOIA request, the Federal awarding agency may charge the requester a reasonable fee equaling the full incremental cost of obtaining the research data. This fee should reflect costs incurred by the Federal agency and the non-Federal entity. This fee is in addition to any fees the Federal awarding agency may assess under the FOIA (5 U.S.C. §552(a)(4)(A)).

Published research findings means when:

- research findings are published in a peer-reviewed scientific or technical journal; or
- a Federal agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

"Used by the Federal government in developing an agency action that has the force and effect of law" is defined as when an agency publicly and officially cites the research findings in support of an agency action that has the force and effect of law.

Research data means the recorded factual material commonly accepted in the scientific community as necessary to validate research findings, but not any of the following: preliminary analyses, drafts of scientific papers, plans for future research, peer reviews, or communications with colleagues. This "recorded" material excludes physical objects (e.g., laboratory samples). Research data also does not include:

- trade secrets, commercial information, materials necessary to be held confidential by a researcher until they are published, or similar information which is protected under law; and
- personnel and medical information and similar information the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, such as information that could be used to identify a particular person in a research study.

F.2.6. National Defense Authorization Act

Applicants may not use funding awarded under this NOFO to purchase certain telecommunication and video surveillance services or equipment in alignment with section 889 of the National Defense Authorization Act of 2019 (P.L. 115-232) (2 CFR §200.216).

F.3. Reporting Requirements and Distribution

If the applicant is awarded an agreement as a result of this NOFO, the applicant will be required to submit the following reports during the term of the agreement. Recipients will also be required to have a system in place to comply with these reporting requirements (see 2 CFR §170.210 for additional information).

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 Performance Reports

Recipients will be required to submit detailed interim performance reports on at least a semi-annual basis. Content requirements for interim performance reports will be established on a project-specific basis and included as a term and condition of the agreement. 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; and
- any additional pertinent information or issues related to the status of the project.

Examples of other information that may be required include, but are not limited to:

- an updated schedule with more detailed tasks and sub-tasks, each with specific dates;
- a status update on all outreach activities to stakeholders performed during the reporting performance period; and
- a description to any changes to the work to be performed, the approach of the project, or the specific staff to perform a particular task.

Specific provisions to be reported on will be identified based on Reclamation's review of the proposal and will be included in the financial assistance agreement entered into with the recipient.

F.3.3. Final Project Report

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

- Summary of the work undertaken to meet the three required project components.
- Lessons learned through the planning process. This includes identification of planning approaches that were successful, or not; additional resources, data or tools that would have been helpful; and other information helpful to future program participants.
- Findings and conclusions on project results and benefits. This includes a description of the benefits achieved by the project (e.g., how the strategy improves long-term water supply reliability); whether the expected benefits stated in the proposal still realistic after completing the strategy; and whether the project objectives and goals met.
- How the water marketing strategy demonstrates collaboration; and
- Photographs documenting the project are also appreciated.

Note: Reclamation may print photos with appropriate credit to the applicant. Also, final reports may be made available on Reclamation's website with recipient's approval.

F.4. Conflicts of Interest

F.4.1. Applicability

This section intends to ensure that non-Federal entities and their employees take appropriate steps to avoid conflicts of interest in their responsibilities under or with respect to Federal financial assistance agreements. In the procurement of supplies, equipment, construction, and services by recipients and by subrecipients, the conflict of interest provisions in 2 CFR §200.318 apply.

F.4.2. Requirements

Non-Federal entities must avoid prohibited conflicts of interest, including any significant financial interests that could cause a reasonable person to question the recipient's ability to provide impartial, technically sound, and objective performance under or with respect to a Federal financial assistance agreement.

In addition to any other prohibitions that may apply with respect to conflicts of interest, no key official of an actual or proposed recipient or subrecipient, who is substantially involved in the proposal or project, may have been a former Federal employee who, within the last one year, participated personally and substantially in the evaluation, award, or administration of an award with respect to that recipient or subrecipient or in development of the requirement leading to the funding announcement.

No actual or prospective recipient or subrecipient may solicit, obtain, or use non-public information regarding the evaluation, award, or administration of an award to that recipient or subrecipient or the development of a Federal financial assistance opportunity that may be of competitive interest to that recipient or subrecipient.

F.4.3. Notification

Non-Federal entities, including applicants for financial assistance awards, must disclose in writing any conflict of interest to the Department's awarding agency or pass-through entity in accordance with 2 CFR §200.112, Conflicts of Interest. Recipients must establish internal controls that include, at a minimum, procedures to identify, disclose, and mitigate or eliminate identified conflicts of interest. The recipient is responsible for notifying the Financial Assistance Officer in writing of any conflicts of interest that may arise during the life of the award, including those that have been reported by subrecipients.

