

# Reclamation Manual

## Directives and Standards

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<b>Subject:</b>	WaterSMART Grants
<b>Purpose:</b>	To establish Bureau of Reclamation requirements for reviewing, approving, and administering WaterSMART Grants under the WaterSMART Program (Program). The benefit of this Directive and Standard (D&S) is the establishment of uniform requirements to promote consistency and efficiency in Program implementation.
<b>Authority:</b>	Reclamation Act of June 17, 1902 (ch. 1093, 32 Stat. 388; 43 U.S.C. 371 et seq.) and acts amendatory thereof and supplementary thereto; Section 9504 of the Secure Water Act, Subtitle F of Title IX of Pub. L. 111-11, Omnibus Public Lands Management Act of 2009 (Act) (42 U.S.C. 10364 et seq.).
<b>Approving Official:</b>	Director, Policy and Administration (Policy Director)
<b>Contact:</b>	Program Management Office, 84-51000

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### 1. Introduction.

- A. The Act provides Reclamation with authority to enter into cost-shared financial assistance agreements with eligible applicants to plan, design, or construct water and energy efficiency projects and other water management improvements. The Act also provides Reclamation with authority to enter into cost-shared financial assistance agreements with eligible applicants to conduct research activities to improve water management.
  - B. The Program was established under Secretarial Order 3297 to address sustainable water supplies and includes WaterSMART Grants, through which Reclamation provides cost-shared assistance on a competitive basis for water and energy efficiency projects and other water management improvements.
  - C. This D&S sets forth the requirements, responsibilities, and selection processes for WaterSMART Grants conducted under the Program. Other Reclamation requirements concerning financial assistance agreements are described in Reclamation Manual (RM) D&S, *Requirements for Award and Administration of Financial Assistance Agreements (Grants and Cooperative Agreements)* (ACM 01-01), and elsewhere in the RM and are applicable to WaterSMART Grants.
2. **Applicability.** This D&S applies to all Reclamation employees engaged in the selection, award, and oversight of WaterSMART Grants, including activities that are related to the development of each WaterSMART Grant Funding Opportunity Announcement (FOA); the review and selection of applications for financial assistance and award of funding; or the post-award oversight and monitoring of financial assistance agreements under the Program.

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### 3. Definitions.

- A. **Applicant.** An entity that submits an application in response to a WaterSMART Grant FOA.
- B. **Application Review Committee (ARC).** The committee established to review and rank all WaterSMART Grant applications submitted by eligible applicants. The ARC is generally comprised of staff members from Reclamation regional offices, area offices, and field offices, Policy and Administration (Policy), and Technical Resources, with expertise in the area(s) of the specific WaterSMART Grant applications to be reviewed. The ARC will also include non-Reclamation staff when appropriate.
- C. **Awarding Grants Officer.** Reclamation employee who has been delegated signature authority to award and oversee WaterSMART Grant financial assistance agreements on behalf of Reclamation. The Awarding Grants Officer may be different from the FOA Grants Officer and is typically located in a regional or area office.
- D. **Change of Scope.** Modification of a financial assistance agreement to revise the scope of work provided in the original financial assistance agreement.
- E. **Cultural Resources Compliance Costs.** Costs incurred by Reclamation and/or the WaterSMART Grant recipient related to complying with cultural resources laws and regulations applicable to a WaterSMART Grant, including costs associated with any required consultations, permits, approvals, surveys, inventories, evaluations, recordation, or mitigation. Such costs include, but are not limited to, costs necessary to comply with the National Historic Preservation Act (16 U.S.C. 470 et seq.), Native American Graves Protection and Repatriation Act (25 U.S.C. 3001 et seq.), and other applicable cultural resources management legislation or executive orders.
- F. **Environmental Compliance Costs.** Costs incurred by Reclamation and/or the WaterSMART Grant recipient related to complying with environmental laws and regulations applicable to a WaterSMART Grant, including costs associated with any required consultations, studies, permits, approvals, surveys, inventories, evaluations, documentation, analyses, or mitigation. Such costs include, but are not limited to, costs associated with National Environmental Policy Act documentation (42 U.S.C. 4321 et seq.); Endangered Species Act (ESA) (16 U.S.C. 1531 et seq.), Clean Water Act (33 U.S.C. 1251 et seq.), and Clean Air Act (42 U.S.C. 7401 et seq.) documentation and coordination; Tribal trust responsibilities; and Tribal consultations.
- G. **Financial Assistance Agreement.** As defined in ACM 01-01, a financial assistance agreement is an award which provides support in order to accomplish a public purpose authorized by a law or regulation of the United States. Financial assistance awards include grants, cooperative agreements, and other agreements in the form of money or property in lieu of money, by the Federal government to an eligible recipient. The term does not include: technical assistance which provides services instead of money; other

