

CONSUMPTIVE USE MITIGATION GRANTS

2024 PROGRAM GUIDELINES

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Mission

The Susquehanna River Basin Commission's mission is to enhance public welfare through comprehensive planning, water supply allocation, and management of the water resources of the Susquehanna River Basin.

Cover photo: Commission-owned water supply storage at Curwensville Lake, Clearfield County, PA, that is released to mitigate for downstream consumptive use during low flow periods.

Grant Opportunity At A Glance

Grant Funding Provided By:	Susquehanna River Basin Commission Consumptive Use Mitigation Grant Program 4423 North Front Street Harrisburg, PA 17110-1788
General Grant Program and/or Application Inquiries:	(717) 238-0423, ext. 1017 or cugrant@srbc.net
Dates:	Application Due Date: Wednesday, January 31, 2024 4:00 pm Eastern Standard Time
Eligible Applicants: (See Guidelines Sec. IV.A.)	SRBC Project Sponsors (i.e., entities with SRBC approval or docket) Local, State, and Federal Government Entities Tax Exempt Non-Profit Organizations Institutions of Higher Education
Eligible Projects: (See Guidelines Sec. IV.B.)	Projects that mitigate consumptive use or otherwise improve drought resilience in the Basin.
Grant Recipient Cost Share: (See Guidelines Sec. V.A.)	A minimum cash match of 10 percent or 25 percent, depending on the total requested SRBC grant funding, and expended within the grant period of performance.
Period of Performance: (See Guidelines Sec. VI.)	In general, project funds should be expended, and projects completed, within three (3) years of the grant agreement effective date.
Project Schedules: (See Guidelines Sec. VI.)	Project schedules for which grant funding is requested must start on or after Monday, July 1, 2024.
SRBC Funding Amount: (See Guidelines Sec. VI.)	Approximately \$4 million to \$6 million in total grant funding available, with anticipated individual project awards of \$100,000 or more.
Estimated Number of Grants to be Awarded:	Approximately 10-20 projects, contingent on quality and scope of applications received and available SRBC funding.

Application Checklist

In addition to completing the Susquehanna River Basin Commission's (SRBC's/Commission's) online application, applicants must upload the mandatory documents listed below to their online application. Optional application documents are project-specific and, therefore, applicants should consult the relevant sections within these guidelines. **All documents listed below may be downloaded from the Commission's Consumptive Use Mitigation Grant Program web page (<https://www.srbc.net/our-work/grants/consumptive-use-mitigation-grant.html>).**

What Information to Submit	Relevant Guidelines Section	When to Submit
Mandatory Application Documents:		
<input type="checkbox"/> Matching Funds Commitment Letter	See Sec. V.A.	with application
<input type="checkbox"/> Detailed Budget Spreadsheet	See Sec. V.A.	with application
Optional Application Documents:		
<input type="checkbox"/> Landowner Consent Letter	See Sec. VIII.	with application
<input type="checkbox"/> Project Location Map	N/A	with application

Recommended Documents to Review Prior to Starting a CU Mitigation Grant Application:

- Consumptive Use Mitigation Policy
- Grant Agreement Template
- Priority Watersheds Map
- Grant Application Preview

TABLE OF CONTENTS

I.	Background.....	6
II.	Introduction.....	6
III.	Purpose.....	6
IV.	Eligibility	7
A.	Eligible Applicants.....	7
B.	Eligible Projects	7
C.	Eligible Use of Funds.....	12
V.	Program Requirements.....	13
A.	Cost Share Requirements	13
B.	Permit Requirements	15
C.	Other Requirements.....	15
VI.	Grants	15
VII.	Application Procedures.....	15
VIII.	Application Evaluation	16
IX.	Accessing Funds	18

I. Background

The Susquehanna River Basin Commission (SRBC/Commission) is a federal-interstate compact commission responsible for coordinated management of the water resources of the 27,510-square-mile Susquehanna River Basin (Basin). The Basin is situated in New York, Pennsylvania, and Maryland and comprises 43 percent of the Chesapeake Bay's drainage area. Under the authority of the Susquehanna River Basin Compact (Compact), the Commission regulates groundwater withdrawal, surface water withdrawal, diversion, and consumptive use (CU) projects in the Basin.

