



— BUREAU OF —  
RECLAMATION

**Notice of Funding Opportunity No. R23AS00109**

# **WaterSMART Planning and Project Design Grants for Fiscal Year 2023 and Fiscal Year 2024**





## **Mission Statements**

The U.S. Department of the Interior protects and manages the Nation's natural resources and cultural heritage; provides scientific and other information about those resources; and honors its trust responsibilities or special commitments to Tribal Nations, Alaska Natives, and affiliated Island Communities.

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

**Cover photo** – Rio Grande, New Mexico (Reclamation/Alex Stephens).

# Synopsis

<b>Federal Agency Name:</b>	Department of the Interior, Bureau of Reclamation, Water Resources and Planning Office
<b>Funding Opportunity Title:</b>	WaterSMART Planning and Project Design for Fiscal Year (FY) 2023 and FY 2024
<b>Announcement Type:</b>	Notice of Funding Opportunity (NOFO)
<b>Funding Opportunity Number:</b>	R23AS00109
<b>Catalog of Federal Domestic Assistance (CFDA) Number:</b>	15.507 and 15.514
<b>Dates:</b> (See NOFO Sec. D.4)	<p>This NOFO covers two application submittal periods.</p> <p>Proposals received prior before Tuesday, October 17, 2023, at 4:00 p.m. Mountain Daylight Savings Time will be considered for FY 2023 funding.</p> <p>Proposals received after October 17, 2023 and before April 2, 2024, at 4:00 p.m. Mountain Daylight Savings Time will be considered for FY 2024 funding, contingent on appropriations.</p>
<b>Eligible Applicants:</b> (See NOFO Sec. C.1)	<p>Applicants eligible to receive financial assistance to fund activities under this NOFO include:</p> <p><b><u>Water Strategy Grants and Project Design Grants</u></b></p> <p><b>Category A applicants:</b> States, Tribes, irrigation districts, and water districts; State, regional, or local authorities, the members of which include one or more organizations with water or power delivery authority; and other organizations with water or power delivery authority.</p> <p>All applicants must 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.</p> <p><b>Category B applicants:</b> Nonprofit conservation organizations that are acting in partnership with, and with the agreement of, an entity described in Category A. All Category B applicants must be located in the United States or the specific territories identified above. Category B applicants must include with their application a letter from the Category A partner stating that the Category A partner: (1) is acting in partnership with the applicant; (2) agrees to the submittal and content of the application; and (3) intends to participate in the project in some way, for example, by providing</p>

	<p>input, feedback, or other support for the project.</p> <p><b><u>Drought Contingency Planning</u></b></p> <p>A State, Tribe, irrigation district, water district, or other organization with water or power delivery in one of the following states or territories: 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, or the Virgin Islands.</p>
<b>Recipient Cost-Share:</b> (See NOFO Sec. C.2)	0 percent, 25 percent or 50 percent, depending on the project type
<b>Federal Funding Amount:</b> (See NOFO Sec. B.1)	Up to \$400,000 per application for projects that can be completed within 3 years
<b>Estimated Number of Agreements to be Awarded:</b> (See NOFO Sec. B.1)	Approximately \$35,000,000 is available under this program. Approximately 60-70 projects, contingent on appropriations.
<b>Intergovernmental Review:</b> (See NOFO Sec. D.5)	An intergovernmental review may be required for application submissions from a U.S. state or local government prior to submission. Applicants must contact their State's Single Point of Contact (SPOC) to comply with the state's process under Executive Order 12372. <a href="http://www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf">www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf</a>



# Application Checklist

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

✓	<b>Mandatory Application Components:</b>	<b>Page</b>
	Mandatory Federal forms: <ul style="list-style-type: none"> <li>• SF-424: Application for Federal Assistance (Office of Management and Budget (OMB))</li> <li>• SF-424A: Budget Information - Non-Construction Programs (OMB) <b>OR</b> SF-424C: Budget Information - Construction Programs (OMB)</li> <li>• SF-424B: Assurances - Non-Construction Programs (OMB) <b>OR</b> SF-424D: Assurances - Construction Programs (OMB)</li> </ul>	20
	Unique Entity Identifier (UEI) and System for Award Management (SAM) registration	27
	Technical Proposal (Use Project Narrative Attachment Form to upload in Grants.gov)	20
	Budget Narrative (Use Budget Narrative Attachment Form to upload in Grants.gov)	23
✓	<b>Recommended Application Components:</b>	<b>Page</b>
	Environmental and cultural resources compliance	23
	Required Permits and Approvals	23
	Overlap or duplication of effort statement	24
	Conflict of interest disclosure statement	24
	Uniform audit reporting statement	25
	SF-LLL: Disclosure of Lobbying Activities (required, if applicable)	25
	Letters of Support	25





# Acronyms and Abbreviations

ASAP	Automated Standard Application for Payments
ARC	Application Review Committee
CE	Categorical Exclusion
CEC	Categorical Exclusion Checklist
CFDA	Catalog of Federal Domestic Assistance
CFR	Code of Federal Regulations
CWA	Clean Water Act
CWMP	Cooperative Watershed Management Program
Department	U.S. Department of the Interior (also DOI)
DUNS	Data Universal Numbering System
EA	Environmental Assessment
EIN	Employer Identification Number
EIS	Environmental Impact Statement
E.O.	Executive Order
ESA	Endangered Species Act
FAIN	Federal Award Identification Number
FAPIS	Federal Award Performance Integrity Information System
FGDC	Federal Geospatial Data Committee
FOIA	Freedom of Information Act
FONSI	Finding of No Significant Impact
FY	fiscal year
GIS	Geographic information system
IBC	Interior Business Center
IRA	Inflation Reduction Act
MDT	Mountain Daylight Time
NAICS	North American Industry Classification System
NEPA	National Environmental Policy Act
NHPA	National Historic Preservation Act
NOAA	National Oceanic and Atmospheric Administration
NOFO	Notice of Funding Opportunity

NRCS	Natural Resources Conservation Service
OMB	Office of Management and Budget
P.L.	Public Law
PSC	Product Service Code
Reclamation	Bureau of Reclamation
SAM	System for Award Management
SECURE	Science and Engineering to Comprehensively Understand and Responsibly Enhance
SF	Standard Form
SPOC	Single Point of Contact
UEI	Unique Entity Identifier
U.S.C.	United States Code
USACE	United States Army Corp of Engineers
USDA	United States Department of Agriculture
USFWS	United States Fish and Wildlife Service
West	Western United States

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# Section A: Funding Opportunity Description

## A.1 Authority

This Notice of Funding Opportunity (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, Title I of the Reclamation States Emergency Drought Relief Act of 1991 (Public Law [P.L.] 102-250, 43 United States Code [U.S.C.] Section 2201, et seq.), as amended, Consolidated Appropriations Act, 2021; P.L. 116-260, Section 40907 (“Multi-Benefit Projects to Improve Watershed Health”) of the Bipartisan Infrastructure Law (BIL) (also known as the Infrastructure Investment and Jobs Act), P.L. 117-58, and P.L. 117-169, Section 50231 (“Bureau of Reclamation Domestic Water Supply Projects”).

## A.2 Background and Program Requirements

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 in support of the Department’s priorities. Through WaterSMART, the Bureau of Reclamation (Reclamation) leverages Federal and non-Federal funding to work cooperatively with States, Tribes, and local entities as they plan for and implement actions to increase water supply sustainability through investments in existing infrastructure and attention to local water conflicts. WaterSMART provides support for priorities identified in Presidential Executive Order 14008: Tackling the Climate Crisis at Home and Abroad (E.O. 14008) and aligned with other priorities, such as those identified in Presidential Executive Order 13985: Advancing Racial Equity and Support for Underserved Communities Through the Federal Government (E.O. 13985). The WaterSMART Planning and Project Design Grants (Planning and Project Design Grants) also support the goals of the Interagency Drought Relief Working Group established in March 2021 and the National Drought Resiliency Partnership. These grants will advance the Biden-Harris Administration’s Justice40 Initiative. Established by E.O. 14008, the Justice40 Initiative has it made it a goal that 40 percent of the overall benefits of certain federal investments flow to disadvantaged communities. Federal agencies are using the Climate and Economic Justice Screening Tool to help identify disadvantaged communities.<sup>1</sup>

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<sup>1</sup> For more information, see E.O. 14008, Tackling the Climate Crisis at Home and Abroad (Jan. 27, 2023), <https://www.federalregister.gov/documents/2021/02/01/2021-02177/tackling-the-climate-crisis-at-home-and-abroad>; Justice40 Initiative, <https://www.whitehouse.gov/environmentaljustice/justice40/>; Addendum to the Interim Implementation Guidance for the Justice40 Initiative, M-21-28, on using the Climate and Economic Justice Screening

Drought conditions across the West impact a wide range of communities and sectors, including agriculture, cities, Tribes, the environment, recreation, hydropower producers, and others. The Western United States (West) is experiencing its worst drought this century—historic in both duration and severity—threatening to kill crops, spark wildfires, and harm public health. As of January 2023, the U.S. Drought Monitor indicates that more than 63% of the land in the 17 Western states is in moderate to exceptional drought conditions, and nearly 34% of the area is experiencing severe to exceptional drought. Through WaterSMART, Reclamation provides financial assistance to water managers for projects that seek to conserve and use water more efficiently and accomplish other benefits that contribute to sustainability in the West.

Through Planning and Project Design Grants, Reclamation provides funding for collaborative planning and design projects to support water management improvements. This includes funding for: (1) Water Strategy Grants to conduct planning activities to improve water supplies (e.g., water supplies to disadvantaged communities that do not have reliable access to water, water marketing, water conservation, drought resilience, and ecological resilience); (2) Project Design Grants to conduct project-specific design for projects to improve water management; and (3) comprehensive Drought Contingency Plans. Note that funding to develop a water marketing strategy – formerly funded through Water Marketing Strategy Grants, a stand-alone funding opportunity under WaterSMART - is now available through (1) Water Strategy Grants.

With the passage of the Inflation Reduction Act, Reclamation is able to offer an opportunity that provides up to 100 percent of the cost for the planning or design of domestic water supply projects that benefit disadvantaged communities or households that do not have reliable access to domestic water supplies. Tribes, insular areas (American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands), and other disadvantaged communities are encouraged to reach out to the Program Coordinator contact in Section G – Federal Awarding Agency Contacts, to learn more about this opportunity. If your project is selected, technical assistance from Reclamation staff may be available for your project (see Section B.6 – Technical Assistance).

### **A.3 Notice of Funding Opportunity Purpose and Objectives**

The objective of this Notice of Funding Opportunity (NOFO) is to invite eligible applicants (*Section C.1. Eligible Applicants*) to leverage their money and resources by cost sharing with Reclamation on the projects described below.

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Tool (CEJST), M-23-09, (Jan. 27, 2023), [https://www.whitehouse.gov/wp-content/uploads/2023/01/M-23-09\\_Signed\\_CEQ\\_CPO.pdf](https://www.whitehouse.gov/wp-content/uploads/2023/01/M-23-09_Signed_CEQ_CPO.pdf).

<b>Funding Opportunity Summary Table</b>	
<p><i>This table provides a brief summary of the projects funded under this NOFO. For more detailed information regarding applicant eligibility see Section C.1.1 – Eligible Applicants and Section C.2 Cost Sharing Requirements for a more detailed description of cost-share requirements, including exemptions and waivers where applicable.</i></p>	
<b>Water Strategy Grants</b> (see Section C.4.1 - Water Strategy Grants)	
Eligible Projects:	Projects to conduct planning to support water supply and management solutions (e.g., domestic water supply projects for disadvantaged communities, water marketing, water conservation, drought resilience, and ecological resilience) (see Section C.4.1 - Water Strategy Grants)
Non-Federal Cost Share:	0, 25 or 50%
<b>Project Design Grants</b> (see Section C.4.2 – Project Design Grants)	
Eligible Projects:	Projects to conduct project-specific design for projects to improve water management or water supplies.
Non-Federal Cost Share:	0, 25 or 50%
<b>Drought Contingency Planning</b> (see Section C.4.3 – Drought Contingency Planning)	
Eligible Projects:	Proposals to develop a new or update an existing Drought Contingency Plan
Non-Federal Cost Share:	50%

## A.4 Other Related Funding Opportunities

**WaterSMART Drought Resiliency Project Grants.** Reclamation provides funding on a 50/50 cost share basis for projects that will increase the reliability of water supplies or improve water management to build long term resilience to drought and are supported by an existing drought contingency plan. Typical projects include:

- Projects that will increase the flexibility of water conveyance and deliveries, facilitating access to water supplies in times of drought.
- Projects that enable the capture or storage of additional water supplies that can be made available during drought.
- Projects that develop alternative water supplies to build resiliency to the impacts of drought.