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assistance in the form of loans, loan guarantees, interest subsidies, or insurance; direct payments of any kind to individuals; or contracts which are required to be entered into and administered under procurement laws and regulations.

- H. **FOA.** A notice on Grants.gov of a competitive Federal grant funding opportunity available to the public.
- I. **FOA Grants Officer.** Reclamation employee responsible for ensuring that the announcement and selection of WaterSMART Grant projects are conducted in accordance with government-wide, Departmental, and Reclamation requirements related to financial assistance. The FOA Grants Officer may be different from the Awarding Grants Officer assigned responsibility for the award and oversight of WaterSMART Grant financial assistance agreements.
- J. **Grants Officer Technical Representative (GOTR).** Reclamation employee delegated authority by the Awarding Grants Officer to oversee the technical and programmatic aspects of a specific WaterSMART Grant financial assistance agreement.
- K. **Infrastructure Improvement to a Federally Owned Facility.** As the term is used in Section 9504(a)(3)(D) of the Act, any segment of a project funded under Section 9504(a) of the Act that results in a modification to a portion of a Federal facility that is integral to the existing operations of that facility.
- L. **No-Cost Time Extension.** Modification of a financial assistance agreement to extend the completion date of a WaterSMART Grant project without the provision of additional Federal funding to the WaterSMART Grant recipient or substantial changes to the scope of work, budget, or other terms and conditions of the financial assistance agreement.
- M. **Non-Federal Cost-Share.** The contributions provided by non-Federal entities or funding partners to fund the non-Federal share of the project. Non-Federal cost-share under WaterSMART Grants is provided through cash or in-kind contributions, which may be in the form of real property, equipment, supplies and other expendable property, as well as the value of goods and services directly benefiting and specifically identifiable to a WaterSMART Grant project.
- N. **Policy Coordinator.** Reclamation employee assigned by the Policy Director who provides leadership and coordination for WaterSMART Grants on a Reclamation-wide basis.
- O. **Pre-Award Costs.** Costs associated with a WaterSMART Grant project that are incurred prior to the date of execution of the financial assistance agreement.

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- P. **Project Costs.** The costs associated with commencing and completing a WaterSMART Grant project, including, but not limited to, costs for materials and supplies, environmental and cultural resources compliance costs, and labor costs.
- Q. **Red-Flag Review.** The review conducted by Reclamation offices following the results of the ARC review to 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, past performance, or financial position, and to address any specific concerns or questions raised by members of the ARC.
- R. **Regional Coordinator.** Reclamation employee assigned by a regional director to serve as the region's primary point of contact with the Policy Coordinator on programmatic, Reclamation-wide, and other related WaterSMART Grant activities as assigned.
- S. **WaterSMART Grant.** A Federal financial assistance agreement entered into between Reclamation and a WaterSMART Grant recipient that provides funding to assist the recipient in planning, designing, or constructing an eligible improvement to conserve water; to increase water use efficiency; to facilitate water markets; to enhance water management, including increasing the use of renewable energy in the management and delivery of water; to accelerate the adoption and use of advanced water treatment technologies; to address concerns with threatened or endangered species, designated critical habitat, or recognized candidate species under the ESA as relates to improved water management; to carry out any other activity to prevent water-related crisis or conflict at any watershed that has a nexus to a Federal Reclamation project located in a service area; or to address any climate-related impact to the water supply of the United States that increases ecological resiliency to the impacts of climate change. A WaterSMART Grant may also provide funding for research activities designed to address the conservation of water resources; increase efficiency of the use of water resources; or enhancement of the management of water resources.
4. **Responsibilities.**
- A. **Commissioner.** The Commissioner is responsible for determining the appropriate emphasis of WaterSMART Grants as a mission goal within Reclamation's overall strategic plan and taking such measures as are necessary for the overall implementation of WaterSMART Grants.
- B. **Policy Director.** The Policy Director is responsible for overseeing the execution of WaterSMART Grants on a programmatic level, in cooperation with the regional directors and Technical Resources Director, in accordance with this D&S, and taking such measures as are necessary for the overall implementation of WaterSMART Grants. The Policy Director is also responsible for identifying a Policy Coordinator and providing final written approval of the projects selected for funding. The Policy

