

Questions and Answers – Revised July 10, 2008

THE TARGETED WATERSHEDS GRANTS PROGRAM: WATER QUALITY TRADING AND OTHER MARKET-BASED PROJECTS TO REDUCE THE HYPOXIC ZONE IN THE NORTHERN GULF OF MEXICO

What is the Targeted Watersheds Grants Program? The Targeted Watersheds Grants Program is a five year old competitive grants program that supports projects that address local water-related problems in the context of the larger watershed in which they exist and develop solutions to those problems by creatively applying the full array of available tools.

How is the Program different from past years? This year, the Request for Proposals (RFP) solicits water quality trading or other market-based projects aimed at improving the hypoxic zone in the Northern Gulf of Mexico. EPA wishes to encourage these innovative watershed protection tools. This year, projects must address reducing nitrogen, phosphorus, sediment, or other pollutant loadings that cause low oxygen levels in local waters and which enter the Mississippi River system from one of the three Mississippi River sub-basins with the highest nutrient contributions to hypoxia in the Northern Gulf of Mexico: the Ohio River sub-basin, the Upper Mississippi River sub-basin, and/or the Lower Mississippi River sub-basin.

ELIGIBILITY

How can I tell if my organization is eligible to apply for a grant? Please refer to Section III of the RFP. States, local governments, public and private nonprofit institutions/organizations, Federally recognized Indian tribal governments, and interstate agencies are eligible to apply. For-profit commercial entities and all Federal agencies are ineligible. Non-profit organizations described in Section 501(c)(4) of the Internal Revenue Code that engage in lobbying activities as defined in Section 3 of the Lobbying Disclosure Act of 1995 are not eligible to apply.

Can a for profit organization partner with an eligible applicant? As stated in the RFP (see Section III. A. of the RFP), eligible applicants include States, local governments, public and private nonprofit institutions/organizations, Federally recognized Indian tribal governments, U.S. Territories or possessions, and interstate agencies are eligible to apply. For-profit commercial entities and all Federal agencies are ineligible. However, a for-profit organization could be involved in a proposed project not as the “applicant,” but rather as a partner or a “contractor” or “subawardee” who could be involved with carrying out certain aspects of the project. Again, please see the language in the RFP, under Section II. C, which addresses the roles of contractors, subawardees and other funded partners.

How can I determine if my project is in the eligible geographic area? Proposals submitted under this announcement must be for projects located within at least one of the three Mississippi River sub-basins characterized by the U.S. Geologic Survey’s (USGS) eight digit Hydrologic Unit Code (HUC) that start with the numbers 05, 07, or 08 (the Ohio River sub-basin, the Upper Mississippi River sub-basin, or the Lower Mississippi

River sub-basin, respectively). The map below illustrates these eligible sub-basins. EPA's Surf Your Watershed Web site at <http://cfpub.epa.gov/surf/locate> can help you to identify the HUC code in which your project resides.



NOMINATIONS

Must proposals be nominated? Proposals must be nominated by either a Governor or a Tribal Leader from the state in which the project resides. For interstate watersheds, any of the engaged Governors or Tribal leaders, in the project area, may nominate the proposal.

How can I get the Governor (or Tribal Leader) to nominate my proposal? EPA encourages applicants whose proposals meet the specified criteria to notify their State Governor or Water Quality Office as soon as possible to learn how their state will be selecting watersheds to nominate. EPA is leaving it to the individual states and tribes to determine the best process for selecting proposals to nominate.

Is there a limit on how many nominations a Governor or Tribal Leader can make? One of the key program changes that EPA made a few years ago was eliminating the limit on the number of proposals a Governor or Tribal Leader can nominate.

In the case of multiple nominations from a state, can the Governor indicate to EPA his/her preference among the nominations? While a Governor may prefer one nomination over another, this information would not enter into EPA's evaluation and ranking of a proposal. EPA will not give points to a nominated proposal because a Governor rated it higher than the others. Nominated proposals will be evaluated solely on their adherence to the criteria provided in Section V of the RFP.

MATCH REQUIREMENT

Is there a match requirement? Section III B of the RFP states that a minimum non-Federal match of 25% of the total cost of the project is required. The match may be in the form of cash or in-kind contributions. Monies from other Federal sources, unless specified by law, may not count toward the match.