II. Introduction

The Commission's regulations (18 CFR §806.22(b)) regarding review and approval of projects require mitigation for CU of water. CU is broadly defined as the loss of water due to a variety of processes by which the water is not returned to the waters of the Basin undiminished in quantity. The Commission's CU regulation, adopted in 1976, requires project sponsors to provide mitigation for their consumptive use during low flow events. The Commission's mitigation strategy is based on the elimination of man-made impacts caused by CU during low flows and the return to natural flow conditions. Sponsors are expected to comply with the regulation by providing compensatory water or discontinuing CU during low flow events. This has proved impractical and/or unreasonable for most CU projects. Therefore, the Commission enacted a measure in 1993 to allow project sponsors to pay a fee to the Commission in lieu of providing compensatory water. The payment of these fees allows the Commission to undertake projects to provide CU mitigation, including funding projects through a grant program.

The Commission adopted its CU Mitigation Policy (Policy) in 2020. This Policy outlines the Commission's fundamental objective of CU mitigation, defines contemporary standards for planning and implementing mitigation projects, provides insight into factors considered in determining an acceptable manner of mitigation, and expands the scope of alternatives for Commission-initiated mitigation projects. Per the Policy, and in addition to pursuing traditional water storage and low flow augmentation projects, the Commission may also implement alternative methods of CU mitigation, including water conservation and reuse, groundwater recharge, and water quality improvements.

III. Purpose

The purpose of the Commission's CU Mitigation Grant Program is to implement projects that mitigate consumptive use or otherwise improve drought resilience in the Basin. These projects are intended to help protect public health and safety, avoid water use conflicts, prevent water quality impacts, sustain economic production, and support ecological flow needs throughout the Basin.

IV. Eligibility

A. Eligible Applicants

Any of the following entities may apply for a grant under the CU Mitigation Grant Program:

1. **Project Sponsor** – Any person who owns, operates, or proposes to undertake a water withdrawal, consumptive use, or water supply project and has a docket or other approval to operate issued by the Commission.
2. **Local, State, and Federal Government Entity** – Any federal, state, county, or local government entity, including government-led coalitions, municipal authorities, school districts, and home rule municipalities.
3. **Tax-Exempt Non-Profit Organization** – A tax-exempt, non-profit organization under § 501(c)(3) of the Internal Revenue Code involved in research, restoration, rehabilitation, planning, acquisition, development, education, or other activities, which furthers the protection, enhancement, conservation, preservation, or management of the Basin's water resources.
4. **Institution of Higher Education** – An entity that is an accredited university, college, seminary college, community college, or two-year college.

B. Eligible Projects

The subsequent project types and examples are intended to assist applicants in determining whether their project is eligible and how it may best fit with the objectives of the Commission's CU Mitigation Policy. However, the Commission encourages applicants to submit grant applications for other innovative or non-conventional projects that increase drought resilience in the Basin, for which an example is not included.

Water Supply Alternatives (WSAs)

<p>Description:</p>	<p>Projects that provide water supply storage at federal, state, and/or private-owned water storage assets for use in offsetting CU during low flow periods. Also included are projects that increase water capacity via system interconnections to mitigate drought-related water supply emergencies.</p>
<p>Project Types and Examples:</p> <p>(See Consumptive Use Mitigation Policy – Sec. VI.A.)</p>	<p>WSA project types and examples may include the following:</p> <p><i>Surface Water Impoundments</i> that provide water supply storage for withdrawal or release during low flow periods. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Rehabilitating former water supply reservoirs to provide additional water storage. ▪ Upgrading dam outlet infrastructure to facilitate low flow augmentation releases. <p><i>Flooded Quarries and Mine Pools</i> that provide water supply storage for withdrawal or release during low flow periods. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Repurposing inactive quarries to provide additional water storage. ▪ Incorporating withdrawal infrastructure to utilize underground mine pools for backup water supply. <p><i>Newly Constructed Impoundments</i> that are located off-stream and refilled by capturing runoff or pumping water from an adjacent perennial stream during high flows. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Constructing a new off-stream pond for use as a backup water supply for irrigation. <p><i>Water Supply Interconnections</i> that redistribute excess water supply from one system to another, including contracts for buying and selling of excess water for emergency purposes.</p>
<p>Key Application Information:</p>	<p>Applicants should include documented or estimated <i>water quantity benefits</i> (e.g., acre-feet, million gallons, million gallons per day), including supporting calculations and assumptions.</p>

