



# American Rescue Plan Act (ARPA) Water Optimization Funding Criteria for FY 2023 ARPA Spring Application Period

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The purpose of this grant is to effectuate the following goals:

- o Optimize water use while maintaining or improving agriculture production and profitability, and providing increased operational flexibility for agriculture water users moving forward.
- o Improve water quantification by showing accurate, real-time measurement of diverted water to demonstrate actual water savings in CFS and acre foot.
- o Document the availability of water after implementation of a Water Optimization Project.
- o Improve and protect surface and ground water quality by reducing overwatering of crops.

General information:

- o **\$500,000 cap:** an individual or entity may not receive more than \$500,000 per application period.
- o **50/50 cost share:** the Water Optimization Grant Program funds will be limited to 50% of the total cost of the project. We encourage seeking other funding sources for the remaining cost of the project.
- o **10% cost:** producers are required to contribute at least 10% of the cost of the project. This can include in-kind match (if there is a question on the value of in-kind match, it will be valued on current NRCS EQIP cost list).
- o **Multiple applications:** the Water Optimization Grant Program will only accept 1 application per individual, entity, or farming operation per application period. Applications submitted under an individual's name will need to provide a Social Security Number or Taxpayer Identification Number. Applications submitted under an entity's name will need to provide a Unique Entity Identification number.

- o **Water savings:** will be based on the irrigation system efficiency standard for each irrigation method. If the irrigation practice is not on the list provided. The applicant will choose the closest irrigation practice and provide a description of the irrigation method in the comment box. Staff and the ranking committee will determine the irrigation system efficiency standard from the information provided.
- o **Financial partners:** do you currently have a financial agreement or additional contract with another entity to fund this project? If so, include a copy of the approved contract or agreement in the application. Do not list financial partners or funding you have applied for, but have not yet been approved or contracted with.
- o **Legal access to water:** proof of a water right or irrigation share in the name of the applicant will need to be provided.
- o **Shovel ready:** a project will be considered shovel ready if the applicant has provided documentation on the following items:
  - o A detailed design of the project.
  - o Legal access to water.
  - o Culture resource review: upload a copy of the approved culture resource clearance document. Projects with funding from the NRCS can use their Cultural Resources Review Form, but it must be signed by an NRCS culture resource specialist in order to be valid for our program.
  - o Permits: any additional permits need to be identified, obtained, and submitted with the application.
- o **Changes to approved grants:** the water optimization program discourages changes to approved applications. However, applicants who need to make changes to their project must receive approval from the Water Optimization program before implementing changes. An applicant needs to provide the following information by email so staff can evaluate the request.
  - o An in-depth description of the new design and why it is needed.
  - o A copy of the new design.
  - o Did you have any financial partners listed in your application?
    - If yes, will these changes impact that funding?
    - Have they been informed of the changes?
  - o Will the new design change the original total project cost?
    - If so, by how much?
  - o Will the new design change the original total project acres?
    - If yes, provide the difference in acres.
  - o Will the new design change the original cost per acre?
    - If so, what is the new cost per acre?
  - o Will the new design change the original annual water usage in acre foot after project implementation?