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Director will consult with the Commissioner prior to finalizing WaterSMART Grant FOAs and prior to approving final selections of WaterSMART Grant projects.

- C. **Regional Directors.** Regional directors are responsible for ensuring proper award and oversight of WaterSMART Grants within their respective regions in cooperation with the Policy Director; identifying regional coordinators; and taking such measures as are necessary for implementation of WaterSMART Grants within their regions.
- D. **Management Services Office Director.** The Management Services Office Director is responsible for ensuring Reclamation-wide compliance with the internal control and compliance requirements for the award and oversight of financial assistance agreements identified in ACM 01-01, Reclamation Acquisition Circulars, and other releases. The Management Services Office Director is also responsible for ensuring that the FOA, the evaluation, selection and award of WaterSMART Grants, and the post-award monitoring activities associated with WaterSMART Grants are conducted in accordance with Departmental and Reclamation requirements and procedures related to financial assistance.
- E. **Policy Coordinator.** The Policy Coordinator is responsible for providing coordination for all WaterSMART Grants, including working with the regional coordinators to resolve questions as they arise, ensuring that WaterSMART Grants are implemented in an effective and efficient manner, preparing WaterSMART Grant FOAs, and taking such measures as are necessary for overall implementation of WaterSMART Grants.
- F. **Regional Coordinators.** Regional coordinators are responsible for coordinating oversight and management of all WaterSMART Grants within their respective regions, including working with the Policy Coordinator and Awarding Grants Officer to resolve questions as they arise; ensuring that WaterSMART Grants are implemented consistently with this D&S and other program and financial assistance requirements; and taking such measures as are necessary for implementation of WaterSMART Grants within their regions.
- G. **ARC.** The ARC is responsible for reviewing all accepted WaterSMART Grant applications and ranking them in accordance with the applicable WaterSMART Grant evaluation criteria.
- H. **FOA Grants Officer.** In support of the competitive selection of WaterSMART Grants, the FOA Grants Officer is responsible for ensuring that all WaterSMART Grant FOAs comply with all financial assistance requirements; posting WaterSMART Grant FOAs on grants.gov; conducting an initial screening of all applications submitted in response to the FOAs; serving as the point of contact for ARC members during the ARC review; and serving as the point of contact for applicants throughout the selection process. The FOA Grants Officer works closely with Policy. Depending on Program needs, the FOA Grants Officer may also serve as the Awarding Grants Officer responsible for the oversight of specific WaterSMART Grants, as detailed in Paragraph 4.I.