F.4.4. Restrictions on Lobbying

Non-Federal entities are strictly prohibited from using funds under this grant or cooperative agreement for lobbying activities and must provide the required certifications and disclosures pursuant to 43 CFR §18 and 31 U.S.C. §13 52.

F.4.5. Review Procedures

The Financial Assistance Officer will examine each conflict of interest disclosure on the basis of its particular facts and the nature of the proposed grant or cooperative agreement and will determine whether a significant potential conflict exists and, if it does, develop an appropriate means for resolving it.

F.4.6. Enforcement

Failure to resolve conflicts of interest in a manner that satisfies the Government may be cause for termination of the award. Failure to make required disclosures may result in any of the remedies described in 2 CFR §200.338, Remedies for Noncompliance, including suspension or debarment (see also 2 CFR §180).

F.5. Data Availability

F.5.1. Applicability

The Department of the Interior is committed to basing its decisions on the best available science and providing the American people with enough information to thoughtfully and substantively evaluate the data, methodology, and analysis used by the Department to inform its decisions.

F.5.2. Use of Data

The regulations at 2 CFR §200.315 apply to data produced under a Federal award, including the provision that the Federal Government has the right to obtain, reproduce, publish, or otherwise use the data produced under a Federal award as well as authorize others to receive, reproduce, publish, or otherwise use such data for Federal purposes.

F.5.3. Availability of Data

The recipient shall make the data produced under this award and any subaward(s) available to the Government for public release, consistent with applicable law, to allow meaningful third-party evaluation and reproduction of the following:

- the scientific data relied upon;
- the analysis relied upon; and
- the methodology, including models, used to gather and analyze data.

F.6. 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.

F.7. Reporting Subaward And Executive Compensation Information

F.7.1. Requirements for Notices of Funding Opportunities, Regulations, and Application Instructions

Each Federal awarding agency that makes awards of Federal financial assistance subject to the Transparency Act in each notice of funding opportunity, regulation, or other issuance containing instructions for applicants under which Federal awards may be made that are subject to Transparency Act reporting requirements, and is issued on or after the effective date of this part.

F.7.2. Applicability

The regulations at 2 CFR §200.204 apply. The notice of funding opportunity, regulation, or other issuance must require each non-Federal entity that applies for Federal financial assistance and that does not have an exception under §170.110(b) to have the necessary processes and systems in place to comply with the reporting requirements should they receive Federal funding.

Section G. Agency Contacts

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

G.1. Reclamation Financial Assistance Contact

Questions regarding application and submission information and award administration may be submitted to bor-sha-fafoa@usbr.gov.

G.2. Reclamation Program Coordinator Contact

Questions regarding applicant and project eligibility and application review may be submitted to the attention of Ms. Avra Morgan, Program Analyst, as follows:

By mail: Bureau of Reclamation
Water Resources and Planning Division
Attn: Ms. Avra Morgan
Mail Code: 86-69200
P.O. Box 25007
Denver, CO 80225

By email: aomorgan@usbr.gov

By phone: 303-445-2906

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Section H. Other Information

The following is a brief overview of NEPA, NHPA, and ESA. This information is only relevant to proposals that include a pilot project, measurement, monitoring and field work. While these statutes are not the only environmental laws that may apply, 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 financial assistance agreement under this NOFO. 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. Environmental and Cultural Resource Considerations

To allow Reclamation to assess the probable environmental and cultural resources impacts and costs associated with each application, all applicants should consider the following list of questions focusing on the NEPA, ESA, and 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 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?

H.2. Background on Federal Environmental and Cultural Resource Laws

H.2.1. 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 an award under this NOFO, 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 (e.g., 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 (e.g., 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. See www.usbr.gov/main/offices.html with questions regarding NEPA compliance issues. You may also contact the Program Coordinator for further information (see *Section G. Agency Contacts*).

H.2.2. 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 complete an award under this NOFO. 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, the recipient 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 1 month.

- If Reclamation determines that the proposed project could have effects on historic properties, a multi-step process, involving consultation with the State Historic Preservation Officer 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 2 months.
- Among the types of historic properties that might be affected by projects proposed under this NOFO 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, proposed 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.2.3. 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 proposed project, it is required to comply with Section 7 of the ESA. The steps necessary for ESA compliance vary, depending on the presence of endangered or threatened species and the effects of the 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 1 day to 1 month.

- If Reclamation determines that endangered or threatened species may be affected by the project, then a **Biological Assessment** must be prepared by Reclamation. The Biological Assessment is used to help determine whether a proposed action may affect a listed species or its designated critical habitat. The Biological Assessment may result in a determination that a proposed action **is not likely to adversely affect** any endangered or threatened species. If the 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, https://www.usbr.gov/main/offices.html with questions regarding ESA compliance issues.