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- Domestic water supply projects of which the primary purpose is to provide domestic water supplies to Tribal or disadvantaged communities that do not have reliable access to water supplies
- Aquifer storage and/or recovery projects that are to be used for supplemental supplies during times of drought, to serve communities that are or are potentially facing a public health crisis due to a lack of potable water, or to recover previously recharged/stored water.

For information on the Drought Resiliency Projects, visit the WaterSMART Program website at <https://www.usbr.gov/drought/projects.html>.

**WaterSMART Grants: Water and Energy Efficiency Grants.** Financial assistance is provided on a 50/50 cost share basis for the construction of projects that conserve and use water more efficiently; increase the production of hydropower; mitigate conflict risk in areas at a high risk of future water conflict; and accomplish other benefits that contribute to water supply reliability in the West. Typical projects include:

- Projects that line or pipe canals, resulting in conserved water
- Projects that install meters, resulting in measurable water savings.
- Projects that improve measurement accuracy and result in reduced spills and over-deliveries to irrigators including Supervisory Control and Data Acquisition and Automation (SCADA).

For information on the Water and Energy Efficiency Grants, visit the WaterSMART Program website at [www.usbr.gov/watersmart/weeg/index.html](http://www.usbr.gov/watersmart/weeg/index.html).

**WaterSMART Small-Scale Water Efficiency Projects.** Financial assistance is provided on a 50/50 cost share basis for small-scale water management projects (up to \$100,000 in Federal funding for each project) that have been identified through previous planning efforts. Typical project types are the same as those funded through the WaterSMART Grants, listed immediately above. Reclamation has developed a streamlined selection and review process to reflect the small-scale nature of these projects.

For information on the Small-Scale Water Efficiency Projects, visit the WaterSMART Program website at [www.usbr.gov/watersmart/swep/index.html](http://www.usbr.gov/watersmart/swep/index.html).

**WaterSMART Environmental Water Resources Projects.** Financial assistance is provided on a cost share basis (either 50% or 75% Federal cost share) for water conservation, water management, and restoration projects that provide significant benefits to ecological values or watershed health. Typical projects include:

- Watershed management or restoration projects influencing water temperature or improving the timing or volume of available flows at particular locations to improve aquatic conditions.



## Section A. Funding Opportunity Description

- Riparian restoration, including bank and instream restoration through revegetation, or low-tech, process-based restoration, to create habitat for fish and wildlife, reduce erosion, improve groundwater recharge and benefit other ecological values.
- Upgrades to water conveyance or diversion technology that reduce water loss, ensuring more water for instream flows, or upgrades that allow for improved fish passage.
- Restoring natural wetlands, constructing new, or improving existing wetlands for treatment of irrigation water or stormwater flows, or improving other natural features to reduce water supply and demand imbalances or the risk of drought or flood.
- Water management or restoration projects to restore a natural feature or a nature-based feature to reduce water supply and demand imbalances or the risk of drought or flooding.

For information on the Environmental Water Resources Projects, visit the WaterSMART Program website at [www.usbr.gov/watersmart/ewrp/index.html](http://www.usbr.gov/watersmart/ewrp/index.html).

**WaterSMART Cooperative Watershed Management Program.** 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 Cooperative Watershed Management Programs for watershed group development, restoration planning, and watershed management project design.

For information on the Cooperative Watershed Management Program, visit the WaterSMART Program website at [www.usbr.gov/watersmart/cwmp/index.html](http://www.usbr.gov/watersmart/cwmp/index.html).

**WaterSMART Aquatic Ecosystem Restoration Projects.** Reclamation provides funding on a 65/35 cost share basis for the study, design, and construction of projects that restore or protect aquatic ecosystems. Projects benefit aquatic ecosystems across multiple basins, build habitat and systems resiliency, support threatened and endangered species, and provide broad environmental benefits.

For information on the Aquatic Ecosystem Restoration Program, visit the WaterSMART Program website at [www.usbr.gov/watersmart/aquatic/index.html](http://www.usbr.gov/watersmart/aquatic/index.html).

**Native American Affairs Technical Assistance Program.** Reclamation's Native American Affairs Technical Assistance Program provides technical assistance to assist Indian Tribes to develop, manage, and protect their water and related resources. Cost sharing is not required and technical assistance requests must satisfy "Program Criteria." Proposals are solicited via notices of funding opportunity, and successful proposals approved for funding can be found on Reclamation's website at the address below.

For information on the Native American Affairs Program Technical Assistance Program, visit [www.usbr.gov/native/programs/TAPprogram.html](http://www.usbr.gov/native/programs/TAPprogram.html).

**Inflation Reduction Act Section 50231.** A request for proposals from the Native American and International Affairs Office will be circulated in 2023 to solicit project proposals for planning, design, or construction of water projects to provide domestic water supplies to disadvantaged

For information on the funding opportunities listed above, visit the WaterSMART Program website at [www.usbr.gov/waterSMART](http://www.usbr.gov/waterSMART) or the Native American Affairs Program Technical Assistance Program website at [www.usbr.gov/native/programs/TAPprogram.html](http://www.usbr.gov/native/programs/TAPprogram.html) communities or households that do not have reliable access to domestic water supplies.

## Section B: Award Information

### B.1 Total Funding

This NOFO will allocate available program funds including fiscal year (FY) 2023 and FY 2024 enacted appropriations for WaterSMART Grants and the Drought Response Program, and funding available under the Bipartisan Infrastructure Law (BIL), P.L. 117-58 in FY 2023 or FY 2024, or future years. This NOFO will also be used to allocate BIL funding for projects that will improve the condition of a natural feature or nature-based feature, for multi-benefit projects to improve watershed health under Section 40907 of the BIL, and to allocate funding for domestic water supply projects for disadvantaged communities under the Inflation Reduction Act of 2022, P.L. 117-169, Section 50231.

The amount of funding available for awards under this NOFO will depend on the demand for funding under this and other WaterSMART programs. Any awards are subject to a determination by Reclamation that appropriations, IRA, and/or BIL funds are available. Applications submitted under this NOFO may also be considered if other funding becomes available in FY 2023, FY 2024, or subsequently.

### B.2 Expected Award Amount

*Water Strategy and Project Design Grants:*

*Maximum Award: \$400,000.00*

*Minimum Award: \$100,000.00*

*Drought Contingency Planning:*

*Maximum Award: \$400,000.00*

*Minimum Award: \$25,000.00*

Information regarding multiple applications and restrictions on total award amounts under this funding opportunity can be found in C.3.1 Application and Award Limitations.

### B.3 Anticipated Award Funding and Dates

This NOFO covers two application periods.

For applications submitted by the **October 17, 2023** deadline:

*Anticipated Award Date:* July 1, 2024

*Anticipated Project Completion Date:* June 30, 2027

For applications submitted by the **April 2, 2024** deadline:

*Anticipated Award Date:* January 2, 2025

*Anticipated Project Completion Date:* December 31, 2028

## **B.4 Number of Awards**

Approximately 60 to 70 awards will be awarded under this NOFO, depending on the amount requested by each applicant and the amount of Federal funding available.

## **B.5 Type of Award**

### **B.5.1 Water Strategy Grants and Project Design Grants**

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

- Collaboration and participation with the successful applicant in the management of the project and close oversight of the successful applicant's activities to ensure that the program objectives are being achieved.
- Oversight may include review, input, and approval at key interim stages of the project.

### **B.5.2 Drought Contingency Planning**

Project awards for Drought Contingency Planning will be made through cooperative agreements. Recipients should expect Reclamation to have substantial involvement in the project. Substantial involvement by Reclamation 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 composition of the Drought Planning Task Force (Task Force), review and acceptance of detailed work plans, and review of the Drought Contingency Plan for conformance to program goals and objectives.

While the application is for the entire drought contingency planning process, if selected for award, the cooperative agreement for the project will consist of two phases:

- Phase I for the establishment of a Task Force and development of a Detailed Work Plan (includes Communication and Outreach Plan) and
- Phase II for the plan development.

Initially, the cooperative agreement will be limited to Phase I activities and will only obligate the Federal share of the estimated costs for the completion of these activities. In addition, the initial period of performance for the cooperative agreement will be limited to the time necessary to complete Phase I activities (generally six months). Reclamation will work closely with the recipient to develop a detailed work plan that will meet program requirements. After the detailed work plan is reviewed and accepted by Reclamation, the agreement will be modified to incorporate the costs of Phase II activities, obligate the remaining Federal funds, and extend the period of performance.

### **B.6 Technical Assistance**

By request, Reclamation can provide technical assistance **after** award of the project. If you plan to receive Reclamation's assistance, you must account for these costs in your budget. Technical assistance should be discussed with Reclamation staff prior to applying. 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

Applicants eligible to receive an award under this Funding Opportunity are described below.

Note: Applicant eligibility varies by project category; therefore, please carefully review applicant eligibility for the project category in which you are applying.

### C.1.1 Water Strategy Grants and Project Design Grants

#### C.1.1.1 *Category A Applicants*

- States, Tribes, irrigation districts, and water districts;
- State, regional, or local authorities, the members of which include one or more organizations with water or power delivery authority; and
- Other organizations with water or power delivery authority.

All applicants must also be located in the West or Territories as identified in the Reclamation Act of June 17, 1902, as amended and supplemented; specifically: 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, or Puerto Rico.

#### C.1.1.2 *Category B Applicants*

Nonprofit conservation organizations that are acting in partnership with, and with the agreement of, an entity described in Category A. All Category B applicants must be located in the United States or the specific Territories identified in Section C.1.1.1 above.

Category B applicants should include with their application a letter from the Category A partner stating that the Category A partner:

- 1) Is acting in partnership with the applicant;
- 2) Agrees to the submittal and content of the application; and
- 3) Intends to participate in the project in some way, for example, by providing input, feedback, or other support for the project.

Note: Partners do not necessarily need to contribute cost share funding.

### **C.1.2 Drought Contingency Planning Applicants**

A State, Tribe, irrigation district, water district, or other organization with water or power delivery in one of the following states or territories: 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, or the Virgin Islands.

To be eligible under this NOFO for a Drought Contingency Plan, applicants must participate in a technical consultation with Reclamation Drought Coordinator before developing a proposal. During this technical consultation, the Reclamation Drought Coordinator will discuss Drought Response Program objectives, the six required elements of a drought plan or plan update (as outlined in Attachment 3), planning steps, and eligible tasks. The technical consultation will provide interested applicants an opportunity to ask questions about the Drought Response Program and ensure that applicants are applying under the proper NOFO project task. Reclamation reserves the right to remove an application from consideration if a technical consultation was not completed. To schedule a technical consultation, contact the program coordinator identified in *Section G. Agency Contacts*.

### **C.1.3 Ineligible Applicants**

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

- Federal Governmental entities
- Individuals
- Institutes of higher education

## **C.2 Cost Sharing Requirements**

Applicant cost-share requirements for projects funded under this NOFO will be 0 percent, 25 percent or 50 percent of the total project costs, depending on the project type. 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.

- Water Strategy Grants and Project Design Grants with Ecological Benefits-Projects that meet the requirements described in Section C.2.1 Water Strategy Grants and Project Design Grants, applicants must be capable of cost sharing 25 percent or more of the total project costs.
- Proposals for the planning or design of projects the purpose of which is to provide domestic water supplies to disadvantaged communities may be eligible for 0% non-Federal cost share (see P.L. 117-169, Section 50231).
- For all other projects, applicants must be capable of cost sharing 50 percent or more of the total project costs.



- Drought Contingency Plans: In exceptional circumstances and upon request of the applicant, Reclamation may reduce or waive the non-Federal cost share requirement, if an overwhelming Federal interest and a significant financial need are identified. The criteria used by Reclamation to evaluate requests to reduce or waive the non-Federal cost share requirement are set forth in Attachment 3.

**Note: Cost-sharing requirements are not applicable to American Samoa, Guam, the Northern Mariana Islands, or the Virgin Islands.**

Cost share may be made through cash, costs contributed by the applicant, or third-party in-kind contributions. Third-party in-kind contributions include 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.2.2.12 Official Resolution* and *Section D.2.2.13 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 Water Strategy Grants and Project Design Grants for Domestic Water Supply Projects**

A non-Federal cost share or match is not required for Water Strategy Grants and Project Design Grants projects for the primary purpose of providing domestic water supplies to Tribes or disadvantaged communities or households that do not have reliable access to domestic water supplies **AND** are located in Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, or the Virgin Islands.

### **C.2.2 Water Strategy Grants and Project Design Grants with Ecological Benefits**

Water Strategy Grants and Project Design Grants projects with primarily ecological benefits that also meet the requirements listed in this section are eligible for up to 75 percent Federal cost-share contribution. To qualify for this cost-share, the application must demonstrate that the project a) increases water supply reliability for ecological values (e.g. improves the timing or quantity of water available or improve water quality or temperature); b) is being developed as part of a collaborative planning process that included consideration of ecological values (note: if this project represents the applicants' initial planning effort, the applicant may refer to an

existing local, state or regional plan with a nexus to the project to satisfy this requirement). This does not exclude projects expected to result in benefits to multiple sectors, such as projects or project components that benefit ecological values AND agricultural, municipal, tribal, or recreational water uses.