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- I. **Awarding Grants Officer.** The Awarding Grants Officer is responsible for the award and oversight of specific WaterSMART Grants, including ensuring WaterSMART Grant recipient compliance with all applicable laws and regulations.
  - J. **GOTR.** In addition to the responsibilities delegated to the GOTR by the Awarding Grants Officer, the GOTR is also responsible for project coordination and reporting as described within Paragraph 8.A. of this D&S and any other program management support activities specified by the Policy Coordinator.
5. **Program Budgeting.** The Policy Director will formulate a budget request to conduct WaterSMART Grants, including funding associated with the costs for selecting, awarding, and overseeing WaterSMART projects selected for funding. Funding will be allocated to Reclamation's regions, as appropriate.
6. **Conditions for Applying.** To be eligible for funding, an application must be submitted by the application deadline by an eligible applicant and must meet all of the requirements of the FOA, including describing an eligible project. These requirements are described in further detail as follows:
- A. **Eligible Applicant.** Eligibility may vary depending on the WaterSMART Grant FOA. Specific information regarding eligible applicants will be included in each FOA, consistent with the following requirements:
    - (1) **Planning, Designing, and Constructing Improvements.** Under the Act, applicants eligible for the planning, designing, or constructing of a water management improvement include:
      - (a) States, Indian Tribes, irrigation districts, water districts;
      - (b) other organizations with water or power delivery authority; and
      - (c) applicants must be located in the western United States or Territories as identified in the Reclamation Act of June 17, 1902, as amended and supplemented; specifically: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.
    - (2) **Research Activities.** Under the Act, applicants eligible for research activities include:
      - (a) universities and non-profit research institutions located in the United States; and
      - (b) organizations with water or power delivery authority located in the western United States or Territories as identified in the Reclamation Act of June 17,

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1902, as amended and supplemented; specifically: Arizona, California, Colorado, Idaho, Kansas, Montana, Nebraska, Nevada, New Mexico, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wyoming, American Samoa, Guam, the Northern Mariana Islands, and the Virgin Islands.

- (3) **Notification of Ineligibility.** Applicants that have submitted an application but are subsequently determined to be ineligible for funding will be informed of that determination by the FOA Grants Officer in writing within the timeframe set in the FOA.
- (4) **Collaboration.** Reclamation will encourage eligible applicants to partner with other entities to promote involvement of an array of interested stakeholders in WaterSMART Grant projects.

### B. Application Meets FOA Requirements.

- (1) **Timely.** Reclamation will consider only those applications submitted by the application deadline provided in the FOA, unless it can be determined that a delay was caused by Federal government mishandling.
- (2) **Complete.** Reclamation will consider only those applications that include all of the information required in the FOA.
- (3) **Funding Limit.**
  - (a) The maximum amount of funding a WaterSMART Grant recipient may receive will be established annually in the FOA and will not exceed \$5,000,000, in accordance with Section 9504(a)(3)(E)(iii) of the Act.
  - (b) Each WaterSMART Grant FOA will specify whether Reclamation will consider accepting multiple applications for funding from a single applicant.

C. **Eligible Projects.** Each FOA will describe in detail eligible projects in accordance with the Act, as described in Paragraph 3.S.

D. **Cost-Share.** Reclamation requires that at least 50 percent of project costs are cost-shared with non-Federal funding provided by the recipient or third party partners. Reclamation will contribute up to 50 percent of the project costs up to the maximum funding amount established in each FOA.

- (1) **Securing Non-Federal Funding.** Reclamation will not make funds available for a WaterSMART Grant project until the recipient has secured non-Federal cost-share. Reclamation will execute a financial assistance agreement once

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non-Federal funding has been secured or Reclamation determines that there is sufficient evidence and likelihood that non-Federal funds will be available to the applicant subsequent to executing the agreement.

- (2) **Oversight.** Reclamation's costs to oversee and manage a WaterSMART Grant project will not be included as part of the project costs subject to cost sharing by Reclamation and the applicant.
- (3) **Pre-Award Costs.**
  - (a) The FOA will describe in detail the conditions under which pre-award costs incurred by an applicant may be included as project costs.
  - (b) Reclamation will review any proposed pre-award costs described in an application to determine if they are allowable, allocable, and reasonable in accordance with the Act and applicable Office of Management and Budget (OMB) cost principles.
- (4) **Environmental and Cultural Resources Compliance Costs.** The costs of environmental and cultural resources compliance are considered project costs subject to cost sharing by Reclamation and the applicant, and must be budgeted for in accordance with the requirements described in the FOA.