Project Operation Alternatives (POAs)

<p>Description:</p>	<p>Projects that provide low flow augmentation and/or conservation releases through a change of operations to help offset CU during low flow periods. Also included are projects that modify operations at public or private reservoirs, implement aquifer storage and recovery, employ conjunctive use management, develop drought response actions, and related activities.</p>
<p>Project Types and Examples:</p> <p>(See Consumptive Use Mitigation Policy – Sec. VI.B.)</p>	<p>POA project types and examples may include the following:</p> <p><i>Aquifer Storage and Recovery</i> that provides subsurface storage by holding water in aquifers during high to normal flow periods and withdrawing or releasing water during low flow periods. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Constructing managed aquifer recharge systems to increase groundwater availability for supply wells. ▪ Constructing injection wells to add water into an aquifer for storage and use during low flow conditions. <p><i>Conjunctive Use Management</i> that entails planned coordination and efficient management of surface and groundwater sources to maximize long-term water availability. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Developing groundwater sources for use during low flow periods instead of, or in combination with, surface water withdrawals. <p><i>Drought Operations Plans</i> that outline specific actions a water user will take in response to drought or water shortage conditions, including operational changes, water conservation measures, and utilization of emergency supplies.</p> <p><i>Reservoir Conservation Releases</i> that are continuously maintained downstream of an impoundment to protect other water users and aquatic resources during low flow periods. This includes modifying existing reservoir operations to facilitate continuous conservation releases.</p>
<p>Key Application Information:</p>	<p>Applicants should include documented or estimated <i>water quantity benefits</i> (e.g., million gallons, million gallons per day, cubic feet per second), including supporting calculations and assumptions.</p>

Demand Modification Alternatives (DMAs)

<p>Description:</p>	<p>Projects that decrease the amount of water withdrawn or consumptively used during low flow periods. This includes projects that implement water conservation technologies, employ water reuse or recycling systems, and improve groundwater recharge.</p>
<p>Project Types and Examples:</p> <p>(See Consumptive Use Mitigation Policy – Sec. VI.C.)</p>	<p>DMA project types and examples may include the following:</p> <p>Water Conservation that reduces water consumption, reduces water loss or waste, and/or improves water use efficiency in the Basin. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Implementing leak detection systems and/or deploying leak detection technology. ▪ Eliminating single-pass cooling systems. <p>Water Reuse or Recycling that reuses treated effluent or other water sources (e.g., agriculture runoff, cooling water, produced water) prior to reintroduction into the water cycle in the Basin. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Installing cooling tower plume capture and reuse systems. ▪ Installing condensate reuse systems. ▪ Installing irrigation tailwater recovery and reuse systems. <p>Groundwater Recharge that captures surface runoff and allows it to infiltrate into underlying soils and aquifers via engineered systems or preservation of areas with high recharge potential. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Sub-surface drip, rapid or spray irrigation systems paired with reuse systems. ▪ Converting impervious areas to porous pavement with infiltration beds. ▪ Installing infiltration basins, infiltration trenches, and/or subsurface infiltration beds.
<p>Key Application Information:</p>	<p>Applicants should include documented or estimated water quantity benefits (e.g., million gallons per year, gallons per day, inches per year), including supporting calculations and assumptions.</p>

Environmental and Water Quality Alternatives (EWQAs)