- If so, what will the annual water usage in acre feet be with the new design?
- Will the new design change the original expected water savings %?
  - If so, what is the water savings % of the new design?
- Was the original project described as shovel ready in the application?
- Do the proposed changes affect what will be done with the saved water? (ex. left in the stream, left in the canal system, utilized on-farm?)
- **Expanding acres:** applicants are not allowed to increase irrigated acres when implementing a water optimization project or use the saved water to increase irrigated acres that have not been irrigated in the recent past.
- **Cultural resource (SHPO) review is required on all projects that are funded:** the applicant will provide a SHPO report prior to beginning work on the project.
- **Ag Optimization Priority Areas:** applicants should give an in-depth description of what will be gained by funding the project in respect to its environmental benefit.
  - Is the project in a DWQ Impaired Watershed? Impairments include: ammonia, dissolved oxygen (DO), E.coli, harmful algal blooms, nutrients (phosphorus, nitrogen), sediment, and total dissolved solids (TDS).
  - Is the project in a Drinking Water Source Protection Zone? This includes both surface and groundwater protection zones.
  - Is the project in a watershed with an approved or established EPA TMDL for the above-mentioned impairments?
  - Is the project in an area with an approved Utah Division of Water Rights Groundwater Management Plan?
  - Is the project within a mile of a priority water body for aquatic species, which may include Blue Ribbon Fisheries?
- **End guns on pivots, big guns, and water reels:** beginning July 1, 2022, The Water Optimization Grant Program will no longer fund placement of end guns on pivots, big guns, or water reels, due to their inefficient water usage. An applicant agrees they will not install any of the guns for the life of the project. The Water Optimization Program will use the NRCS lifespan, which is 15 years for irrigation equipment.
- **New materials required:** all projects are required to use new equipment and/or materials.
- **Cost per acre:** projects costing over \$7,000 per acre (total project cost/project acres) will be reviewed for eligibility by the ranking committee.
- **Payments:** no payment reimbursements will be processed until UDAF has received an approved cultural resource review.
  - Payments will only be made for expenses that have an itemized receipt(s).
  - Payments will only be made for expenses that fall within the grant period.

- o Beginning field work before the cultural resource review approval date will make associated expenses ineligible for payment.
- o 80% of the total grant funding can be paid once installation has begun.
  - Payments are limited to 50% of the total expense amount.
- o 20% of the total grant funding will be withheld until:
  - The final project report has been submitted and reviewed (see requirements below for final project report requirements);
  - The project is determined to be complete by onsite inspection; and
  - All grant requirements have been met.
- o **Financial reporting:** grantees must agree to specific reporting requirements as outlined in the grant agreement for each funding cycle:
  - o Grantees must provide UDAF with an annual written description of project progress and an itemized report detailing the expenditure of Water Optimization Grant Program funds, as well as the intended expenditure of any program funds not yet spent.
  - o The report should include any other funding that has been made available for the project and the source of that funding, with the cost share amount for each funding source.
  - o The report is due by June 15<sup>th</sup> of each year until the project is completed.
- o **Final project reports must include the following:**
  - o A description of the project as found in the application and if the project was implemented as described in the application?
    - If not, the final project report should include a list of changes made to the project, how they affected the project's purpose, and the grantee must provide documentation that they received approval for the changes.
  - o Pictures of the project site before, during, and after completion of the project.
  - o Water savings:
    - A description of the water made available after implementation of the project.
    - Documentation that there is not an increase in irrigated acres.
    - Must include annual acre foot of water used before project implementation.
    - Acres project covers, feet of installed pipeline, or feet of canal lining.
  - o Water Metering:
    - A description of the metering and type of meter installed(s).
    - An image of the water meter(s) installed.
    - Describe how water data will be stored and retrieved.

- o Estimated water quality load reductions (EPA PLET/STEPL), tons of salt removed, photo point monitoring, or other monitoring, depending on project type.
- o Budget report:
  - An itemized reporting of any funds received or expended on the project, including other funding sources.
  - Documentation of the 10% grantee financial contribution (can include in kind work).
- o The final project report must be written so an auditor or the public can understand the purpose of the project, how the project functions, and its water optimization benefits.
- o **UDAF staff may conduct on-site or virtual project “spot checks” at any time during the course of the project, and during the life of the project.** This includes per project site visits. UDAF staff will attempt to provide the Grantee with prior notice of a spot check whenever possible.
- o **Projects will be ranked.** All applications will be ranked and scored based on the criteria listed in the project application requirements and will be evaluated by a ranking committee to ensure that the project meets the stated program goals. Projects will be funded according to how they rank, however, depending on funding, may be only partially funded.
- o **Agriculture irrigation projects:** The water optimization program is for commercial agriculture irrigation projects. Projects utilizing secondary water will be reviewed for eligibility by the ranking committee. Stock water projects are not allowed.
- o **Incomplete or inaccurate applications will not be evaluated or ranked.**

### **Water Optimization Project Application Requirements:**

- 1) Each application should include an explanation of how the project furthers the goals of water optimization, which include: quantification of agriculture water; use of methods, systems, and technologies to maintain or increase agriculture production while reducing agriculture water diversion, evaluate variety of agriculture crops or products; and opportunities to improve water practices based on local needs, optimize water use, and protect water quality.<sup>1</sup>
- 2) Culture resource (SHPO) review is required on all funded projects. The applicant will provide a culture resource clearance prior to beginning field work on the project.
- 3) Criteria. Please ensure the following is specifically included in the application:
  - o A detailed description how the project will meet the Water Optimization Program goals listed in number one above.