Applications who meet these requirements must be capable of cost sharing **25 percent (25%) 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. ***For projects that do not meet the requirements necessary to qualify for 75 percent Federal cost-share contribution, applicants must be capable of cost sharing 50 percent or more of the total project costs.*** Applicants will be notified prior to selection if their project is being considered for award but does not qualify for the 75 percent Federal cost-share contribution. Such applicants will be given an opportunity to commit to a 50 percent non-Federal cost-share contribution or withdraw their application. The application review committee (see *Section E.2.2. Application Review Committee*) will determine whether each application qualifies for 75 percent Federal cost-share contribution based on responses to the evaluation criteria (see *Section E.1. Evaluation Criteria*).

### **C.2.3 Cost Share Regulations**

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

### **C.2.4 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. Applicants may not include as part of their cost-share for projects funded under this NOFO 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. Applicants should refer to 2 CFR §200.434 *Contributions and donations* for regulations regarding the valuation of third-party in-kind contributions.

## **C.3 Other**

### **C.3.1 Application and Total Funding Limitations**

Multiple applications for funding may be submitted for consideration; however, an applicant may not submit more than one proposal for each eligible project category identified below. For example, an applicant may submit proposals for a Water Strategy Grant, Project Design Grant, and Drought Contingency Planning; however, an applicant cannot submit two proposals under the Water Strategy Grants category. In general, no more than \$1,200,000 will be awarded per FY to any one applicant under this NOFO. However, a Category B applicant may receive funding up to \$2,000,000 total if each project includes a different Category A partner.

### C.3.2 Excluded Parties

Reclamation conducts a review of the [SAM.gov Exclusions database](#) for all applicant entities and their key project personnel prior to award and ineligibility condition apply to this Federal program. If entities or key project personnel are identified in the [SAM.gov Exclusions database](#) as ineligible, prohibited/restricted or otherwise excluded from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits, Reclamation cannot award funds to them.

## C.4 Eligible Projects

Although projects will be scored using the same evaluation criteria (see Section E.1. Evaluation Criteria), projects within each of the Task areas identified below will be ranked separately to ensure fairness.

### C.4.1 Task A: Water Strategy Grants

The objective of the Water Strategy Grants is to leverage money and resources by cost sharing with Reclamation for initial, or early-stage planning activities, including outreach and collaboration, technical analyses and assessments, project scoping activities to identify and prioritize potential implementation projects, and to develop a strategy document for water supply projects, water marketing activities, water management projects, and/or activities and river restoration activities, including planning projects to restore a natural feature or to use a nature-based feature to reduce water supply and demand imbalances or the risk of drought or flooding; and projects that otherwise mitigate against the impacts of climate change to fish and wildlife habitats. This includes planning projects that will provide benefits to multiple sectors, including projects that will benefit ecological values or watershed health AND agricultural, municipal, Tribal, or recreation water uses. This also includes planning for the construction of domestic water supply projects for the primary purpose of providing domestic water supplies to communities or households that do not have reliable access to domestic water supplies. This can include the development of new supplies and/or associated infrastructure for treatment and delivery.

Proposals for Water Strategy Grants must address the required project components identified in Attachment 1, including the preparation of the strategy document. Projects may be scaled to meet the needs of the applicant and may build on work completed to date.

While not a pre-requisite, Water Strategy Grants provide an opportunity to conduct planning and project scoping activities to prepare for future applications for funding for on-the-ground projects through WaterSMART (see *Section A.4. Other Related Funding Opportunities*).

Water Strategy Grants can also be used as a preliminary step in preparation for more advanced planning activities (e.g., a Drought Contingency Plan; a WaterSMART Basin Study(see [Basin Studies | WaterSMART \(usbr.gov\)](#)); or an Aquatic Ecosystems Restoration Program Task A – Study and Design project). Note: for applicants interested in submitting an application in the future to complete an on-the-ground drought project under the Drought Resiliency Projects

funding opportunity, preparation of a Drought Contingency Plan (see *Section C.4.2 Drought Contingency Planning*) will provide more direct support for your application and more points will be awarded in the criteria for Drought Resiliency Projects supported by a Drought Contingency Plan.

Proposals to develop a new or update an existing water strategy (e.g., a water marketing, management, or river restoration strategy) are eligible for funding under this NOFO.

***Additional information regarding project types eligible for funding under the Water Strategy Grants project category and eligible activities can be found in Attachment 1.***

### **C.4.2 Task B: Project Design Grants**

The objective of the Project Design Grants is to leverage money and resources by cost sharing with Reclamation the final design of medium and large-scale on-the ground water supply construction (including domestic water supply projects for Tribes, insular areas, and disadvantaged communities), water management construction and restoration projects. For the purposes of this funding opportunity, medium and large-scale water management construction and restoration projects are those with construction/restoration costs of at least \$250,000 and above (total construction costs, including Federal and non-Federal funding) excluding design and permitting costs (see *Section A.4. Other Related Funding Opportunities*).

The Build America Buy America Act is a requirement specific to infrastructure projects, and applicants should consider Reclamation's focus on advancing the objectives of using American-made products and materials and building domestic manufacturing when initiating the planning and design of projects.

Prior to applying for a Project Design Grant, it is expected that applicants will have already performed some general planning work and preliminary studies that led to the identification of a specific location for project design. Project Design Grants should result in a final design package at a 60% design level (approximately), so that the design package can be used subsequently to apply for construction funding. In general, if you are seeking funding for multiple projects in one application the projects must be interrelated or closely related in scope and/or geography.

***Additional information regarding eligible activities for funding under the Project Design Grants project category can be found in Attachment 2.***

### **C.4.3 Task C: Drought Contingency Planning**

The WaterSMART Drought Response Program supports a proactive approach to drought by providing financial assistance to develop and update comprehensive drought plans (Drought Contingency Planning). Through this NOFO, Reclamation provides funding for planning that, when implemented, will increase water reliability and improve water management through the use of expanded technologies and improved modeling capabilities.

Proposals to develop a new Drought Contingency Plan, or to update to an existing plan are eligible for funding under this NOFO. Proposed projects submitted in response to this NOFO must be divided into two phases (Phase I and Phase II). 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 Drought Contingency Plan will meet program requirements upon completion.

**Phase I:** This phase must include the Establishment of a Drought Planning Task Force, Development of a Detailed Work Plan, and Development of a Communication and Outreach Plan. Additional information regarding Phase I is described in Attachment 3.

**Phase II:** After the detailed work plan is reviewed and accepted by Reclamation, the planning lead designated by the applicant will then develop the plan or plan update including the required Drought Contingency Plan elements and must include each of the project components described on Attachment 3.

### C.5 Ineligible Projects

Proposals to develop planning studies other than those described in Section C.3.1 Water Strategy Grants and in Section C.3.2. – Drought Contingency Planning, are not eligible for funding under this NOFO. This includes proposals to develop appraisal investigations, system optimization reviews, feasibility studies, special studies, Basin Studies, water management and conservation. Projects for planning and project design that are eligible for funding under Reclamation’s Water Conservation and Field Studies Program, authorized under the Title XVI Water Recycling and Reuse Program, through P.L.102-575, as amended (43 U.S.C. 390h et seq.), or under the Rural Water Program, pursuant to the Rural Water Supply Act of 2006, P.L.109-451.

#### C.5.1 Operations, Maintenance, and Replacement

Proposals for the design of projects considered normal operations, maintenance, and replacement (OM&R) are ineligible for funding under this NOFO. OM&R is described as system improvements that replace or repair existing infrastructure or function without providing increased efficiency or effectiveness of water distribution over the expected life of the improvement. Examples of ineligible OM&R projects include:

- Replacing malfunctioning components of an existing facility with the same components
- Improving an existing facility to operate as originally designed
- Performing an activity on a recurring basis, even if that period is extended (e.g., 10-year interval)
- Sealing expansion joints of concrete lining because the original sealer or the water stops have failed
- Sealing cracks in canals and/or pipes, including those sealant projects intended to improve facilities with inherent design and construction flaws
- Replacing broken meters with new meters of the same type; and
- Replacing leaky pipes with new pipes of the same type.

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

### **C.5.2 Pilot Projects**

With the exception of pilot projects that are a component of a Water Strategy Grant, applications to conduct a pilot study to evaluate technical capability, economic feasibility, or viability for full-scale implementation or to test an unproven material or technology are not eligible for Federal funding under this NOFO.

### **C.5.3 On-Farm Improvements**

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

### **C.5.4 Construction**

Proposals to complete on the ground construction are not eligible for funding under this NOFO.

### **C.5.5 Projects Receiving Other Federal Financial Assistance**

Proposals for projects or activities that are funded under another Federal Financial Assistance agreement are not eligible for funding under this NOFO.

# 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 to submit 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 contacting the Reclamation Financial Assistance Contact identified in Section G.1 of this announcement.

## D.2 Content and Form of Application Submission

All applications must conform to the requirements described in this section.

### D.2.1 Application Format and Length

The technical proposal and criteria section (defined below) 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 full application, including attachments, cannot exceed 125 pages. If the application exceeds 125 pages, only the first 125 pages will be considered in the evaluation.** 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 margins. Oversized pages will not be accepted.

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

### D.2.2 Application Content

The application should include the items identified as Mandatory Application Components in the Application Checklist to be considered complete. To facilitate fair and timely reviews by the ARC, it is highly recommended that application packages be structured in the order identified in the Application Checklist.

Applications will be screened for completeness and compliance with the provisions of this funding opportunity. A complete application must include all the items identified as Mandatory Application Components in the Application Checklist. Any application which fails to include these items will be deemed ineligible and will not be considered for funding.

Following awards of funding, Reclamation may post successful applications on the Reclamation website, [www.usbr.gov/watersmart](http://www.usbr.gov/watersmart) after conducting any redactions determined necessary by Reclamation, in consultation with the successful applicant. See Section F.2.6. Freedom of Information Act.

#### **D.2.2.1 Mandatory Federal Forms**

The application must include the following standard Federal forms. Questions regarding forms should be referred to the Financial Assistance Point of Contact under Section G.1 “Reclamation Financial Assistance Contact.”

##### **SF-424: Application for Federal Assistance**

A fully completed SF-424: Application for Federal Assistance form signed by a person legally authorized to commit the applicant to performance of the project must be submitted with the application. The SF-424 must contain a valid Unique Entity Identifier (UEI). See D.3 for additional information. Applications that fail to include a SF-424 will be considered ineligible and will not pass initial screening.

If you request more than \$100,000 in Federal funding, you must certify that all statements in 43 CFR Part 18, Appendix A-Certification Regarding Lobbying are true. The Authorized Official’s signature on the appropriate SF-424, Application for Federal Assistance form represents the entity’s certification of the statements in 43 CFR Part 18, Appendix A.

*Failure to submit a signed SF-424 with a valid UEI number will result in the elimination of the application from further consideration.*

##### **SF-424A: Budget Information - Non-Construction Programs**

A fully completed SF-424A: Budget Information form must be submitted with the application.

##### **SF-424B: Assurances for Non-Construction Activities**

A SF-424B: Assurances for Non-Construction Programs form signed by a person legally authorized to commit the applicant to performance of the project must be submitted with the application.

#### **D.2.2.2 Technical Proposal Content**

Submission of a technical proposal (limited to 20 pages) is mandatory and must be received by the application deadline.

While an application will not be removed from consideration if the technical proposal does not address each of the following, it is highly recommended that applicants address each component listed below to ensure that your proposal is competitive.



**Title Page**

Provide a brief, informative, and descriptive title for the proposed work that indicates the nature of the project. Include the name and address of the applicant, and the name and address, e-mail address, and telephone of the Project Manager.

**Table of Contents**

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

**Executive Summary**

The executive summary should include:

- The date, applicant name, city, county, and state.
- Indicate which task area you are applying under (Task A: Water Strategy Grant; Task B: Project Design Grant; or Task C: Drought Contingency Planning). Proposals for a Water Strategy Grant or Drought Contingency Planning Grant should clearly indicate if the proposal is the development of a new strategy or drought contingency plan or an update to an existing strategy or drought contingency plan.
- Indicate whether you are a Category A applicant, Category B applicant, or a Drought Contingency Planning applicant. If you are a Category B applicant, please briefly explain how you are acting in partnership with a Category A partner. Note: If you are a Category B applicant, you must include a letter from the Category A partner confirming that they are partnering with you and agree to the submittal and content of the application (see Section C.1. Eligible Applicants. See Section D.2.2.8. Letters of Support and Letters of Partnership for additional information regarding documentation requirements).
- A one-paragraph project summary that provides the location of the project, a brief description of the work that will be carried out, any partners involved, concerns in your project area, and how this project is expected to help alleviate impacts of those conditions, and identification of any planning documents that support the project. This information will be used to create a summary of your project for our website if the project is selected for funding.