Regarding the 25% match requirement, is that 25% of the requested amount, or 25% of the requested amount + match? In the solicitation announcement, EPA states that the match must cover 25% of the total cost of the project(s). This means that EPA will support up to 75% of the project. **For example, if the total cost of the project is \$1 million, the applicant must be able to provide \$250,000 in matching funds or services. In this example, the Federally funded portion of the project would be \$750,000.**

Can the state provide some of the match? Yes, all or part of the match can come from the state. It can be in the form of cash or in-kind contributions.

What is considered to be an in-kind match? In-kind contributions can be use of volunteers, and/or donated time, equipment, expertise, etc., consistent with the regulations governing matching fund requirements ([40CFR 31.24](#) or [40 CFR 30.23](#)).

Regarding in-kind contributions, can contributions from activities that are ongoing or have been completed count toward the match requirement? The value of the in-kind contributions must be an estimate of future contributions that will be used in implementing the project. Services that have already occurred can be helpful in determining what the estimate should be but cannot count toward the 25% match requirement.

The request for proposal states that Federal funds cannot be used toward the match unless authorized by the statute governing their use. What does this mean? This means that funds obtained via another Federal grant for the project cannot be factored into the 25% match calculation. These funds can certainly be used to support or supplement the work being done, but cannot be considered "matching funds."

There are some Federal statutes, however, that allow awarded funds to be used as matching dollars. (The Clean Water Act is not one of them.) For example, P.L. 638, administered through the Bureau of Indian Affairs specifically states that Federal Tribal

money disbursed under the statute can be used for matching purposes. If nominees wish to use Federal funds as part of the match requirement, it is incumbent upon them to provide the citation in the law that allows them to do so.

PUTTING TOGETHER YOUR PROPOSAL PACKAGE

What kind of materials do I need to submit? To be considered for a Targeted Watersheds Grant, EPA requires that each submission contains a set of common elements.

1. Signed SF-424
2. Budget form SF 424A reflecting a detailed breakdown of cost by category for each project.
3. The proposal must contain the components as described in Section IV.C. They include:
 - a. Proposal Narrative
 - i. Cover Page
 - ii. Executive Summary
 - iii. Project Narrative
 - b. Mandatory Attachments
 - i. A Governor or Tribal leader, from the project area, must provide a signed nomination letter as part of each Priority 1 and Priority 2 proposal package submitted to EPA.
 - ii. In order to be eligible for funding for Program Design or Program Implementation funding, proposals must demonstrate that a market feasibility assessment has been completed.
 - iii. For applicants that are applying for Program Implementation funding, in order to be eligible for funding, proposals must demonstrate that Program Design has been completed.
 - iv. Letters signed by an authorizing official from entities committing to provide cost share/matching funds, either in cash or in-kind contributions, including the total value of its commitment toward the project.
 - c. Additional Attachments
 - i. **Map(s).** A map of the proposed project area and its location within at least one of the three Mississippi River sub-basins characterized by the United States Geologic Survey eight digit Hydrologic Unit Codes that start with the numbers 05, 07, and 08 (the Ohio River sub-basin, the Upper Mississippi River sub-basin, and the Lower Mississippi River sub-basin, respectively).
 - ii. **Resumes.** Annotated resumes of staff working on the project.
 - iii. **Letters of Support.** Letter(s) of support from stakeholders, including those that are anticipated to be actively participating in the market-based program.
4. Submissions that are faxed or sent by standard U.S. Postal Service (USPS) parcel post will not be accepted, as described in Section IV.D.
5. Proposals must be received by EPA or through www.grants.gov on or before the solicitation closing date and time specified in Section IV. Proposals received after the closing date and time will be returned to the sender without further consideration.

Can we include other materials, such as watershed assessments, tables or graphs, or other pictures, etc., as appendices? Because of the volume of material the Agency receives and to maintain an equitable process for everyone, any attachments aside from those specified in the announcement will not be reviewed. Apart from the SF 424 and SF 424A, the cover page, the executive summary, the mandatory and recommended attachments, the remaining parts of the proposal package must not exceed 50 pages, double-spaced, in length.

What is the deadline for proposal submission? Hard copy proposal packages, including the signed Governor or Tribal Leader nomination letter, must arrive at EPA no later than 4:00 pm Eastern Daylight Time (EDT) on **September 9, 2008**. Electronic proposal packages submitted through grants.gov must arrive by 11:59pm EDT on **September 9, 2008**.