<p>Description:</p>	<p>Projects that improve environmental and water quality conditions to increase watershed resilience during low flow periods. This includes projects that increase groundwater recharge, restore streams and wetlands, treat abandoned mine drainage, retrofit stormwater best management practices (BMPs), and restore and preserve floodplains.</p>
<p>Project Types and Examples:</p> <p>(See Consumptive Use Mitigation Policy – Sec. VI.D.)</p>	<p>EWQA project types and examples may include the following:</p> <p><i>Wetland and Stream Restoration</i> that rehabilitates degraded stream reaches and/or wetland areas in the Basin. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Restoring headwater wetlands to sustain groundwater resources and baseflow. ▪ Restoring a degraded stream reach to improve water quality and instream habitat during low flow periods. <p><i>Abandoned Mine Drainage (AMD) Treatment</i> that remediates AMD discharges and associated impaired waters in the Basin. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Installing AMD treatment and/or conveyance systems. ▪ Reclamation of Abandoned Mine Lands. <p><i>Stormwater Best Management Practices</i> that significantly improve water quality and/or increase groundwater recharge. Examples of eligible projects include:</p> <ul style="list-style-type: none"> ▪ Retrofitting an existing stormwater basin to enhance groundwater recharge. ▪ Replacing an existing stormwater conveyance with a regenerative stormwater conveyance system to reduce erosion and increase infiltration. <p><i>Floodplain Restoration and Preservation</i> that reconnects and/or preserves floodplains, and establishes riparian buffers along surface waters.</p>
<p>Key Application Information:</p>	<p>Applicants should include documented or estimated <i>water quality benefits</i> (e.g., pounds per year, reduction in concentrations) and <i>water quantity benefits</i> (e.g., gallons per day, inches per year), including supporting calculations and assumptions.</p>

C. Eligible Use of Funds

CU Mitigation Grant funds may be used by the applicant to pay for any of the following project costs:

1. Acquisition, construction, improvement, expansion, repair, maintenance, or rehabilitation of new or existing CU mitigation projects. Construction contingency is limited to 10% of actual construction costs.
2. Acquisition of land, rights-of-way, and easements required to develop the project.
3. Planning, site characterization, design, and permitting work needed to complete the project.
4. Purchase of equipment and technology required to implement the project.
5. Technical assistance necessary to carry out the project. For construction projects, this includes costs for engineering and construction oversight, inspections, and performance monitoring.
6. Project monitoring to assess CU mitigation project effectiveness.
7. Operation and maintenance costs are limited to a period of no more than 20 years, and any funds requested for this purpose will be part of the evaluation of the proposed project.
8. Administrative costs of the applicant necessary to administer the grant, which could include advertising, legal, audits, and documented staff expenses.
 - a. If the organization has an approved fringe benefit and/or indirect cost rate, then applicants must include a fringe benefits letter.
 - b. If the organization does not have an approved fringe benefit cost rate, then fringe benefits are limited to 10% of labor costs included.
9. Public relations, education, and outreach specifically related to the proposed project.

Ineligible costs include, but are not limited to, routine facility maintenance, unrelated infrastructure replacement, routine regulatory obligations, contingency costs not associated with actual expenses, lobbying, litigation, fees for securing other financing or associated with bad debts, interest on borrowed funds, business/marketing events and/or related entertainment expenses, alcoholic beverages, illegal activities or substances, costs associated with personal expenses of board members and/or officers/staff, application preparation fees, and other costs incurred prior to the award of grant funds.

V. Program Requirements

A. Cost Share Requirements

Applicants must submit a complete Matching Funds Commitment Letter agreeing to provide the required cash match as defined below. The Commission may consider cash match in excess of the required minimum, as well as in-kind match, as part of its evaluation of an application.