*Example: Western Municipal Water District provides water and wastewater services to retail customers and wholesale agencies in western Riverside County, California, serving a population of over 880,000 people. The District will convene a local task force and develop a comprehensive Drought Contingency Plan that considers impacts to local water supplies and infrastructure that will help Western customers during the next drought. The planning area experienced a multi-year drought from 2014-2017. The District will leverage existing planning efforts such as its 1992 Drought Contingency Plan and 2015 Water Supply Shortage Contingency Plan. This drought plan will complement the WaterSMART Santa Ana Watershed Basin Study.*

- State the length of time and estimated completion date for the proposed project (month/year).

- Whether or not the proposed planning or design effort is focused on a Federal facility or will involve Federal land.

### **Project Location**

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

### **Project Description**

Provide a more comprehensive description of the technical aspects of your project, including the specific activities to be accomplished and the approach to complete the work.

Proposals should address all project-specific requirements (e.g., planning steps, project components, design products to be developed). This section provides an opportunity for the applicant to provide a clear description of the technical nature of the project and to address any aspect of the project that reviewers may need additional information to understand.

*Please do not include your project schedule and milestones here; that information is requested in response to the Ability to Meet Program Requirements criterion described in Section E.1.3. In addition, please avoid discussion of the benefits of the project, which are also requested in response to evaluation criteria described in Section E.1. This section is solely intended to provide an understanding of the technical aspects of the project.*

*Please note, if the work for which you are requesting funding is a phase of a larger project, please only describe the work that is reflected in the budget and exclude description of other activities or components of the overall project. Please do not duplicate information.*

### **Evaluation Criteria**

Section E.1. Evaluation Criteria provides 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.

***Copying and pasting the evaluation criteria and sub-criteria in Section E.1. Technical Proposal: Evaluation Criteria into your applications is suggested to ensure that all necessary information is adequately addressed.***

#### **D.2.2.3 Project Budget**

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

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

FUNDING SOURCES	AMOUNT
<b>Non-Federal Entities</b>	
1.	\$
2.	\$
3.	\$
<b>Non-Federal Subtotal</b>	\$
<b>REQUESTED RECLAMATION FUNDING</b>	\$

Submission of a budget narrative is mandatory. The budget narrative provides detailed information on the items included in the budget Object Class Categories on the SF-424A. The budget narrative should clearly identify *all* items of cost (**total estimated project cost**), *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. The types of information to describe in the narrative may include, but are not limited to, those identified in the Budget Narrative Guidance attached to this NOFO (Attachment A). Applicants may elect to use the Budget Detail and Narrative spreadsheet (Attachment B to this NOFO) for their budget narrative. 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 CFR ([www.ecfr.gov](http://www.ecfr.gov)).

**Please note: The Budget Narrative Attachment Form in Grants.gov is to be used to upload the budget proposal.**

*Failure to submit a budget narrative will result in the elimination of the application from further consideration.*

**D.2.2.4 Environmental and Cultural Resources Compliance**

If the project includes monitoring, measurement, or other field work, environmental and cultural resources compliance may be required. Proposals that include on the ground activities should answer the questions from *Section H.1. Environmental and Cultural Resource Considerations* in this section.

**D.2.2.5 Required Permits or Approvals**

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

If a Project Design Grant proposal includes improvements to Federal facilities, Reclamation may also require additional reviews and approvals prior to implementation to ensure that any

necessary easements, land use authorizations, or special permits can be approved consistent with the requirements of 43 CFR Section 429 and that the development will not impact or impair project operations or efficiency.

**D.2.2.6 *Overlap or Duplication of Effort Statement***

Applicants should provide a statement that addresses if there is any overlap between the proposed project and any other active or anticipated proposals or projects in terms of activities, costs, or commitment of key personnel. If any overlap exists, applicants must provide a description of the overlap in their application for review.

Applicants should also state if the proposal submitted for consideration under this program does or does not in any way duplicate any proposal or project that has been or will be submitted for funding consideration to any other potential funding source—whether it be Federal or non-Federal. If such a circumstance exists, applicants must detail when the other duplicative proposal(s) were submitted, to whom (Agency name and Financial Assistance program), and when funding decisions are expected to be announced. If at any time a proposal is awarded funds that would be duplicative of the funding requested from Reclamation, applicants must notify the NOFO point of contact or the Program Coordinator immediately.

**D.2.2.7 *Conflict of Interest Disclosure Statement***

Per 2 CFR §1402.112, “Financial Assistance Interior Regulation” applicants should state in the application if any actual or potential conflict of interest exists at the time of submission. Submission of a conflict-of-interest disclosure or certification statement is mandatory prior to issue of an award.

**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 sub recipients, the conflict-of-interest provisions in 2 CFR§200.318 apply.

**Notification**

Non-Federal entities, including applicants for financial assistance awards, must disclose in writing any conflict of interest to the DOI awarding agency or pass- through entity in accordance with 2 CFR §200.112.

## Section D. Application and Submission Information

Recipients must establish internal controls that include, at a minimum, procedures to identify, disclose, and mitigate or eliminate identified conflicts of interest. The successful applicant 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 sub recipients.

### **Restrictions on Lobbying**

Non-Federal entities are strictly prohibited from using funds under a grant or cooperative agreement for lobbying activities and must provide the required certifications and disclosures pursuant to 43 CFR §18 and 31 USC §1352.

### **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. 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 §200.339, Remedies for noncompliance, including suspension or debarment (see also 2 CFR §180).

### **D.2.2.8 Uniform Audit Reporting Statement**

All U.S. states, local governments, federally recognized Indian Tribal governments, and non-profit organizations expending \$750,000 USD or more in Federal award funds in the applicant's fiscal year must submit a Single Audit report for that year through the [Federal Audit Clearinghouse's Internet Data Entry System](#). U.S. state, local government, federally recognized Indian Tribal governments, and non-profit applicants must state if your organization was or was not required to submit a Single Audit report for the most recently closed fiscal year. If your organization was required to submit a Single Audit report for the most recently closed fiscal year, provide the Employer Identification Number (EIN) associated with that report and state if it is available through the [Federal Audit Clearinghouse](#) website.

### **D.2.2.9 SF-LLL: Disclosure of Lobbying Activities (if Applicable)**

If applicable, a fully completed and signed SF-LLL: Disclosure of Lobbying Activities form 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. *This form cannot be submitted by a contractor or other entity on behalf of an applicant.*

### **D.2.2.10 Letters of Support**

You should include any letters from interested supporting the proposed project. To ensure your proposal is accurately reviewed, please attach all letters of support as an appendix. Letters of support received after the application deadline for this NOFO will not be considered in evaluating your proposed project.

#### **D.2.2.11 Letter of Partnership (Category B Applicants)**

Category B applicants should submit a Letter of Partnership from the Category A partner, stating that they are acting in partnership with the applicant and agree to the submittal and content of the application (see *Section C.1. Eligible Applicants*). However, if the project is selected, a Letter of Partnership must be received prior to award.

#### **D.2.2.12 Official Resolution**

If selected, the applicant must provide prior to award an official resolution adopted by your organization'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
- That your organization 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 before an award of funding will be made.

#### **D.2.2.13 Letters of Commitment**

If a project is selected for award under this funding opportunity and cost share funding is anticipated to be provided by a source other than the applicant, the third-party cost share must be supported with letters of commitment from these additional sources prior to award. Letters of commitment should 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

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 execute a financial assistance agreement until non-Federal funding has been secured or Reclamation determines that there is enough evidence and likelihood that non-Federal funds will be available to the applicant after executing the agreement.

## D.3 Unique Entity Identifier (UEI) and System for Award Management (SAM)

Each applicant (unless the applicant is an individual or Federal awarding agency that is excepted from those requirements under 2 CFR 25.110 (b) or (c), or has an exception approved by the Federal awarding agency under 2 CFR 25.110 (d) is required to:

- Be registered in SAM before submitting an application. Instructions for registering are available at <https://sam.gov/content/home>
- Provide a valid UEI in its application
- Maintain an active SAM registration with current information at all times during which it has an active Federal award or plan under consideration by a Federal award agency

Meeting the requirements set forth above is mandatory.

### D.3.1 Register with the System for Award Management

Each applicant must be registered in SAM before submitting its application. Register on the [SAM.gov](https://sam.gov) website. The “Help” tab on the website contains User Guides and other information to assist you with registration. The [Grants.gov “Register with SAM” page](#) also provides detailed instructions. You can also contact the supporting Federal Service Desk for help registering in SAM. Once registered in SAM.gov, entities must renew and revalidate their SAM.gov registration at least once every 12 months from the date previously registered. Entities are strongly encouraged to revalidate their registration as often as needed to ensure their information is up to date and reflects changes that may have been made to the entity’s Internal Revenue Service information. See the “Submission Requirements” section of this document below for more information on SAM.gov registration.

**There is no cost to register with SAM.gov.** There are third-party vendors who will charge a fee in exchange for registering entities with SAM.gov; **please be aware you can register and request help for free.**

NOTE: An organization’s SAM.gov registration process may take several weeks to complete, so please allow sufficient time to ensure applications are submitted before the closing date. *Applicants that do not have an active SAM registration will not be able to submit an electronic application in Grants.gov.*

### D.3.2 Obtain a Unique Entity Identifier

You are required to register in SAM.gov and obtain a [Unique Entity Identifier](#) (UEI) prior to submitting a Federal award application. A UEI will be assigned to entities upon registering in SAM.gov.

## D.4 Submission Date and Time

This funding opportunity includes two submittal periods. The deadlines for submitting an application are:

- *October 17, 2023, at 4:00 p.m. Mountain Daylight Savings Time for FY 2023 funding; and*
- *April 2, 2024, at 4:00 p.m. Mountain Daylight Savings Time for FY 2024 funding.*

Applications must be submitted no later than these due dates and times.

Proposals received after the application deadline will not be considered unless it can be determined that the delay was caused by Reclamation or there were technical issues with the [Grants.gov](https://www.grants.gov) application system. *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.gov registration are not considered technical issues with the Grants.gov system.*

If for any reason applicants are unable to submit their application through Grants.gov, they may provide a paper copy of their full application by mail or courier.

### D.4.1 Application Delivery Instructions

Applications may be submitted electronically through Grants.gov ([www.grants.gov](https://www.grants.gov)) or a hard copy may be submitted by mail, express delivery or courier services to the following address. **We strongly encourage you to use grants.gov to submit your proposal if possible.** Under no circumstances will applications received through any other method (such as e-mail or fax) be considered eligible for award.

Bureau of Reclamation  
Upper Colorado Regional Office  
Attn: Karen Shubert  
125 South State, Room 8100  
Salt Lake City, UT 84138-1147

If you are submitting a paper application, please notify Karen Shubert at [kshubert@usbr.gov](mailto:kshubert@usbr.gov) for approval no later than 2:00 p.m. Mountain Standard Time on October 17, 2023 for the first application period and no later than 2:00 p.m. Mountain Standard Time on April 2, 2023, for the second application period.

### D.4.2 Instructions for Submitting the Project Application

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



#### **D.4.2.1 Applications Submitted Electronically**

Electronic applications must be submitted through Grants.gov. Applicant resource documents and a full set of instructions for registering with Grants.gov and completing and submitting applications online are available at: [www.grants.gov/applicants/apply-for-grants.html](http://www.grants.gov/applicants/apply-for-grants.html).

Application submission requires prior registration through Grants.gov, which may take 7 to 21 days. See the registration instructions available at <https://www.grants.gov/web/grants/applicants/registration.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. Applicants are encouraged to submit applications 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. If you are unable to submit your application through Grants.gov, you may provide a paper copy of the full application by mail or courier, as described in Section D.4.2.2 below.

***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. To document a delay due to a technical issue in Grants.gov, you must furnish a Grants.gov helpdesk ticket number to the Reclamation Financial Assistance Contact identified in Section G.1 of this announcement.

#### **D.4.2.2 Applications Submitted by Mail, Express Delivery or Courier Services**

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

- We request that applicants submitting their application by mail or courier include a brief explanation in their application regarding why they had to submit by mail rather than electronically using grants.gov.
- 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 e-mailed copies of application documents will not be accepted.

#### **D.4.2.3 Acknowledgement of Application Receipt**

Applicants will receive an e-mail acknowledging receipt of the application from Grants.gov. In addition, you will receive an email acknowledgement when your application is successfully downloaded from Grants.gov. Applicants can confirm receipt of hardcopy through the tracking tools for their packages.