### 7. WaterSMART Grant Selection Process for Financial Assistance.

- A. **Selection Process.** Reclamation's process for selecting projects for WaterSMART Grant funding is as follows:
  - (1) **Preparation of the FOA.** WaterSMART Grant FOAs will be prepared on an annual basis consistent with the goals of the Act, Departmental guidance, and this D&S, subject to available appropriations. Each WaterSMART Grant FOA will identify specific requirements, including applicant and project eligibility, application deadlines, and evaluation criteria.
    - (a) **Development.** The Policy Coordinator will develop the FOA(s) and will consult with the FOA Grants Officer to ensure that all WaterSMART Grant FOAs comply with all financial assistance requirements.
    - (b) **Evaluation Criteria.** The evaluation criteria for WaterSMART Grant FOAs will be consistent with the goals of the Act and Departmental guidance and will be described in detail, including associated point values, in each FOA.



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- (c) **Public Comment.** Reclamation will provide an opportunity for public comment on a WaterSMART Grant FOA that has undergone major revisions from the previous year's FOA, such as significant revisions to the evaluation criteria or the grant objective.
- (2) **Posting the FOA.** All FOAs will be posted on grants.gov by the FOA Grants Officer.
  - (a) **Commissioner Consultation.** WaterSMART Grant FOAs will be posted only following consultation with the Commissioner.
  - (b) **Application Deadline.** An FOA will include an application deadline, which will typically be 45 to 60 calendar days from the date of posting.
- (3) **Receipt of Application.** The FOA Grants Officer will record the date and time of receipt of all applications and will ensure that only applications received by the application deadline are considered for funding.
- (4) **Initial Screening.** The FOA Grants Officer will screen all applications submitted prior to the application deadline to assess applicant eligibility, non-Federal cost-share, and to ensure that each application meets FOA requirements. The FOA Grants Officer will forward accepted applications to the ARC for further review and consideration, including determination of project eligibility. Project eligibility shall be determined based on requirements set forth in the FOA. (See Paragraph 6 for additional information.) The FOA Grants Officer will request additional information to clarify eligibility from the applicant and will consult with the Policy Coordinator, as necessary. If an application is determined to be ineligible for funding at this stage, the FOA Grants Officer will notify the applicant in writing of that determination in accordance with requirements set forth in the FOA.
- (5) **Establishment of the ARC.** The Policy Director, in consultation with the regional directors and Technical Resources Director, will select the members of the ARC prior to the deadline for applications submitted in response to the FOA.
- (6) **ARC Review.**
  - (a) Each ARC member will sign and return the Confidentiality and Non-Disclosure forms to the FOA Grants Officer before reviewing accepted applications.
  - (b) The ARC will review and evaluate all accepted applications in accordance with the evaluation criteria in the FOA and assess the budget as proposed in relation to the tasks outlined in the application. The Policy Coordinator, in

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coordination with the FOA Grants Officer, will oversee the review of applications by the ARC. The ARC review process will be as follows:

- (i) individually, ARC members will review and evaluate assigned applications in accordance with the evaluation criteria in the FOA;
  - (ii) ARC members will then convene to discuss their evaluated applications with other members of the review committee in order to identify any issues or discrepancies; and
  - (iii) collectively, the ARC will develop a consensus ranking and recommend specific projects to be considered further for WaterSMART Grant funding.
- (c) In the event the ARC determines that clarification is needed to effectively and fully evaluate an application, the FOA Grants Officer will contact the applicant on behalf of the ARC to request additional information or support.
- (d) The ARC will make a recommendation on project eligibility based on requirements set forth in the FOA, as necessary.
- (7) **Red-Flag Review.** Following the ARC review, Policy will initiate a red-flag review as follows:
- (a) The Policy Director will transmit a list of the top-ranking applications to the regional directors, Technical Resources Director, and Program and Budget Director, requesting review and recommendations.
  - (b) Concurrently, the Policy Director will transmit the results of the ARC review to the following Reclamation offices within Policy for review and comment:
    - (i) Maintenance Services Division;
    - (ii) Water and Environmental Resources Division;
    - (iii) Land Resources Division; and
    - (iv) any other relevant divisions as determined necessary.
  - (c) The Policy Director will consider all recommendations and comments received during red-flag review and will convene the ARC as necessary to assess those comments and determine whether any modifications to the ARC's rankings or recommendations are warranted.