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<sup>1</sup> H.B. 381 Agriculture Water Optimization, UCA §§ 73-10g-203(1)(b)(c), (3)(b)(c)(g)

- o Who will benefit from the project and why: stakeholder(s) may realize a beneficial use (including environmental) due to the reduction in water diverted from streams, reservoirs, aquifers. The benefit may only be to irrigation companies, water conservancy districts, or individual water users.
- o A description of the water that will be made available after implementation of the water optimization project and how that water is being used. Will the water remain in the stream, reservoir, aquifer, or will it be used within the irrigation company or on the irrigator's property?
- o An in-depth project and project design description.
- o An explanation of who designed the project (example, PE, NRCS, UDAF planner, vendor, etc.)?
- o UDAF planner: each applicant is required to work with a UDAF planner.
- o The project cost.
- o The funding amount requested.
- o A list of other funding sources and their contribution to the project.
- o Water optimization or savings: percentage water saved, acre foot of water saved, and total acres the project impacts.
- o The project cost per acre.
- o The project cost per acre foot.
- o Past crop production records: tons per acre, bushel per acre, and/or other, depending on crop type.
- o A detailed description of and data related to pre-project water use and measurement.
- o A detailed description of the type of water measurement equipment to be installed, including how often data is recorded, where data will be stored, and duration of data storage, and how it will be retrieved.
- o A map of the project area, including acres covered, field boundaries, and location within the State of Utah.
- o Legal access to water:
  - Water rights need to document the County, irrigation season, and water right number.
  - Irrigation shares need to document the canal or irrigation company name, the shareholders name, the number of shares, the acre feet of water per share, and the season of use.
- o Agriculture Water Optimization Priority Areas:
  - Is the project in a Division of Water Quality (DWQ) Impaired Watershed? Impairments include: ammonia, dissolved oxygen (DO), E. coli, harmful algal blooms, nutrients (phosphorus, nitrogen), sediment, and total dissolved solids (TDS).

- Is the project in a Drinking Water Source Protection Zone?
- Is the project in a Watershed with an approved or established EPA TMDL for the above-mentioned impairments?
- Is the project in an area with an approved Utah Division of Water Right Groundwater Management Plan?
- Is the project within a mile of a priority water body for aquatic species, which may include Blue Ribbon Fisheries?

### **Annual Reporting Requirements:**

- o Reporting is required to participate in this grant program and reports must be submitted annually for 3 years beginning the year after the project is completed so an entire irrigation season can be reported on. The annual report is due on or before October 31st. Applicants are encouraged to submit annual reports after the 3-year period, but this is not a requirement. The purpose of these reports is to verify that the project is functioning as planned and water optimization goals are being met. Failure to submit three years of reporting may result in a requirement to return Agricultural Water Optimization Program funds or ineligibility to receive Agricultural Water Optimization Program funds in the future. Each report shall include:
  - o Water diverted in acre foot for the irrigation season. May include: per irrigation watering, number of watering per crop, and per season.
  - o Irrigation season.
  - o Acres irrigated.
  - o Crop(s) irrigated.
  - o Production record: tons per acre, bushel per acre, and/or other, depending on crop or forage type.
- o Annual reports may be shared with the other state and federal entities. All data shared will be aggregated and all personal information will be removed to the extent allowed by law.
- o Monitoring: on farm projects will be evaluated through EPA's PLET/STEPL module to determine load reductions, tons of salt removed. UDAF Planners will assist in determining the load reduction. PLET/STEPL load reduction should be included in the first annual report. Canal lining or piping projects will use photo point monitoring and should be included in the first annual report.
- o UDAF reserves the right to request other information required by state or federal entities or the Utah Legislature.