### **D.5 Intergovernmental Review**

Prior to application submission, U.S. state and local government applicants should visit the OMB Office of Federal Financial Management website and view the “State Point of Contact (SPOC) List” to determine whether their application is subject to the state intergovernmental review process under Executive Order (E.O.) 12372 “Intergovernmental Review of Federal Programs.” States not on the list do not participate in the intergovernmental review process, and therefore do not have a SPOC. If you are located within a State that does not have a SPOC, you may send application materials directly to a Federal awarding agency. If your state is on the list, contact the designated entity for more information on the state’s prior review requirements for Federal assistance applications. <https://www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf>.

### **D.6 Funding Restrictions**

#### **D.6.1 Pre-award Costs**

Pre-award costs are those incurred prior to the effective date of a Federal award where such costs are necessary for efficient and timely performance of the scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award.

Eligible pre-award costs associated with the proposed project must be incurred after the posting date of this funding opportunity. If the proposed project is selected, the pre-award costs will be reviewed 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 and all other requirements of this funding opportunity.

Note: Any incurrence of costs in the performance of the project prior to the issuance of a financial assistance award is at the applicant’s own risk. No legal liability on the part of Reclamation for any payment may arise until funds are made available, in writing, by a Reclamation Grants Officer.

#### **D.6.2 Project Cost Restrictions**

**Proposal costs.** The costs for preparing and submitting an application in response to this funding opportunity, including developing data necessary to support the proposal, are not eligible project costs and must not be included in the project budget.

**Decision support tools.** Water Strategy Grant activities that would be considered development or modification of decision support tools to support the overall strategy development may be eligible for funding so long as it is integral to the strategy and funding for this work does not exceed 30 percent of the total project cost (see Attachment 1 - Water Strategy Grants).

**Legal analysis.** The costs of legal analysis activities such as analyzing water rights issues, 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) cannot exceed 30 percent of the total project cost and may not be used for the preparation of a specific water court case (see Attachment 1 – Water Strategy Grants).

### **D.6.3 Environmental and Regulatory Compliance Costs**

Depending on the potential impacts of the project, Reclamation may be able to complete its compliance activities without additional cost to the successful applicant. Where environmental or cultural resources compliance requires significant participation by Reclamation, Reclamation will add a line item for costs incurred by Reclamation 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 successful applicant associated with compliance will be identified during the process of developing a final project budget for inclusion in the financial assistance agreement.

### **D.6.4 Indirect Costs**

You may include indirect costs that will be incurred during the development or construction of a Project, which will not otherwise be recovered, as part of your Project budget. Show the proposed rate, cost base, and proposed amount for allowable indirect costs based on the applicable cost principles for your organization. It is not acceptable to simply incorporate indirect rates within other direct cost line items.

If you have never received a Federal negotiated indirect cost rate, your budget may include a *de minimis* rate of up to 10 percent of modified total direct costs. For further information on modified total direct costs, refer to 2 CFR§200.68.

If you do not have a federally approved indirect cost rate agreement and are 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 the Department’s Interior Business Center, Office of Indirect Cost Services, at [ibc.doi.gov/ICS/icrna](http://ibc.doi.gov/ICS/icrna).

If the proposed project is selected for award, the successful applicant will be required to submit an indirect cost rate proposal with their cognizant agency within 3 months of award. The Federal awarding agency that provides the largest amount of direct funding to your organization is your cognizant agency for indirect costs, unless otherwise assigned by the White House Office of Management and Budget (OMB). If the Department of the Interior (DOI) is your organization’s cognizant agency, the Interior Business Center (IBC) will negotiate your indirect cost rate.

Notice of Funding Opportunity No. 23AS00109

Contact the IBC by phone 916-930-3803 or email at [ICS@ibc.doi.gov](mailto:ICS@ibc.doi.gov). Visit their website [ibc.doi.gov/ICS/icrna](http://ibc.doi.gov/ICS/icrna), for information regarding email submission forms.

Organizations must have an active Federal award before they can submit an indirect cost rate proposal to their cognizant agency. Failure to establish an approved rate during the award period renders all costs otherwise allocable as indirect costs unallowable under the award. Recipients may not shift unallowable indirect costs to another Federal award unless specifically authorized to do so by legislation.

# Section E: Application Review Information

## E.1 Evaluation Criteria

**Applications will be evaluated against the evaluation criteria listed below.** The evaluation criteria should be addressed in the technical proposal section of the application. Applications should thoroughly address each criterion and any sub-criterion in the order presented. **It is suggested that applicants copy and paste the below criteria and sub-criteria into their applications to ensure that all necessary information is adequately addressed**

If the work described in your application is a phase of a larger project, only discuss the benefits that will result directly from the work discussed in the technical project description and that is reflected in the budget—not the larger project.

<b>Evaluation criteria scoring summary</b>	<b>Points:</b>
A. Project benefits	35
B. Inclusion of stakeholders, stakeholder support, and previous planning efforts	25
C. Ability to meet program requirements	20
D. Presidential and Department of the Interior priorities	15
E. Nexus to Reclamation	5
<b>Total</b>	<b>100</b>

*Note: Projects may be prioritized to ensure balance among the program task areas and to ensure that the projects address this NOFO's goals and objectives.*

### E.1.1 Evaluation Criterion A. Project Benefits (35 Points)

Up to **35 points** may be awarded based on the extent to which the proposed planning or design project will result in significant benefits to water supply reliability. Reclamation will use the following criteria to prioritize proposals that address significant threats to water supply reliability for agricultural, municipal, tribal, or environmental water uses, or for fishing or river-based recreation, and that demonstrate that project benefits will address the identified risks.

**Note:** if the project will update an existing plan or design, please respond to the following based on how the newly proposed scope of work will benefit water supply reliability, i.e., what is the value added by this proposed planning or design effort?

In responding to the following criteria, please identify the water supply reliability issues in the area of your proposed planning or design project, and how your project will help address those issues.

- Identify the threats to water supply, water quality, and river-based ecosystem or watershed health within the geographic area of the planning or design project. This could include threats from drought conditions, climate change vulnerabilities, changes to stream conditions or water quality, significant water shortages, or other threats to the environment or watershed health. Your response should include:
  - Information regarding past, current, and projected threats to water supplies, water quality (including surface or ground water), or river-based ecosystem or watershed health.
  - Documentation supporting your response (e.g., the [Drought Monitor](#), referenced statistical data, excerpts from or citations to relevant studies or analyses, local climate change data, etc.).
- How do the threats identified in your response to the preceding bullet impact specific water uses or sectors in the geographic area of the planning or design project? Specific water uses or sectors could include agriculture, municipal water supplies (i.e., drinking water, public health and safety, etc.), hydropower or energy production, the environment, or watershed health (i.e., aquatic and riparian ecosystems, species, and habitat reliant on water supplies), Tribal ceremonial, commercial, recreational, or subsistence or fishing, tourism, river-based recreation, forestry, energy or threats to infrastructure or other sectors or water uses. Your response should include:
  - Information about the specific impacts to water uses or sectors resulting from supply reliability issues within the project area. **Only address impacts to those specific water uses or sectors that are relevant to your project area.**
  - Provide supporting documentation for your response. For example, you could include support for economic impacts to specific sectors, support quantifying water shortfalls to specific sectors, data and statistics regarding fish populations, ecosystem or watershed health, fishing or recreation, records of water quality issues, excerpts or citations to studies or analyses, etc. If your project will address a specific water supply shortfall, please provide support and documentation of the specific shortfall to be addressed by your project.
- How will the planning or design project help address the threats to water supplies and water uses identified in your response to the preceding bullets? Your response should include:
  - Information about the benefits that you expect to result from your planning or design effort and the projects you are planning or designing, to the extent known. Only address the benefits that are applicable to your project.

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- Which sectors or water uses will benefit from your planning or design effort – and the projects you are planning or designing - and how? For example, how will your project help attain any of the following: reduce the likelihood of conflicts over water; increase resiliency to drought and climate change; sustain agricultural communities; support instream flows for species, recreation, or water quality objectives; improve the condition of rivers, streams and other water bodies for environmental values; improve reliability of drinking water; result in an action plan to improve water management; or lead to modernized water delivery infrastructure?
- Provide supporting documentation for your response, including referenced statistical data, excerpts or citations from studies or analyses regarding the results of similar projects, or other references.
- Is the planning or design effort for the purpose of providing domestic water supplies to a Tribe, insular area, or disadvantaged community(ies) that do not have reliable access to water supplies?
  - Provide a detailed description of the community that the project will serve.
  - Describe the need for the new domestic water supply project including any prominent public health and safety concerns, interruptions in supply, or other reasons that the community does not currently have reliable access to domestic water supplies.
  - Explain how the proposed project will increase reliable access to domestic water supplies. Provide a qualitative description of the degree/significance of the benefits associated with the new water supply. Quantify in acre-feet per year the average annual benefit that the new domestic water supply project will provide. How many people is it estimated to serve? How were these estimates calculated (average benefit and population)?
- Does the planning or design effort involve the improvement of nature-based features? If so, please describe.
- Is the project for the purpose of meeting *existing environmental mitigation or compliance obligations* under Federal or State law?

### **E.1.2 Evaluation Criteria B- Inclusion of Stakeholders, Stakeholder Support, and Previous Planning Efforts (25 Points)**

Up to **25 points** may be awarded based on the extent to which the proposal demonstrates support for the project from a diverse set of stakeholders. Note, stakeholders should include a mix of entities internal and external to the applicant's organization (e.g., municipal, agricultural, environmental non-profits, landowners, Tribes, and state and local water management entities, among others.) For projects proposed by Tribes, if the intent is to engage with stakeholders

internal to the Tribe, please describe the engagement of those tribal stakeholders and explain why that is an appropriate level of engagement for the proposed project.

**For purposes of this criterion, applicants submitting a planning proposal under Task A: Water Strategy Grants and Task C: Drought Contingency Planning project categories should only respond to Sub-Criterion B1, and applicants submitting a design proposal under the Project Design Grants project category should respond to Sub-Criterion B2.**

**E.1.2.1 Sub-Criterion B1: Task A - Water Strategy Grants and Task C - Drought Contingency Planning**

More points will be awarded for projects that are collaborative and inclusive of stakeholder input. In responding to the following bullets, please explain why the level of collaboration and input is reasonable and appropriate given the type of strategy or planning project and its effect on local stakeholders.

- Will the project help meet the water supply needs of a large geographic area, region, or watershed? If the project will not address the water supply needs of a large geographic area, why is the area significant and appropriate for the proposed planning activity?
- If the project is supported by an existing water planning effort, please describe that effort. Planning efforts may include, but are not limited to, water management plans, water conservation plans, system optimization reviews, drought plans, watershed restoration plans, integrated regional water management plans, or other types of plans. (Note: if this project represents an initial planning effort, you may refer to an existing local, state, or regional plan with a nexus to the project to satisfy this requirement).
  - Does the referenced plan identify the project as a potential water management action?
  - If identified in a plan, how is the project prioritized in the plan?
  - If not identified in the plan, does the proposed project implement a goal or need identified in the plan?
  - Was the referenced plan developed or updated using a collaborative process with input from multiple and diverse stakeholders?
  - If the referenced plan was not developed collaboratively, please explain why, for e.g., the planning effort was focused on a very small area or concerns internal to the applicant.
- Identify stakeholders in the planning area who have *committed to be involved* in the planning process.
  - Describe what sector(s) the participating stakeholders represent and how they will engage in this effort, e.g., will they be part of the planning committee, contribute funding or in-kind services, or otherwise engage in the planning process?



## Section E. Application Review Information

- Provide documentation of the commitment by stakeholders to participate in the planning process. This could include letters from stakeholders committing to be involved in the planning process; 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. Supporting documentation for this sub-criterion could include letters of support from stakeholders or a description of feedback from interested stakeholders.
- For tribal strategies or plans that will be developed collaboratively with multiple tribal interests, but do not include collaboration with external entities, please provide explanation as to why collaboration with entities external to the Tribe will not occur in the development of the strategy or plan.
- Describe what efforts the applicant will undertake to ensure participation by a diverse array of stakeholders in the development of a plan (or plan update). If specific stakeholders have not yet been identified, or if some sectors are not yet represented, explain how this will be accomplished. Supporting documentation for this sub-criterion could include a description of key stakeholder interests in the planning area and what efforts you will undertake to engage them in the planning process (e.g., workshops, public meetings, or outreach tools such as using local media, outreach to known stakeholder groups, web-based outreach, social media, or other kinds of announcements, etc.), including outreach to stakeholders or collaborating with other groups or partners.
- Is there opposition to the proposed planning effort? If so, describe the opposition and explain how it will be addressed. Opposition will not necessarily result in fewer points.

### **E.1.2.2 Sub-Criterion B2: Task B - Project Design**

More points will be awarded for design projects that are collaborative and inclusive of stakeholder input. In responding to the following bullets, please explain why the level of collaboration and input is reasonable and appropriate given the type of project being designed and its effect on local stakeholders.