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- (d) The Policy Coordinator will transmit the results of the ARC review to the FOA Grants Officer, who will conduct a cost-share review of the top ranked applications, including review of the applicant's proposed non-Federal cost-share funding.
- (8) **Budget Review.** The FOA Grants Officer will conduct an initial review of the applicant's budget documentation for costs associated with proposed project tasks. The FOA Grants Officer will forward all budget review documents to the Awarding Grants Officer. Final budget approval is completed by the Awarding Grants Officer.
- (9) **Project Selection.**
  - (a) **Project Recommendation.** The Policy Director will transmit to the Commissioner a list of the projects recommended for funding based on the ARC's review, the responses to red-flag review, and the budget and cost-share review. The Policy Director will provide recommendations to the Commissioner, as needed, for allocating available funding among multiple WaterSMART Grant FOAs, and for ensuring that multiple project types are represented. (See Paragraph 3.S. for additional information on project types.)
  - (b) **Commissioner Consultation.** The Policy Director will consult with the Commissioner regarding the recommendations of the Policy Director described immediately above in Paragraph 7.A.(9)(a).
  - (c) **Final Project Selection List.** Following consultation with the Commissioner, the Policy Director will record in writing the final project selection list, including justification of any deviation from the ARC's final recommendations, consistent with Paragraph 3.A.(2)(a)(iii) of ACM 01-01.
- (10) **Notification to Applicants of Status.** The FOA Grants Officer will notify each applicant in writing of the status of its application for funding. As necessary, the FOA Grants Officer will consult with the Policy Coordinator when a specific programmatic decision pertaining to the applicant needs to be addressed in the notification letter. The FOA Grants Officer will include a statement in the notification that the applicant may request a debriefing in which Reclamation will discuss the strengths and weaknesses of the applicant's project and application.

### B. Award Information.

- (1) **Evaluation.** For each project selected for funding, the Awarding Grants Officer will conduct and document all required pre-award due-diligence activities including, but not limited to:
  - (a) pre-award clearances, determinations, reviews, and approvals;

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- (b) allowability, allocability, and reasonableness of proposed costs;
  - (c) financial strength and stability of the organization (as appropriate); and
  - (d) adequacy of financial and business management systems, personnel practices, procurement procedures, and accounting policies and procedures, as established by applicable OMB circulars and regulations.
- (2) **Results.** If the results of all pre-award reviews and clearances are satisfactory, an award of funding will be made once the financial assistance agreement is finalized. If the results of pre-award reviews and clearances are unsatisfactory, the Awarding Grants Officer will consult with the Policy Coordinator, and, as necessary, the regional coordinator and GOTR, and will determine whether to remove the project from further consideration.
- (3) **Revisions to Scope of Work Prior to Award.** During the development of the financial assistance agreement, the regional coordinator will notify the Policy Coordinator of any proposed revisions to the scope of work that was described in the application for funding. The Policy Coordinator will determine whether the proposed revisions are likely to affect project benefits and costs and will convene the ARC as necessary to determine whether to recommend reconsideration of award of funding for the revised project.
- (4) **Environmental and Cultural Resources Compliance.** Reclamation will ensure that an applicant does not take any action, including beginning any ground-disturbing activities, on a WaterSMART Grant project before environmental and cultural resources compliance are complete and Reclamation explicitly authorizes work to proceed.
- (5) **Financial Assistance Agreement.** In addition to the standard requirements for financial assistance agreements executed by Reclamation, financial assistance agreements executed in support of WaterSMART Grants must include:
- (a) major milestones and estimated dates for completion within the Scope of Work section;
  - (b) estimated water savings, if applicable;
  - (c) specific terms for completing environmental and cultural resources compliance if such compliance has not been completed prior to award, including Reclamation reserving the right to unilaterally terminate the financial assistance agreement for cause if project activities that require such compliance, such as construction activities, commence prior to receipt of written notice from Reclamation that all such clearances have been obtained;