1. **Cash Match.** Includes applicant and project partner cash contributions and other grant funds as defined below.
 - a. Applicants requesting grant funds up to \$500,000 must provide a minimum cash match equal to 10% of the total requested funds.
 - b. Applicants requesting grant funds in excess of \$500,000 must provide a minimum cash match equal to 25% of the total requested funds.
 - c. Cannot include other SRBC funding resources.
 - d. Secured by, and available to, the applicant at the time of submission of this application.
 - e. Expended during the CU Mitigation Grant period of performance as established by the grant agreement and scope of work, and verifiable by the requisite documentation (e.g., payroll, invoices, financial statements).
 - f. Eligible cash match must be integral and necessary to the project and directly paid by the applicant or by project partners identified in the application and scope of work. Project partners pledging cash match must complete their own Matching Funds Commitment Letter and submit it with the grant application.
 - g. Eligible sources of cash match are listed below.
 - i. Construction Costs – Include those for planning, site characterization, design, permit fees, construction inspection and oversight, rental charges for construction equipment, mobilization/demobilization of equipment and materials, and materials that are expended, consumed, or internal to construction (i.e., those that remain onsite).
 - ii. Contractual Services – Include those for consultants such as engineers, geologists, architects, etc.
 - iii. Direct Labor – Labor itemized by position for those contributing to the direct work of the project. Do not include administrative functions.
 - iv. Federal, State, and/or Other Grant Awarded Funds.

v. Real Property Acquisition Costs:

- 1) Real Property means land, including land, improvements, structures, and appurtenances thereto, but excludes moveable machinery and equipment.
- 2) Acquisition costs may include the total costs for purchase of Real Property, including attorney fees, document preparation fees, and deed recording fees.
- 3) The value of Real Property must be based on a recent appraisal for fair market value and included with the grant application. Recent appraisals must meet the following minimum requirements:
 - Be dated less than one year from the date of submission of the CU Mitigation Grant Application.
 - Appraisals must be prepared by a member jurisdiction (i.e., Maryland, New York, Pennsylvania) qualified or certified appraiser.
 - Appraisal reports must conform to the Uniform Standards of Professional Appraisal Practice.
 - Appraisal reports must show separate land and structure values, if structures are present.
 - Appraisal reports must contain a minimum of three (3) comparable properties.
- 4) Real Property included as cash match to the grant application can only constitute 50% of the minimum required cash match. Applicants may apply the remaining Real Property value to In-Kind Match.

h. To be eligible, cash match sources included in the SRBC grant application cannot be included as a cost or used to meet cost sharing or matching requirements of any other grant awarded funds.

2. In-Kind Match. Includes donated goods and services as detailed below. Applicants may provide in-kind match towards the project. The Commission does not count in-kind match towards the applicant's required minimum cash match. However, the Commission may consider in-kind match in its evaluation of an application. In-kind match must comply with the requirements below.

- a. In-kind match must be donated to the applicant and/or project partners within the grant period of performance and verifiable by the requisite documentation (e.g., receipts for donated equipment, volunteer timesheets).
- b. In-kind match is limited to the fair market value of donated equipment, goods, labor, services, and/or Real Property.
- c. Applicants may provide the remaining value of Real Property not applicable to the minimum cash match requirement as provided in the previous section.

B. Permit Requirements

Applicants must certify that they will secure all necessary permits and/or approvals prior to commencement of any project-related work and that all work will comply with any applicable permits and approvals.

C. Other Requirements

For a full understanding of the Commission's grant requirements, including terms and conditions, please download and review the SRBC's Grant Agreement Template.

VI. Grants

- A. The total grant funding available may range from approximately \$4 million to \$6 million.
- B. Individual grant projects are anticipated to be in the range of \$100,000 or more, with funding requests evaluated by project type and proposed activities.
- C. To be eligible for grant funds, project costs must be incurred within the grant period of performance as established by the grant agreement. Grant agreement start dates are determined by the Commission and will generally align with the Commission's required project schedule start date.
- D. Projects are anticipated to span up to three years.
- E. Project schedules for which grant funding is requested must start on or after Monday, July 1, 2024. Project costs incurred prior to this date will not be covered by SRBC grant funds.

VII. Application Procedures

To apply for funding, the applicant must submit the online application located at <https://www.srbc.net/our-work/grants/consumptive-use-mitigation-grant.html>.

All applications and required supplemental information must be submitted through the online application system by 4:00 pm on Wednesday, January 31, 2024.