- If the project(s) being designed is/are supported by an existing water planning effort, please describe that effort. Planning efforts may include, but are not limited to, water management plans, water conservation plans, system optimization reviews, drought plans, watershed restoration plans, integrated regional water management plans, or other types of plans.
  - Does the referenced plan identify the project being designed as a potential water management action?
  - If identified in a plan, how is the project prioritized in the plan?
  - If not identified in the plan, does the proposed project implement a goal or need identified in the plan?

- Was the referenced plan developed or updated using a collaborative process with input from multiple and diverse stakeholders?
- If the referenced plan was not developed collaboratively, please explain why, for e.g., the planning effort was focused on a very small area or concerns internal to the applicant.
- Describe any planned efforts for public outreach and stakeholder engagement during the design process. This can include, but is not limited to workshops, public meetings, or outreach tools such as using local media, outreach to known stakeholder groups, web-based outreach, social media, or other kinds of announcements, etc.
- For Tribal strategies or plans that were developed collaboratively with multiple Tribal interests, but did not include collaboration with external entities, please provide explanation as to why collaboration with entities external to the Tribe were not involved in the development of the strategy or plan.
- Describe stakeholder support for the proposed project (i.e., the design project and/or the project you are designing). Supporting documentation for this sub-criterion could include letters of support from stakeholders or a description of feedback from interested stakeholders.
- Is there opposition to the proposed project? If so, describe the opposition and explain how it will be addressed. Opposition will not necessarily result in fewer points.

### **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 plan or design upon entering into a financial assistance agreement and to complete the plan or design within the required timeframe. Please see the applicable appendix for required program elements (i.e., Appendix 1: Water Marketing, Supply, and Strategy Grants; Appendix 2: Drought Contingency Planning; or Appendix 3: Water Management, Conservation, and Restoration Project Design Grants). Responses to this criterion should demonstrate a clear understanding of the tasks required to meet program components.

- Describe how the project will address the program specific requirements described in the appropriate program-specific appendix.
- Describe the approach that will be undertaken to meet the applicable program components and requirements.
  - Include a preliminary project schedule that shows the stages and duration of the proposed work including major tasks, milestones, and dates. For each task and milestone, indicate who will have the primary responsibility for completion. Proposals that provide a detailed project schedule broken down by tasks and subtasks with identified milestones will be prioritized.

- Proposals with a budget and budget narrative that provide a reasonable explanation of project costs will be prioritized.
- If prior planning work will be relied on to meet any of the required program components, please explain and describe the work that will be relied on. For example, if you are applying for a Drought Contingency Plan and already have a water shortage allocation based on drought stages, please describe this and how it will be incorporated into the Drought Contingency Plan.
- Describe the availability and quality of existing data and models<sup>1</sup> applicable to the proposed plan or design.
- Identify staff with appropriate technical expertise and describe their qualifications. Describe any plans to request additional technical assistance from Reclamation or by contract.
- Describe any new policies or administrative actions required to implement the plan or project being designed.

#### **E.1.4 Evaluation Criterion D—Presidential and Department of the Interior Priorities (15 points)**

Up to **15 points** may be awarded based on the extent that the project demonstrates support for the Biden-Harris Administration’s priorities, including E.O. 14008: *Tackling the Climate Crisis at Home and Abroad*, E.O. 13985: *Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, and the President’s memorandum, *Tribal Consultation and Strengthening Nation-to Nation Relationships*. Points will be allocated based on the degree to which the project supports the priorities listed, and whether the connection to the priority(ies) is well supported in the application. Only address the sub-criterion that are relevant to your project.

##### **E.1.4.1 Sub-criterion No. D1. Climate Change**

Points will be awarded based on the extent the project will reduce climate pollution; increase resilience to the impacts of climate change; protect public health; and conserve our lands, waters, oceans, and biodiversity. Address the following as relevant to your project.

**Combating the Climate Crisis:** E.O. 14008: *Tackling the Climate Crisis at Home and Abroad*, focuses on increasing resilience to climate change and supporting climate- resilient development. For additional information on the impacts of climate change throughout the western United States, see: [www.usbr.gov/climate/secure/docs/2021secure/2021SECUREREport.pdf](http://www.usbr.gov/climate/secure/docs/2021secure/2021SECUREREport.pdf). Please describe how the project will address climate change, including the following:

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<sup>1</sup> 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.

- Please provide specific details and examples on how the project will address the impacts of climate change and help combat the climate crisis.
- Does this proposed project strengthen water supply sustainability to increase resilience to climate change? Does the proposed project contribute to climate change resiliency in other ways not described above?

**E.1.4.2 Sub-criterion No. D2. Disadvantaged or Underserved Communities**

E.O. 14008 and E.O. 13985 affirm the advancement of environmental justice and equity for all through the development and funding of programs to invest in disadvantaged or underserved communities. For the purpose of this criterion, Tribes and insular areas (Guam, American Samoa, the Northern Mariana Islands, and the Virgin Islands) are considered disadvantaged.

- Please use the White House Council on Environmental Quality’s interactive Climate and Economic Justice Screening Tool, available online at Explore the map – Climate & Economic Justice Screening Tool (<https://screeningtool.geoplatform.gov>) to identify any disadvantaged communities that will benefit from your project.
- If applicable, describe how the project benefits those disadvantaged or underserved communities identified using the tool. For example, does the project increase reliability of water supplies, improve water quality, provide economic growth opportunities, improve or expand public access to natural areas or recreation, or provide other benefits in a disadvantaged or underserved community?

**E.1.4.3 Sub-criterion No. D3. Tribal Benefits**

Points will be awarded based on the extent to which the Project will honor the Federal government’s commitments to Tribal Nations. The Department of the Interior is committed to strengthening Tribal sovereignty and the fulfillment of Federal Tribal trust responsibilities. The President’s memorandum, “Tribal Consultation and Strengthening Nation-to-Nation Relationships,” asserts the importance of honoring the Federal government’s commitments to Tribal Nations.

- Does the proposed project directly serve and/or benefit a Tribe? Will the project improve water management for a Tribe?
- Does the proposed project support Tribal resilience to climate change and drought impacts or provide other Tribal benefits such as improved public health and safety by addressing water quality, new water supplies, or economic growth opportunities?
- Does the proposed project support Reclamation’s Tribal trust responsibilities or a Reclamation activity with a Tribe?

### **E.1.5 Evaluation Criterion E— Nexus to Reclamation (5 points)**

Up to **5 points** may be awarded based on the extent that the proposal demonstrates a nexus between the proposed project and a Reclamation project, activity, and priority. Describe this nexus:

- Is there a Reclamation project, facility, or activity within the planning area?
- Is the planning area in the same basin as a Reclamation project, facility, or activity?
- In what way will the proposed project benefit a basin where a Reclamation project, facility, or activity is located? For example, will the project *improve watershed health* in a river basin that is adversely impacted by a Reclamation water project?
- Does the applicant have a water service, repayment, or O&M contract with Reclamation?
- If the applicant does not hold a type of contract named above, does the applicant receive Reclamation water through a Reclamation contractor or by any other contractual means?

## **E.2 Review and Selection Process**

Reclamation reserves the right to reject an application that does not meet the requirements or objectives of this NOFO. Awards will be made for projects most advantageous to the Federal Government. Award selection may be made to maintain balance among the eligible projects listed in this NOFO. The evaluation process will be comprised of the steps described in the following subsections.

### **E.2.1 Initial Screening**

Reclamation will conduct an initial review and threshold screening of each application submitted in response to this NOFO to determine whether the Applicant is eligible, and the application is complete and submitted on time. If Reclamation determines the Applicant is ineligible or non-responsive, Reclamation will notify the Applicant.

All application packages will be screened to ensure that:

- The applicant meets the completeness, eligibility, and timeliness requirements stated in this NOFO.
- The applicant meets the unique entity identifier and SAM registration requirements stated in this NOFO
- The application meets the content requirements of the NOFO package, including submission of a technical proposal and budget narrative.
- The application contains executed mandatory forms SF-424, Application for Financial Assistance and SF-424B/D, Assurances Form, and a completed SF-424A/C, Budget Information Form.

A complete application must include all requirements described in the above bullets. Any application which fails to include these requirements will be deemed ineligible and will not be considered for funding. Reclamation reserves the right to remove an application from funding consideration during the initial screening if it is not submitted on time; does not include an SF-424, does not include a technical proposal, or does not include a budget narrative. In that event, Reclamation will send notification of elimination to the applicant.

If an application is missing other information, Reclamation may reach back to request that information within a specified timeframe.

## **E.2.2 Application Review Committee**

The technical merit of the application will be reviewed by an Application Review Committee (ARC), made up of experts in relevant disciplines selected from across Reclamation. Evaluation criteria will comprise the total evaluation weight as stated in the *Section E.1. Technical Proposal: Evaluation Criteria*.

Applications will be scored against the evaluation criteria and the ARC will also review the application to ensure that the project is eligible and meets the objective of this NOFO. The ARC may also change the Applicant Category for an application where they deem appropriate (See *Section C.1.3. Applicant Category Guidance*).

During 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 offices 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 the completion of outstanding financial assistance agreements and whether the applicant is in compliance with all reporting requirements associated with previously funded projects.

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

## **E.2.4 Managerial Review**

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

### **E.2.5.1 Environmental Review**

Reclamation will forward the proposal to the appropriate Reclamation Regional or Area Office for completion of environmental compliance, if applicable. 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 can be completed with the release of funds contingent on completion of environmental compliance and receipt of a written Notice to Proceed from the Reclamation Grants Officer. The financial assistance agreement will describe how compliance will be carried out. Ground-disturbing activities (e.g., installation of a stream gage, biological or water quality monitoring) may not occur until environmental compliance is complete and a notice to proceed is issued by the awarding Reclamation Grants Officer.

### **E.2.5.2 Budget Analysis and Business Evaluation**

A Reclamation Grants Officer will also conduct a detailed budget analysis and complete a business evaluation and responsibility determination. During this evaluation, the Reclamation 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 OMB circulars

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).

Applicants, at their option, may review information in the designated integrity and performance systems accessible through SAM and comment on any information about themselves that a Federal awarding agency previously entered and that 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.3 Anticipated Announcement and Federal Award Dates**

For applications received by the October 3, 2023, submission deadline, Reclamation expects to contact potential award recipients and unsuccessful applicants in March 2024, subject to the timing and amount of final appropriations. For applications received by the April 2, 2024, submission deadline, Reclamation expects to contact potential award recipients and unsuccessful applicants in late Summer 2024. Financial assistance agreements will be awarded to applicants that successfully pass all pre-award reviews and clearances. Award recipients will be contacted individually to discuss the time frame for the completion of their agreement.



# 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

See the “[DOI Standard Terms and Conditions](#)” for the administrative and national policy requirements applicable to Department awards.

### F.2.1 Automated Standard Application for Payments Registration

All applicants must also be registered with and willing to process all payments through the Department of Treasury Automated Standard Application for Payments (ASAP) system. All recipients with active financial assistance agreements with Reclamation must be enrolled in ASAP under the appropriate Agency Location Code(s) and Uniform Entity Identifier (UEI) Number prior to the award of funds. If a recipient has multiple UEI numbers, they must separately enroll within ASAP for each unique UEI Number and/or Agency. All of the information on the enrollment process for recipients, including the enrollment initiation form, will be sent to you by ASAP staff if selected for award.

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

### F.2.2 Environmental and Cultural Resources Compliance

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

Depending on the potential impacts of the project, Reclamation may be able to complete its compliance activities without additional cost to the successful applicant. Where environmental or cultural resources compliance requires significant participation by Reclamation, Reclamation will add costs anticipated to be incurred by Reclamation as a line item to the budget during development of the financial assistance agreement and cost shared accordingly. Any costs to the successful applicant associated with compliance will be identified during the process of developing a final project budget for inclusion in the financial assistance agreement.

*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 monitoring, measurement, or other ground-disturbing activities before environmental and cultural resources compliance is complete and Reclamation 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.2.3 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.2.4 Geospatial Data and Data Tools**

All geospatial data collected for or produced through the use of the Department of the Interior financial assistance funds are required to meet all relevant standards established by the Federal Geospatial Data Committee (FGDC) as authorized by Geospatial Data Act of 2018, P.L. 115-254, Subtitle F – Geospatial Data, §751-759C, codified at 43 U.S.C. §2801–2811. the Department requires fully compliant metadata on all Geographic Information Systems files developed for financial assistance projects. If a funded financial assistance project involves acquiring or collecting geospatial data, the successful applicant is required to search

GeoPlatform.gov to determine that no existing Federal, State, local or private data meet the Government's needs and are available at no cost before acquiring or collecting additional geospatial data.

Any spatially explicit data or tools developed in the performance of an award made under this NOFO must be developed in industry standard formats that are compatible with geographic information system (GIS) platforms.

### **F.2.5 Intangible Property (2 CFR §200.315)**

Title to intangible property (see definition for Intangible property in § 200.1) acquired under a Federal award vests upon acquisition in the non-Federal entity. 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.

