

RECLAMATION

Managing Water in the West

**WaterSMART Grants:
Water and Energy Efficiency Grants**

Draft Updated Evaluation Criteria for Review and Comment



**U.S. Department of the Interior
Bureau of Reclamation
Policy and Administration**

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Opportunity to Comment

Reclamation invites other Federal agencies, the public, not-for-profit organizations, or States, Tribes and local governments to *comment on the draft criteria, pages 4-6, below, by October 28, 2016*. Comments may be sent to **Mr. Darion Mayhorn** at dmayhorn@usbr.gov or to the address below:

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For questions regarding WaterSMART Grants or this opportunity to comment, please contact Mr. Darion Mayhorn at (303) 445-3121 or dmayhorn@usbr.gov.

Background

As part of continuing efforts to improve the WaterSMART Program, the Bureau of Reclamation (Reclamation) is proposing several changes to the WaterSMART Water and Energy Efficiency Grants (WEEG) Funding Opportunity Announcement (FOA) for fiscal year (FY) 2017. Reclamation has prepared draft revised evaluation criteria for use in allocating funding under the FY 2017 WEEG FOA and is seeking comments on those draft criteria. The FY 2017 WEEG FOA is expected to be posted on grants.gov in November 2016. For additional information on the WEEG, please see Reclamation's website at: <http://www.usbr.gov/watersmart/grants.html>.

Summary of Revisions

WaterSMART Water and Energy Efficiency Grants will continue to focus on projects that address water conservation and efficiency, that increase the use of renewable energy, or that result in benefits to endangered species. The goal of these revisions is to make the criteria clearer and simpler so that applicants are provided an opportunity to explain not only the amount of water savings expected from a project, but how those quantifiable benefits will help to increase water sustainability. Significant revisions from the FY 2016 WEEG FOA include the following:

- Water marketing will no longer be an eligible activity under the FY 2017 WEEG FOA. Instead, Reclamation is developing a separate WaterSMART Grant FOA specifically for water marketing activities and will provide an opportunity for public comment on the draft framework in the fall of 2016 (tentatively scheduled for October). This revision is intended to better address projects focused specifically on water marketing.
- The FY 2016 WEEG FOA asked applicants, in several different sections, to point out whether conserved water would be dedicated for instream flows, whether there were expected benefits for endangered species, or whether there were other expected benefits for overall water supply sustainability in the area. To make the criteria clearer, and to emphasize the consideration given to proposals that address not only quantifiable benefits but larger water sustainability benefits, a new Criterion B (Water Sustainability Benefits Expected to Result from the Project) will replace the previous separate criteria related to Endangered Species (Criterion C) and to Other Water Supply Sustainability Benefits (Subcriterion E.3.)

This new Criterion B is intended to address these considerations in a clearer, simpler way, while giving maximum consideration to those projects that are dedicating to in stream flows some or all of any water savings expected to result from the work being undertaken through the WaterSMART Grant.

- The sub-criterion in the FY 2016 WEEG FOA for Percentage of Total Supply (Evaluation Sub-criterion A.2.), which was intended to provide consideration for project benefits relative to the delivery area of the applicant, will not be included in the FY 2017 FOA. Instead, Reclamation is developing a new category of WaterSMART Grants focused on small-scale water efficiency projects. *Please see*

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Reclamation's WaterSMART website to view an opportunity for public comment on the draft framework for WaterSMART Grants: Small-Scale Water Efficiency Projects.

- Under the FY 2016 WEEG FOA, applicants could receive points under one criterion that addressed (1) whether a project would implement an adaptation strategy identified in a WaterSMART Basin Study; (2) whether a project would expedite future on-farm irrigation improvements; and (3) for other water supply sustainability benefits (Evaluation Criterion E. Other Contributions to Water Supply Sustainability). The FY 2017 WEEG FOA is being revised to more effectively emphasize each of these types of benefits, including the following revisions:
 - As Reclamation continues to develop its partnership with the Natural Resources Conservation Service, projects that will expedite future on-farm improvements will receive additional consideration through a new, separate evaluation criterion in the FY 2017 WEEG FOA (Evaluation Criterion E).
 - As Reclamation and its non-Federal partners continue to complete WaterSMART Basin Studies, projects that address adaptation strategies identified in those Basin Studies will receive additional consideration under a new, separate evaluation criterion in the FY 2017 WEEG FOA (Evaluation Criterion D).

Eligible Projects

As set forth above, Reclamation is developing a separate FOA for funding of water marketing; accordingly, water marketing projects will not be eligible for funding under the WEEG FOA beginning in FY 2017. Reclamation is proposing no other significant changes to the types of projects eligible for funding under the FY 2017 WEEG FOA. Projects that address water conservation and efficiency, that increase the use of renewable energy, or that result in benefits to endangered species will continue to be eligible for funding under the FY 2017 WEEG FOA.

Draft Evaluation Criteria

The following evaluation criteria are proposed for use by the Application Review Committee to rank proposals submitted under the FY 2017 WEEG FOA. A more detailed description of the type of information that applicants can use to address each criterion will be included in the FOA.

Evaluation Criterion A: Quantifiable Water Savings (25 points)

Reclamation is proposing removal of a sub-criterion intended to provide consideration for project benefits relative to the delivery area of the applicant. Instead, Reclamation is developing a new category of WaterSMART Grants focused on small-scale water efficiency projects. No other significant revisions to this criterion are proposed.