Are there any forms required? The Agency is requiring that two forms be submitted as part of the proposal package. A signed SF 424 form is now required at this stage. In addition, all applicants must provide a detailed breakdown of cost by category for each project and submit the information on the Standard Budget Form, SF 424A. Both forms can be found online at <http://www.epa.gov/ogd/AppKit/application.htm>. Selected watershed organizations will have 60 days to submit a final work plan and all other required forms.

What is "<http://www.grants.gov>"? Applicants who wish to submit their materials electronically through the Federal government's <http://www.grants.gov> Web site may do so. [Grants.gov](http://www.grants.gov) allows an applicant to download a proposal or application package template and complete the package offline based on agency instructions. After an applicant completes the required proposal or application package, he or she can submit the package electronically to [Grants.gov](http://www.grants.gov), which transmits the package to the funding agency. Nomination letter(s), letters of support, pictures, and maps will need to be scanned so that they can be submitted electronically as part of the proposal package. If you wish to apply electronically via [Grants.gov](http://www.grants.gov), the electronic submission of your proposal package must be made by an official representative of your institution who is registered with [Grants.gov](http://www.grants.gov) and authorized to sign applications for Federal assistance. For more information, go to <http://www.grants.gov> and click on "Get Registered" on the left side of the page. Note that the registration process may take a week or longer to complete. If your organization is not currently registered with [Grants.gov](http://www.grants.gov), please encourage your office to designate an Authorized Organization Representative and ask that individual to begin the registration process as soon as possible. Application/proposal materials submitted through [Grants.gov](http://www.grants.gov) will be time/date stamped electronically. Instructions on applying through [Grants.gov](http://www.grants.gov) are provided in the RFP. Please note that if you experience submission problems, applicants may contact [Grants.gov](http://www.grants.gov) for assistance by phone at 1-800-518-4726 or email at <http://www.grants.gov/help/help.jsp>, and at the same time, should notify Tim Icke at 202-566-1512 or by email at: Initiative.watershed@epa.gov. If you have any technical difficulties at any time during this process, please refer to

<http://www.grants.gov/help/help.jsp>.

Can an applicant submit one proposal that will undertake more than one Priority I Market Feasibility Analysis or more than one Priority II Program Design and/or Program Implementation project? Yes, an applicant can submit one proposal that will undertake more than one Priority I Market Feasibility Analysis or more than one Priority II Program Design and/or Program Implementation project. However, the entire proposal must meet all of the threshold eligibility criteria outlined in [Section III C](#) of the RFP to be evaluated against the ranking factors in [Section V](#) of the RFP. EPA anticipates awarding 15 to 20 Priority I assistance agreements ranging in value from \$100,000 to \$200,000 in federal funds. EPA also anticipates awarding 1 to 6 Priority II assistance agreements ranging in value from \$400,000 to \$1,000,000 in federal funds. These funding levels are for the entire proposal, not for each project/component in the proposal.

For example, if one proposal package contains ten separate Priority I market feasibility analyses, you must be able to account for completing all ten market feasibility analyses with a total federal funding request of \$200,000. It is the applicant's decision whether or not to send in one or multiple proposals.

When will the final decision be made? All proposals received by EPA or submitted electronically through [Grants.gov](#) by the solicitation deadline will be evaluated against the threshold criteria listed in [Section III](#) of this announcement. If proposals are not received by the deadline, they will not be reviewed. Proposals that are received by the deadline and do not pass the threshold review will not be considered for funding, and the applicant will be so notified.

All eligible proposals will be reviewed and scored by a national panel using the evaluation criteria outlined in [Section V.A](#). Based on the review, the panel will develop a list of proposals to recommend for funding to submit to the Selection Official for approval. In making the final award decisions, the Selection Official will consider the national panel's recommendation and may also take into account national program priorities.

All applicants, including those who are not selected for funding, will be notified by mail regarding their status. Successful applicants will be invited to submit a complete application package prior to award (see [40 CFR 30.12](#) and [31.10](#)) that will be due approximately 60 days after being notified. Required forms and instructions for preparing and submitting the completed application will be provided at that time.

EPA expects to announce its selections early in fall/winter year 2008. The exact amount of funds to be awarded, specific activities, duration of the projects, and role of the EPA Project Officer will be determined in the pre-award negotiations between the selected applicant and EPA.

Who do I contact if I am having trouble submitting my proposal through www.grants.gov? For all issues and concerns regarding submissions through www.grants.gov, please contact the Grants.gov Contact Center at 1-800-518-4726. The Contact Center hours of operation are Monday through Friday, 7 am to 9 pm Eastern Time. You may also send email to support@grants.gov.