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- (d) additional Program-specific reporting requirements (including those described below in Paragraph 8.A.);
  - (e) terms providing that the WaterSMART Grant recipient agrees not to use any associated water savings to increase the total irrigated acreage of the recipient or to otherwise increase the consumptive use of water in the operation of the recipient, as determined pursuant to the law of the State in which the operation of the recipient is located, consistent with the Act (see Section 9504(a)(3)(B) of the Act);
  - (f) terms providing that title to an infrastructure improvement to a federally owned facility will be held by the Federal Government, if applicable (see Section 9504(a) of the Act);
  - (g) additional statute-specific terms and conditions (e.g., Operations and Maintenance Costs, Section 9504(a)(3)(E)(iv) of the Act); and
  - (h) other Program-specific requirements as identified in the FOA.
- (6) **Amount of Award.** Reclamation will not award funding for WaterSMART Grant projects in excess of the amount requested in the application or included in the financial assistance agreement.
  - (7) **Tribal Consultation.** Reclamation will comply with all applicable Executive, Departmental, and Reclamation requirements regarding Tribal consultation.
  - (8) **Civil Rights Compliance.** Reclamation must ensure that pre-award and award documentation comply with Title VI compliance pursuant to 28 CFR 42.407(a), (b), and (c) and Civil Rights Directive 2011-01 dated March 14, 2012. Standard Form 424B Assurances of Non-Construction Programs and Standard Form 424D Assurances of Construction Programs, which outline civil rights compliance requirements, shall be part of the financial assistance agreement package. The latter requirement will be the responsibility of the Awarding Grants Officer.
  - (9) **Performance Period.** WaterSMART Grants must be completed within the terms established in the FOA and the specific date in the financial assistance agreement, unless a time extension is approved by the Awarding Grants Officer after receiving a recommendation from the Policy Director as provided in Paragraph 8.B.

### 8. Post Award.

- A. **Reporting.** In addition to financial assistance reporting requirements described in ACM 01-01, WaterSMART Grants require additional information to track project progress and benefits, as follows:

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- (1) **WaterSMART Grant Recipient Report.** The GOTR will monitor and follow-up with WaterSMART Grant recipients to ensure that the required performance reports (See Appendix A for a WaterSMART Grant Recipient Report template) are submitted within the timeframe identified in the financial assistance agreement and contain the following information:
  - (a) a comparison of actual accomplishments to the milestones established by the financial assistance agreement for the period;
  - (b) the reasons why established milestones were not met, if applicable;
  - (c) the status of milestones from the previous reporting period that were not met, if applicable;
  - (d) whether the project is on schedule and within the original cost estimate; and
  - (e) any additional pertinent information or issues related to the status of the project.
- (2) **GOTR Report.** The GOTR will submit the GOTR Report to the Awarding Grants Officer and the Policy Coordinator within 21 calendar days of the deadline for WaterSMART Grant recipients to submit the WaterSMART Grant Recipient Report. The GOTR Report will assess the WaterSMART Grant Recipient Report and identify any issues. (See Appendix B for a GOTR Report template.)
- (3) **Final Report.** In addition to final reporting requirements applicable to all financial assistance agreements under ACM 01-01, Reclamation will ensure that the FOA describes any additional final reporting requirements applicable to WaterSMART Grant recipients (see Appendix C for a Final Report template), including, but not limited to, the following information:
  - (a) whether the project objectives and goals were met;
  - (b) discussion of the amount of water conserved, if applicable, including information and/or calculations supporting that amount;
  - (c) discussion of the amount of energy the renewable energy system is generating annually, if applicable; and
  - (d) how the project demonstrates collaboration, if applicable.
- (4) **Recipient Noncompliance.** The Awarding Grants Officer will determine whether failure by the WaterSMART Grant recipient to comply with the terms and conditions of the financial assistance agreement, such as noncompliance with the reporting requirements, requires suspension and/or termination of the agreement. Reclamation will also consider recipient noncompliance during any future red-flag reviews conducted as part of the Program.