VIII. Application Evaluation

All applications submitted will be reviewed by the Commission to determine eligibility of the proposed project. Applications will be evaluated on a competitive basis using the criteria below. Please note bulleted questions are intended for applicant consideration only.

Application Evaluation Criteria Summary	Maximum Potential Points
<p>Project Purpose and Benefits</p> <ul style="list-style-type: none"> • How well does the proposed project mitigate consumptive use and otherwise improve drought resilience in the Susquehanna River Basin? • Does the proposed project provide quantifiable water quantity and water quality benefits in the Susquehanna River Basin? 	30
<p>Project Tasks – Scope of Work</p> <ul style="list-style-type: none"> • How well do the proposed tasks explain the project work to be completed using Commission grant funds? • Can the proposed project generally be implemented within a three year timeframe? 	20
<p>Site Access, Permits and O&M</p> <ul style="list-style-type: none"> • Does the proposed project require additional site access and will it impact implementation within a reasonable time frame? • Does the proposed project require additional permits and/or approvals and will they impact implementation within a reasonable time frame? • How will the proposed project be maintained post-implementation? 	15
<p>Grant-Funded Budget</p> <ul style="list-style-type: none"> • Is the proposed grant funded budget reasonable given the Scope of Work? • How much of the budget is dedicated to actual implementation (e.g., construction)? • What is the commitment of matching funds given the proposed grant-funded budget? 	20
<p>Applicant Experience</p> <ul style="list-style-type: none"> • Does the applicant have the capacity and experience to implement the proposed project? 	15
Potential Total <u>Baseline</u> Points =	100

Bonus Application Evaluation Criteria Summary	Maximum Potential Points
<p>Project Partners</p> <ul style="list-style-type: none"> • Does the proposed project have multiple partners providing resources and/or supporting implementation? • What level of resources and/or support are the project partners providing during implementation of the proposed project? 	5
<p>Priority Watershed</p> <ul style="list-style-type: none"> • Does the proposed project provide direct water quantity and/or water quality benefits to a Commission identified priority watershed (see Priority Watersheds Map)? 	5
<p>Climate Change</p> <ul style="list-style-type: none"> • Did the proposed project meaningfully consider climate change projections for future temperature and precipitation, including impacts to Susquehanna River Basin water resources? • How well does the proposed project improve climate resilience in the Basin relative to water supply, water demand, drought operations, and/or water quality? 	5
<p>Environmental Justice</p> <ul style="list-style-type: none"> • Did the applicant meaningfully involve communities in an environmental justice area? • How well will the proposed project directly benefit the environmental justice area relative to water affordability, legacy pollution, or outdoor recreation? 	5
Potential Total <u>Bonus</u> Points =	20

IX. Accessing Funds

Upon approval of a grant agreement by the Commission, a commitment letter and grant agreement will be issued to the applicant detailing the terms and conditions of the grant. The grant agreement must be signed by an authorized individual and returned to the Commission within 30 days of the date of the commitment letter or the offer may be withdrawn by the Commission.

The Commission provides grant funds to selected applicants (i.e., grantees) in the form of *Reimbursement*. However, applicants may request *Advance Funding* in their online grant application. The Commission reserves the right to award a grant using a different funding method than that preferred by the applicant. Applicants may decline a grant award made by the Commission. For applicant consideration only, the *Reimbursement* and *Advance Funding* methods are outlined as follows:

- **Reimbursement.** Under this funding method the Commission will reimburse grantees for expenses only after they provide paid invoices and/or receipts for completed work as per the grant agreement, including Scope of Work and Budget. All reimbursable expenses must occur within the grant period of performance.
- **Advance Funding.** Under this funding method the Commission will advance grant funds to grantees prior to commencing any work as defined by the grant agreement, including Scope of Work and Budget. The Commission may provide up to 25% of the total grant award per funding advance. Following completion of the work, grantees must provide the Commission with paid invoices and/or receipts showing drawdown of the funds. The Commission will only advance grant funds during the period of performance.

For more information on grant funding methods and their requirements, please review the Commission's Grant Agreement Template.