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."

### **F.2.6 Real Property, 2 CFR §200.311**

Real property, equipment, and intangible property, that are acquired or improved with a Federal award must be held in trust by the non-Federal entity as trustee for the beneficiaries of the project or program under which the property was acquired or improved (2 CFR §200.316 *Property trust relationship*). Title to real property acquired or improved under a Federal award will vest upon acquisition in the non-Federal entity. Except as otherwise provided by Federal statutes or by Reclamation, real property will be used for the originally authorized purpose as long as needed for that purpose, during which time the non-Federal entity must not dispose of or encumber its title or other interests. When real property is no longer needed for the originally authorized purpose, the non-Federal entity must obtain disposition instructions from Reclamation. As required by 2 CFR §200.329 *Reporting on real property*, recipients will be required to submit reports on the status of real property acquired or improved under a financial assistance agreement issued under this NOFO.

### **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.

#### **F.3.1 Financial Reports**

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

#### **F.3.2 Interim Performance Reports**

The specific terms and conditions pertaining to the reporting requirements will be included in the financial assistance agreement. Interim performance reports will be submitted at least twice a year, which include:

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

#### **F.3.3 Final Performance Report**

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

- Whether the project objectives and goals were met.
- If applicable, a copy of the completed strategy document or plan.
- If applicable, identify the design products that were developed.
- Photographs documenting the project are also appreciated.

## F.4 Disclosures

### F.4.1 Conflict of Interest Disclosures

Recipients must notify the program immediately in writing of any conflict of interest that arise during the life of their Federal award, including those reported to them by any subrecipient under the award. Recipients must notify the program in writing if any employees, including subrecipient and contractor personnel, are related to, married to, or have a close personal relationship with any Federal employee in the Federal funding program or who otherwise may have been involved in the review and selection of the award. The term employee means any individual engaged in the performance of work pursuant to the Federal award.

### F.4.2 Other Mandatory Disclosures

The Non-Federal entity or applicant for a Federal award must disclose, in a timely manner, in writing to the Federal awarding agency or pass-through entity all violations of Federal criminal law involving fraud, bribery, or gratuity violations potentially affecting the Federal award. Non-Federal entities that receive a Federal award including the terms and conditions outlined in 2 CFR 200, *Appendix XII—Award Term and Condition for Recipient Integrity and Performance*

*Matters* are required to report certain civil, criminal, or administrative proceedings to SAM.gov. Failure to make required disclosures can result in any of the remedies described in 2 CFR §200.338 *Remedies for noncompliance*, including suspension or debarment.

## F.5 Data Availability (2 CFR §1402.315)

All data, methodology, factual inputs, models, analyses, technical information, reports, conclusions, valuation products or other scientific assessments in any medium or form, including textual, numerical, graphic, cartographic, narrative, or audiovisual, resulting from a financial assistance agreement is available for use by the Department of the Interior, including being available in a manner that is sufficient for independent verification.

The Federal Government has the right to:

1. Obtain, reproduce, publish, or otherwise use the data, methodology, factual inputs, models, analyses, technical information, reports, conclusions, or other scientific assessments, produced under a Federal award; and
2. Authorize others to receive, reproduce, publish, or otherwise use such data, methodology, factual inputs, models, analyses, technical information, reports, conclusions, or other scientific assessments, for Federal purposes, including to allow for meaningful third-party evaluation.

## F.6 Freedom of Information Act

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.

In response to a Freedom of Information Act (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 they 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 mean 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.

# Section G: Federal Awarding Agency Contact(s)

There will be no pre-application conference. Organizations or individuals 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:

Name: Karen Shubert  
Email: kshubert@usbr.gov  
Phone: 801-524-3663

## G.2 Reclamation Program Coordinator Contact

Questions regarding applicant and project eligibility and application review may be submitted to the appropriate point of contact below

### G.2.1 Water Strategy Grants

By mail: Bureau of Reclamation  
Water Resources and Planning Office  
Attn: Ms. Irene Hoiby  
Mail Code: 86-63000  
P.O. Box 25007  
Denver, CO 80225-0007

By e-mail: ihoiby@usbr.gov

By phone: 303-445-3575

### G.2.2 Project Design Grants

By mail: Bureau of Reclamation  
Water Resources and Planning Office  
Attn: Ms. Nickie McCann  
Mail Code: 86-63000  
P.O. Box 25007  
Denver, CO 80225-0007

By e-mail: [nmcann@usbr.gov](mailto:nmcann@usbr.gov)

By phone: 720-610-3480

### **G.2.3 Drought Contingency Planning**

By mail: Bureau of Reclamation  
Water Resources and Planning Office  
Attn: Ms. Sheri Looper  
Mail Code: MP-400  
2800 Cottage Way  
Sacramento, CA 95825

By e-mail: [slooper@usbr.gov](mailto:slooper@usbr.gov)

By phone: 916-978-5556



## Section H: Other Information

The following is a brief overview of NEPA, NHPA, and ESA. This information is only relevant to proposals that include 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.

### 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, 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.1.1 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 (i.e., one of the established categories of activities that generally do not have significant impacts on the environment). If a project fits within a CE, no further NEPA compliance measures are necessary. Use of a CE can involve simple identification of an applicable **Department CE** or documentation of a **Reclamation CE** using a **Categorical Exclusion Checklist (CEC)**. If a CE is being considered, Reclamation will determine the applicability of the CE and whether extraordinary circumstances (i.e., reasons that the CE cannot be applied) exist. That process can take anywhere from 1 day to about 30 days, depending upon the specific situation.

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

The most detailed form of NEPA compliance, where a proposed project has potentially significant environmental effects, is completion of an **EIS** and **Record of Decision**. 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](http://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.1.2 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 successful applicant will work with Reclamation to complete the Section 106 process. Compliance can be accomplished in several ways, depending on how complex the issues are, including:

- If Reclamation determines that the proposed project does not have the potential to cause effects to historic properties, then Reclamation will document its findings and the Section 106 process will be concluded. This can take anywhere from a couple of days to one month.
- If Reclamation determines that the proposed project could have effects on historic properties, a multi-step process, involving consultation with the State Historic Preservation Officer and other entities, will follow. Depending on the nature of the project and impacts to cultural resources, consultation can be complex and time consuming. The process includes:
  - A determination as to whether additional information is necessary.
  - Evaluation of the significance of identified cultural resources.
  - Assessment of the effect of the project on historic properties

- A determination as to whether the project would have an adverse effect and evaluation of alternatives or modifications to avoid, minimize, or mitigate the effects.
- A Memorandum of Agreement is then used to record and implement any necessary measures. At a minimum, completion of the multi-step Section 106 process takes about two months.
- Among the types of historic properties that might be affected by 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](http://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 Endangered Species Act

Pursuant to Section 7 of the ESA, each Federal agency is required to consult with the United States 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 one day to one month.
- If Reclamation determines that endangered or threatened species may be affected by the project, then a **Biological Assessment** must be prepared by Reclamation. The Biological Assessment is used to help determine whether a proposed action may affect a listed species or its designated critical habitat. The Biological Assessment may result in a

determination that a proposed action **is not likely to adversely affect** any endangered or threatened species. If the USFWS/NOAA Fisheries Service concurs in writing, then no further consultation is required and the ESA compliance is complete. Depending on the scope and complexity of the proposed action, preparation of a Biological Assessment can range from days to weeks or even months. The USFWS/NOAA Fisheries Service generally respond to requests for concurrence within 30 days.

- If it is determined that the project **is likely to adversely affect listed species**, further consultation (**formal consultation**) with USFWS or NOAA Fisheries Service is required to comply with the ESA. The process includes the creation of a **Biological Opinion** by the USFWS/NOAA Fisheries Service, including a determination of whether the project would **jeopardize** listed species and, if so, whether any **reasonable and prudent** alternatives to the proposed project are necessary to avoid jeopardy. Nondiscretionary **reasonable and prudent measures** and **terms and conditions** to minimize the impact of incidental take may also be included. Under the timeframes established in the ESA regulations, the Biological Opinion is issued within 135 days from the date that formal consultation was initiated, unless an extension of time is agreed upon.

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

ESA compliance is often conducted parallel to the NEPA compliance process and, as in the case of a CEC, documented simultaneously. The best source of information concerning the compliance with the ESA in a particular project area is the local Reclamation environmental staff that can be helpful in determining the presence of listed species and possible effects that would require consultation with the USFWS or NOAA Fisheries Service. Contact your regional or area Reclamation office, [www.usbr.gov/main/offices.html](http://www.usbr.gov/main/offices.html) with questions regarding ESA compliance issues.



# Attachment 1 - Water Strategy Grants

## A. Project Requirements

Water Strategy Grants funded under this NOFO must meet the requirements listed below. These requirements are intended to guide the planning process but still allow recipients flexibility to use an approach that meets their budget and planning needs.

The three following project components are required to be completed upon selection of a Water Strategy Grant:

**1. Required Project Component 1: Outreach and Partnership Building**—Informing and obtaining input from potential participants or stakeholders within the relevant geographic area, including:

- Develop a public engagement plan that describes how the public will be involved and when public comment will occur throughout the course of the study and design project.
- Conducting outreach to potential partners, participants, and interested or affected stakeholders in the area. For example, hosting workshops to gather input and feedback on the development of the water marketing, water supply, or restoration strategy.
- Making the draft strategy document available for review and comment to stakeholders and others as appropriate.

*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](http://www.ecfr.gov)).

**2. Required Project Component 2: Analyses, Scoping and Planning Activities**—Water Strategy Grant projects must include planning activities to support the development of a future water supply project (e.g., domestic water supply projects), water management project or water market/marketing activities, and at a minimum must include the following planning activities described in more detail below:

- a. Analysis of problems and needs
- b. Identification of potential opportunities and comparison of alternatives, and prioritization of project concepts
- c. Development of strategy for moving forward with project concepts

The types of eligible activities that may be included as sub-tasks within a-c of this required component are described in more detail below in Section B of this Attachment.

**3. Required Project Component 3: Development of a Water Strategy Document—** A written water strategy document must be completed and included with the final performance report. Reclamation will review the strategy document to determine if it meets program requirements, but will not provide input or feedback on the substance of the strategy. **A strategy is a written document and must address each of the following topics:**

- **Outreach Summary:** The outreach conducted under required project component 1, including a description of how input was solicited, the input received, and how the input was addressed in the course of the planning activities and in developing the strategy
- **Statement of Problems and Needs:** Summarize the work performed under required project component 2 and identify the problems and needs in the planning area, including, for example, the issues related to water supply reliability and needs for different water uses, the need for new infrastructure or infrastructure improvements, issues related to operation of a water market, or issues related to the environment or restoration needs within the planning area.
- **Project Opportunities and Comparison of Alternatives:** Summarize the work performed under required project component 2 to identify, compare and prioritize potential solutions/projects to address the problems and needs in the planning area, and:
  - Describe the solutions or potential on-the-ground projects identified, and their relative priority.
  - Explain the findings and conclusions resulting from your comparison of project costs and benefits (for example, are the expected benefits of the projects or water market/activity identified still realistic after comparing alternatives?).
- **Implementation Strategy:** Describe your strategy for moving forward with project concepts or solutions identified through your planning effort, including:
  - How the potential projects or water marketing activities identified will be implemented following completion of the strategy, and any barriers to implementation.
  - For water marketing strategies, please also describe: The potential administrative and legal framework for the water market or marketing activities including, the institutional components (i.e., how will marketing activities be overseen and tracked?), the participants, water rights, infrastructure involved, and the types of legal agreements used or needed, and description of potential rules and requirements for operation of the water market or marketing activity.



- Next steps for project development, including future outreach plans (how stakeholders will be engaged in future project phases), need for project design or engineering, and any information gaps and need for additional analysis.
- Any next steps to address permitting, environmental compliance, or legal requirements; financing needs or plans; water rights or infrastructure issues.
- How project performance will be monitored.
- **Discussion of lessons learned.**
  - Describe how development of the strategy benefitted you
  - Identify lessons learned through the course of developing the strategy
  - Identify any feedback for Reclamation on the process or program
- If the recipient already completed significant work on a particular strategy component prior to receiving a Water Strategy Grant, a summary of prior work must be included when addressing that component in the strategy document.

## **B. Activities Eligible under Required Project Component 2: Analyses, Scoping and Planning Activities**

As described above, Water Strategy Grant projects must address required project component 2 Analysis, Scoping and Planning Activities, including sub-components a-c. Following is a description of potential tasks to meet project component 2. The applicant can substitute appropriate tasks or may provide explanations for certain tasks that have already been completed or are not necessary but, collectively, the tasks identified by the applicant to meet project component 2 should contribute to a holistic, overarching, water strategy.