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- B. Modifications (Changes in Scope and Time Extensions).** Projects are required to be completed within the timeframe stated in the financial assistance agreement and shall not exceed the stated Federal cost-share. In the event that a WaterSMART Grant recipient is unable to complete the entire project without exceeding the project costs or within the timeframe described in the financial assistance agreement, the following shall apply:
- (1) **Requests to Modify the Financial Assistance Agreement.** If a change in scope or time extension is requested by the WaterSMART Grant recipient, the regional coordinator will consult with the GOTR and Awarding Grants Officer, based on information provided by the WaterSMART Grant recipient, to develop a formal written request for the Policy Director's consideration. (See Appendix D for a Time Extension Request template and Appendix E for a Change of Scope template.) The request will include the following information:
    - (a) an explanation of the reason(s) for the request;
    - (b) whether the issue leading to the request could have been avoided;
    - (c) the likelihood that another request will be required in the future to complete the project;
    - (d) whether the modification will result in a significant reduction to the expected project benefits;
    - (e) whether previous time extensions or changes in scope have been executed for the project;
    - (f) whether the WaterSMART Grant recipient has otherwise complied with the terms of the financial assistance agreement; and
    - (g) whether the regional coordinator recommends approving the request.
  - (2) **Process.** The scope of a project will be scaled back only if the impact to the project benefits will not be significant. The significance of the impact will be determined based on consideration of all the expected benefits of the project and whether the scaled-back project can accomplish the purposes for which the award was made. If the project involves water savings, Reclamation will consider how the scaled-back project benefits compare to the benefits stated in the WaterSMART Grant recipient's application.
  - (3) **Recommendation.** The Policy Director will make a recommendation of whether the financial assistance agreement should be modified based upon the information provided in the formal written request and any additional information that is

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developed in coordination with the regional coordinator. The Policy Director will provide a written response informing the regional coordinator of the recommendation within a reasonable timeframe.

- (4) **Formal Modification.** The Awarding Grants Officer will execute a formal modification to the financial assistance agreement based on the Policy Director's recommendation on how to proceed.

### C. Expenditures.

- (1) In general, and as practical based on the project, the Awarding Grants Officer and the GOTR will ensure that the non-Federal share of project costs is expended at the same or greater rate as the Federal share of project costs, and that costs are appropriate and accurate.
- (2) The regional coordinators will communicate with the Policy Coordinator on issues that arise regarding expenditures for projects within their respective regions.
- (3) The Policy Coordinator will communicate with the regional coordinators on issues as they arise.

- D. **Posting Successful Applications.** Following awards of funding, Reclamation will post all successful applications on the Program website after redactions determined necessary by Reclamation have been made.

### E. Communication of Significant Project Impacts.

- (1) The Awarding Grants Officer and GOTR will ensure that the regional coordinator is informed of any significant issues that arise during post-award administration or close-out of the WaterSMART Grant, or during the WaterSMART Grant recipient's performance of the WaterSMART Grant, including WaterSMART Grant recipient noncompliance with the terms and conditions of the award; substantive changes to the scope of work, budget, or schedule; substantive changes to the estimated water savings or other metrics; questionable or disallowed costs; or other such issues that may impact the success of the project activities funded by the WaterSMART Grant.
- (2) Based on information provided by the Awarding Grants Officer and/or the GOTR, the regional coordinator will communicate to the Policy Coordinator any issues that may impact the success of any WaterSMART Grant projects. The regional coordinator and Policy Coordinator will confer as necessary to determine whether a formal request to modify the financial assistance agreement must be made under Paragraph 8.B.(1) or whether other action will be recommended to the Policy Director.



# Reclamation Manual

## Directives and Standards

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- F. **Close-Out.** Reclamation personnel will follow the standard Reclamation and office procedures for closing-out financial assistance agreements.