This criterion evaluates the extent to which the project will conserve water and improve efficiency. Up to **25 points** may be awarded based on the quantifiable water savings expected as a result of the project.

- Points will be allocated to give greater consideration to projects that are expected to result in significant water savings.
- Applicants will need to include a specific quantifiable water savings estimate and provide sufficient detail/calculations supporting how the estimate was determined.

Evaluation Criterion B: Water Sustainability Benefits Expected to Result from the Project (25 points)

This evaluation criterion will replace the previous separate criteria related to Endangered Species (Criterion C in the FY 2016 WEEG FOA) and to Other Water Supply Sustainability Benefits (Subcriterion E.3. in the FY 2016 WEEG FOA). This criterion is intended to address these considerations in a clearer, simpler way, while giving maximum consideration to those projects that are dedicating water savings to in stream flows.

This criterion evaluates the expected benefits that will result from the water saved through the project. Up to **25 points** may be awarded for water sustainability benefits that result from the project.

- Maximum consideration under this criterion will be given to those projects that dedicate conserved water to in-stream flows for the **benefit of federally listed threatened or endangered species, designated critical habitat, or other fish and wildlife.**
- Some consideration will be available to projects that make a commitment to reducing diversions, without a formal dedication of water for in-stream flows.
- A small number of points may be available for projects that will not increase in-stream flows, but otherwise result in water sustainability benefits, such as making water available to alleviate water supply shortages or to address other specific concerns.

In addition, consideration under this criterion will be given to projects that include improvements to benefit federally listed threatened or endangered species, designated

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critical habitat, or other fish and wildlife, such as installing fish bypasses and fish screens, or improving habitat.

Evaluation Criterion C: Energy-Water Nexus (18 points)

Reclamation proposes a slight increase in the points available under this section, from 16 points to 18 points. No other significant revisions to this criterion are proposed.

This criterion evaluates the extent to which the project increases the use of renewable energy or otherwise results in increased energy efficiency. Up to **18 points** may be awarded for projects that include construction or installation of renewable energy components (e.g., hydroelectric units, solar- electric facilities, wind energy systems, or facilities that otherwise enable the use of renewable energy). Up to **4 points** may be awarded for projects that address energy demands by retrofitting equipment to increase energy efficiency and/or through water conservation improvements that result in reduced pumping or diversions.

Evaluation Criterion D: Addressing Adaptation Strategies in a WaterSMART Basin Study (8 Points)

Evaluation Criterion D is new for FY 2017; the FY 2016 WEEG FOA provided consideration for this aspect of a proposed project as part of a broader criteria category.

This criterion evaluates the extent to which a project will address an adaptation strategy identified **in a completed WaterSMART Basin Study**. Up to **8 points** may be awarded to proposals that address an adaptation strategy.

- Proposals that provide a detailed description of how a project is addressing an adaptation strategy specifically identified in a completed Basin Study (e.g., a strategy to mitigate the impacts of water shortages resulting from climate change, drought, increased demands, or other causes) will receive maximum consideration under this criterion.
- Applicants should provide as much detail as possible about the relationship of the proposed project to the adaptation strategy identified in the Basin Study.

Evaluation Criterion E: Expediting Future On-Farm Irrigation Improvements (8 Points)

Evaluation Criterion E is new for FY 2017; the FY 2016 WEEG FOA provided consideration for this aspect of a proposed project as part of a broader criteria category.

This criterion evaluates the extent to which a project will directly expedite future on-farm irrigation improvements. Up to **8 points** may be awarded for projects that describe in detail how they will directly expedite future **on-farm irrigation improvements**, specifically future on-farm improvements that may be eligible for Natural Resource Conservation Service (NRCS) funding. Proposals will receive minimal consideration under this criterion if a relationship to NRCS is not specifically discussed.

Evaluation Criterion F: Implementation and Results (8 points)

Reclamation is proposing the removal of two subcriterion: (1) consideration of the extent to which the proposed projects is capable of proceeding upon entering into a financial assistance agreement; and (2) evaluation of the reasonableness of the cost of the project relative to the benefits gained. The extent to which the project garners widespread support and promotes collaboration will now be considered under this section.

This criterion evaluates the extent to which planning efforts and partnerships support the project. Up to **8 points** may be awarded based on (1) the extent to which the project is supported by planning efforts, such as a water conservation plan or, system optimization review (SOR); (2) the extent to which the project garners widespread support and promotes collaboration; and (3) the description and development of performance measures to quantify actual project benefits upon completion of the project.

Evaluation Criterion G: Additional Non-Federal Funding (4 points)

No revisions to this criterion are proposed.

This criterion evaluates the non-Federal funding leveraged by the project. Up to **4 points** may be awarded to proposals that provide non-Federal funding in excess of 50 percent of the project costs.

Evaluation Criterion H: Connection to Reclamation Project Activities (4 points)

No revisions to this criterion are proposed.

This criterion evaluates the connection of the project to Reclamation activities. Up to **4 points** may be awarded if the proposed project is in a basin with connections to Reclamation project activities. No points will be awarded for proposals without connection to a Reclamation project or Reclamation activities.