- **Technical Analyses to Identify Problems, Needs and Opportunities:** Conducting hydrologic, engineering, or environmental analyses to better understand the water supply, water quality, and restoration problems and needs that exist in the study area and to identify options to address those needs for municipal, agricultural, Tribal, and environmental water uses, mitigation of climate change impacts, enhancement of commercial, recreational, subsistence, or Tribal ceremonial fishing, or enhancement of river-based recreation. These types of analyses could include but are not limited to:
  - Water availability analyses or establishment of a water balance including assessment of the availability of surface or groundwater, the availability of future water supplies using climate change projections, and assessment of current and future water demands for relevant water uses. Note: if you have questions about how to consider climate change within your study, or are looking for resources to support this type of analysis, please contact your local Reclamation office or the WaterSMART Program office.
  - Modeling reservoir or system operations to develop scenarios for optimizing use of existing infrastructure

- Completion of hydrologic analyses, hydraulic modeling, wetland evaluations, watershed assessments, geotechnical investigations, or floodplain assessments.
- Assessment of drought preparedness and existing infrastructure and to identify needs and options for new drought strategies or infrastructure (e.g., additional storage, new conveyance to access additional water supplies, interties to support water transfers, or infrastructure to support river restoration for ecological purposes), including nature-based solutions.
- Assessment of the need and options for potential infrastructure improvements to increase water conservation and efficiency, such as lining or piping canals to decrease water losses, installation of automated gates, water measurement devices, or other infrastructure to support water marketing or environmental benefits.
- Assessment of river-based ecosystem or watershed restoration needs and opportunities, including needs for aquatic plant and animal habitat, ecosystem or watershed health, and restoration of other ecological values. This could include but is not limited to development of:
  - Baseline information about habitat or species, aquatic conditions, and other needs for watershed or ecosystem health;
  - Metrics for improving habitat, and identification of best management practices; and,
  - Identifying potential restoration projects benefiting ecological value or watershed health, fish and wildlife habitat, mitigation of climate change impacts, enhancement of commercial, recreational, subsistence, or Tribal ceremonial fishing, or enhancement of river-based recreation.
- If some measurements, monitoring, or field work is required to complete the analyses described above in this section, 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 and cultural resources compliance costs.
- **Water Marketing and Water Rights Analyses:** Conducting analyses to explore water marketing options or to investigate the use different sources of water supply for water management or restoration purposes, including:
  - 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, 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 legal analysis cannot exceed 30 percent of the total project cost and 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 or for other use in meeting water supply needs and to avoid impacts to downstream water users.
  - Analyzing economic, social, community, and environmental impacts of potential market/transaction(s).
  - Projects to develop a water marketing strategy may include pilot activities to test moving water if a pilot would support the development of a water marketing strategy, in compliance with applicable laws. Pilot projects may include a short-term lease of water to perform pilot activities; however, projects may not include a water rights purchase or long-term lease of water rights. If a pilot is included, the applicant must include funding in their budget for related environmental compliance work.
- **Research of Legal and Institutional Requirements**
    - Conduct research on legal and institutional requirements; permitting and environmental compliance; land ownership and necessary easements; and state and/or local requirements with the potential to affect implementation of the project.
    - Research the impacts of any proposed projects on contractual water and power supply obligations, water rights, Tribes, and other area stakeholders.
- **Decision Support Tools:** Analysis of the need for decision support tools, including software databases, registries, dashboards or models that would help facilitate water management improvements, water marketing or river restoration. *Note:* Some work that would be considered development or modification of decision support tools to support the overall strategy development may be eligible for funding so long as it is integral to the strategy and funding for this work does not exceed 30 percent of the total project cost.
- **Development and Comparison of Project Alternatives:** Work to prioritize, compare or otherwise scope potential project alternatives, could include, but is not limited to:
    - Formulate alternatives and create decision matrix
    - Compare project alternatives, qualitative or quantitative comparison of costs and benefits
    - Solicit stakeholder input on potential project options
    - Create a prioritized list of potential future projects.

### **C. Submittal of a Draft Strategy for Review**

As will be specified in your financial assistance agreement if your project is selected for award, 120 days prior to the completion of the period of performance for the award, recipients must submit their draft strategy to Reclamation for review and feedback.

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.

# Attachment 2 - Project Design Grants

## A. Project Requirements

Project Design Grant funded under this NOFO must meet the requirements listed below and submit a final design package to Reclamation along with their final financial assistance report. Reclamation encourages applicants to reach at least 60% final design at the completion of their project. Project activities leading to construction plans and specifications must be reviewed and approved by a professional registered in the appropriate engineering/architectural discipline. The recipient of a Project Design Grant is responsible for the technical adequacy of the design. Reclamation's review of the final report and design package are only for the purpose of ensuring that program requirements were met – not to ensure technical adequacy.

Products for submission generally include, but are not limited to:

- A document, commonly referred to as a “Basis of Design,” that identifies the project goals and requirements, technical design criteria, safety design considerations, design codes, operating descriptions, details of stream conditions and diversions, habitat information, and assumptions to be used to develop final designs, as applicable.
- Site specific design drawings including plan, elevation, and section drawings. Site preparation information such as erosion and sediment control plans, site grading, drainage, utilities, and demolition, and removal including hazardous materials.
- Details and specifications for fabrication, supply of material, construction, as applicable.
- Construction cost estimate and schedule.

## B. Eligible Activities

In general, development of a design package should include, but is not limited to, the following:

- **Development of project requirements and evaluation of design alternatives.** Tasks may include, but are not limited to:
  - Developing design criteria and standards
  - Designing alternatives analysis and decision matrix
  - Stakeholder outreach activities directly linked to project design such as public meetings, etc.
  - Conducting Value Engineering/Value Planning/Value Analysis workshops
  - Analyzing site alternatives and identifying specific project sites

- **Evaluation of site alternatives and selection of project site.** Tasks may include, but are not limited to:
  - Conducting monitoring, measurement, or other fieldwork needed to inform project design
  - System loss field investigations and estimates
  - Site surveying and field exploration
  - Geologic field exploration
  - Drilling of pilot wells

*Note: Ground disturbing activities will require environmental and cultural compliance.*

- **Preparation of final design drawings and specifications for the construction of the project.** Tasks may include, but are not limited to:
  - Modeling activities such as hydrologic, groundwater, (there is modeling associated with restoration design activities)
  - Develop basis of design documentation
  - Site-specific design and engineering associated with the project
  - Revegetation plan, including a schedule and selected species to be planted
  - Develop manufacturing and construction plans and specifications
  - Analyze means and methods for construction at the project site and identify constraints
- **Evaluation of economic conditions, preparation of project cost estimates, and development of project implementation plan.** Tasks may include, but are not limited to:
  - Analyzing markets and materials (including domestic sources),
  - Developing an estimate of probable construction cost
  - Developing project implementation plan, budget, and milestones for completing the project
- **Legal and Institutional Requirements Research.** Task may include, but are not limited to:
  - Researching legal and institutional requirements; permitting and environmental compliance; land ownership and necessary easements; and state and/or local requirements with the potential to affect implementation of the project.
  - Researching the impacts of any proposed projects on contractual water and power supply obligations, water rights, Tribes, and other area stakeholders.
  - Consulting with Reclamation regarding potential environmental compliance

While the Build America Buy America Act is a requirement specific to infrastructure projects, applicants are encouraged to consider Reclamation's focus on advancing the objectives of using American-made products and materials and building domestic manufacturing when initiating the planning and design of projects.

# Attachment 3 - Drought Contingency Planning Projects

## A. Project Requirements

Drought contingency plans (new plan development and plan update) funded under this NOFO must be required to address the six elements of a drought contingency plan outlined below in Section B, *Required Elements for New Plans or Plan Updates*. In developing these required elements, successful applicants will be required to follow procedural steps outlined below in Section A.1 and A.2. In developing these requirements, Reclamation relied on proven approaches and common practices used in drought planning.

Once the applicant has been informed that a proposal submitted under this NOFO has been selected for funding, Reclamation will enter into a cooperative agreement with the applicant, documenting the requirements and conditions related to the provision of financial assistance. The cooperative agreement will be divided into two phases: Phase I for the establishment of a drought planning task force and development of a detailed work plan and Phase II for development or update of a drought contingency plan. The cooperative agreement will require the following drought contingency planning:

### A.1 Phase I Requirements

Phase I must include the establishment of a drought planning task force and the development of a detailed work plan that includes a communication and outreach plan.

- **Establishment of a Drought Planning Task Force.** — At the outset of the planning process, the planning lead will develop a Drought Planning Task Force (Task Force) made up of interested stakeholders within the planning area that want to actively participate in developing the Drought Contingency Plan. The Task Force must have diverse membership representing multiple interests in the planning area.
- **Development of a Detailed Work Plan.** — The detailed work plan will be developed by the planning lead in consultation with Reclamation and will describe in detail how the various tasks included in developing or updating the plan will be accomplished, along with a detailed work schedule, and the responsibilities of Reclamation (Reclamation will provide input on this element), the planning lead, the Task Force, and other interested stakeholders. The work plan also includes a communication and outreach plan describing how stakeholders and the public will be involved in the planning process. The work plan must be submitted to Reclamation for review and acceptance before substantive work on the plan development or update may begin.

## **A.2 Phase II Requirements**

After the detailed work plan is reviewed and accepted by Reclamation, the planning lead will then develop the plan or plan update including the required elements described below.

## **B. Required Elements for New Plans or Plan Updates**

All new drought contingency plans must address each of the six elements described immediately below. Updates to an existing drought plan may focus on only those elements that have not yet been developed in the plan or that require further development or updating; however, completed plan updates must address each of these six elements.

The six required elements for drought contingency plans developed or updated under this NOFO are:

- 1. Drought Monitoring**—The drought contingency plan must establish a process for monitoring near and long-term water availability, and a framework for predicting the probability of future droughts or confirming an existing drought.
- 2. Vulnerability Assessment**—The drought contingency plan must include a vulnerability assessment evaluating the risks and impacts of drought. The assessment will drive the development of potential mitigation and response actions and must be based on a range of future conditions, including uncertainties related to changing hydrologic conditions.
- 3. Mitigation Actions**—The drought contingency plan must identify, evaluate, and prioritize mitigation actions and activities that will build long-term resiliency to drought and that will mitigate the risks posed by drought.
- 4. Response Actions**—The drought contingency plan must identify, evaluate, and prioritize response actions and activities that can be implemented during a drought to mitigate the impacts.
- 5. Operational and Administrative Framework**—The drought contingency plan must identify who is responsible for undertaking the actions necessary to implement each element of the drought contingency plan, including communicating with the public about those actions.
- 6. Plan Development and Update Process**—The drought contingency plan must describe the process that was undertaken to develop the plan, including how stakeholders were engaged and how input was considered. In addition, the drought contingency plan must also include a process and schedule for monitoring, evaluating, and updating the drought contingency plan.

For further guidance on approaches for meeting the program requirements, please see the Drought Response Program Framework, available at [www.usbr.gov/drought](http://www.usbr.gov/drought).

**Note:** Proposals to develop one or more elements of a drought contingency plan that would not result in a completed plan within the three-year period of performance are not eligible for



funding consideration. Applicants interested in a narrower scope of planning should see Attachment 1: Water Strategy Grants.

### **C. Request for a Cost Share Reduction or Waiver**

Reclamation may reduce or waive the non-Federal cost share requirement upon request by the applicant if an overwhelming Federal interest and a significant financial need are identified. If the funding plan identifies less than 50 percent non-Federal cost share match, please include the request for a cost-share reduction or waiver in the proposal. The request must include information and documentation addressing the factors set forth immediately below.

Reclamation will use the following factors when considering whether to reduce or waive the non-Federal cost share requirement. Please address each of the following criteria and provide an explanation for the applicability of each criterion with supporting documentation:

- **Overwhelming Federal Interest.** Reclamation will make a determination of whether an overwhelming Federal interest exists based on factors such as the programs and policies of the President and the Secretary of the Department of the Interior.
- **Financial Hardship.** In determining whether a significant financial need exists the following factors will be considered:
  - The population-weighted median household income within the study area and the state based on the latest available data from the U.S. Census Bureau’s American Community Survey ([www.census.gov/acs/www/data/data-tables-and-tools/](http://www.census.gov/acs/www/data/data-tables-and-tools/)).
  - Family poverty level for the state as estimated by guidelines published annually by the U.S. Department of Health and Human Services ([aspe.hhs.gov/poverty-guidelines](http://aspe.hhs.gov/poverty-guidelines))
  - The population-weighted average unemployment rate within the study area based on the latest available data from the U.S. Census Bureau’s American Community Survey ([www.census.gov/acs/www/data/data-tables-and-tools/](http://www.census.gov/acs/www/data/data-tables-and-tools/))
  - A current financial statement of the applicant and a statement that the applicant does not possess sufficient funds or assets to pay for all or part of the required cost share

For more information regarding cost share waivers, please contact the program coordinator identified in *Section G. Agency Contacts*.