

**U.S. ENVIRONMENTAL PROTECTION AGENCY
CHESAPEAKE BAY PROGRAM OFFICE
GRANT AND COOPERATIVE AGREEMENT GUIDANCE**



Chesapeake Bay Program
A Watershed Partnership

Updated 3/3/2015

Substantive updates to this Guidance are indicated in **“bold”**

**U.S. Environmental Protection Agency
Chesapeake Bay Program Office
Grant and Cooperative Agreement Guidance**

The attached Chesapeake Bay Program Office Grant and Cooperative Agreement Guidance, dated March 3, 2015, is hereby issued pursuant to EPA Delegation No. 2-46 Chesapeake Bay Program and EPA Region 3 Delegation No. 2-46, which, together, delegate to the Director of the Chesapeake Bay Program the authority to promulgate Agency Guidance for grants issued under Clean Water Act Section 117.

03/03/15 
Date _____
Nicholas A. DiPasquale, Director
Chesapeake Bay Program Office

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FOREWORD

This guidance describes how the U.S. Environmental Protection Agency's (EPA) Region 3's Chesapeake Bay Program Office (CBPO) administers grant and cooperative agreement funds to focus on the restoration and protection of the Chesapeake Bay and its surrounding watershed. The success of this effort is directly linked to the success of the Chesapeake Bay Program (CBP) partners' ability to effectively utilize all resources in reducing the levels of nutrients and sediment in the Chesapeake Bay, restoring habitats and living resources, and facilitating increased stewardship of the citizens of the Chesapeake Bay watershed.

The purpose of this grant guidance is to present nonprofit organizations, state and local governments, colleges, universities, and interstate agencies with the best possible information needed to apply for grant and cooperative agreement funding. This document provides a sound framework to attain successful assistance agreements that work toward achieving the goals set forth in the first Chesapeake Bay Agreement of 1983 and subsequent agreements. EPA will revise and redistribute this guidance periodically to incorporate legislative, regulatory, programmatic and/or other relevant changes. Additional information about Chesapeake Bay Program funding is available in the Catalog of Federal Domestic Assistance (CFDA) at www.cfda.gov under program number 66.466.

EPA made some changes to this guidance based on new policies and program direction. These changes are denoted by **bold text** for easier identification. If you have any questions regarding the new changes, please contact your project officer.

THE CHESAPEAKE BAY PROGRAM: AN OVERVIEW

The Chesapeake Bay Program is a unique regional, state, federal, and local partnership that has been directing and conducting the restoration of the Chesapeake Bay since the signing of the historic 1983 Chesapeake Bay Agreement. Considered a national and international model for estuarine research and watershed restoration programs, the CBP partnership is led by the Chesapeake Executive Council – the governors of **Delaware**, Maryland, **New York**, Pennsylvania, Virginia, and **West Virginia**; the mayor of the District of Columbia (DC); the administrator of EPA; and the chair of the Chesapeake Bay Commission, a tri-state legislative body. The Executive Council meets annually to establish the policy direction of the CBP partnership in implementing the Chesapeake Bay agreements. Also invited to participate in the Executive Council is the Secretary of the United States Department of Agriculture.

As the largest estuary in the United States and one of the most productive estuaries in the world, the Chesapeake Bay was this nation's first estuary targeted for restoration and protection. In the late 1970s, a congressionally funded \$27 million, five-year study was conducted when scientists began to observe the loss of living resources, and the public became concerned about environmental degradation in general. The study identified the main source of the Bay's degradation as an oversupply of nutrients entering the Bay and advocated programs that would limit nutrient loadings from point sources, such as wastewater treatment plants, and nonpoint sources, such as fertilizers running off farmland. The study pinpointed three areas requiring immediate attention: nutrient over-enrichment (specifically nitrogen and phosphorus), dwindling underwater Bay grasses, and toxic pollution. When the initial research was completed, the CBP partnership evolved as the means to restore this exceptionally valuable resource.

The term “Chesapeake Bay Agreement” means the formal, voluntary agreements executed to achieve the goal of restoring and protecting the Chesapeake Bay ecosystem and its living resources and signed by the Chesapeake Executive Council. Currently, **all states in the Chesapeake Bay watershed and the District of Columbia, as well as the Chesapeake Bay Commission and EPA (representing the federal government) are** signatories of the Bay Agreement. **The current Bay Agreement is formally known as the 2014 Chesapeake Bay Watershed Agreement.** The following is an overview of the history of the Bay agreements and the CBP partnership.

The original Chesapeake Bay Agreement, a simple, one-page document pledging the partners to work together to restore the Chesapeake Bay, was signed in 1983 by the group that later became known as the Chesapeake Executive Council.

In the *1987 Chesapeake Bay Agreement*, the Executive Council set a goal to reduce the amount of nitrogen and phosphorus entering the Bay by 40 percent by the year 2000. If achieved, this nutrient reduction goal would improve the oxygen levels in Bay waters and encourage aquatic life to flourish. The Chesapeake Bay Program Office, established by EPA, was first authorized under the Clean Water Act (CWA) in 1987.

In the *1992 Amendments to the Chesapeake Bay Agreement*, the Chesapeake Executive Council agreed to maintain the 40 percent reduction goal beyond the year 2000 and to attack nutrients at their source – upstream in the Bay’s tributaries. As a result, Pennsylvania, Maryland, Virginia, and the District of Columbia began developing tributary strategies to achieve the nutrient reduction targets.

In 1994, the Chesapeake Bay Program completed its re-evaluation of its *Basinwide Chesapeake Bay Toxics Reduction Strategy* in order to better understand the impact toxics have on the Bay’s resources. The Strategy was further refined, rewritten, and signed by the Executive Council in 2000, and is now known as the *Toxics 2000 Strategy*.

In July 1994, high-level federal officials from 25 agencies and departments signed the *Agreement of Federal Agencies on Ecosystem Management in the Chesapeake Bay*. This historic agreement outlined specific goals and commitments by federal agencies on federal lands throughout the watershed, as well as new cooperative efforts by federal agencies elsewhere. The 1994 federal agreement was built upon and expanded in 1998, with the signing of the *Federal Agencies Comprehensive Ecosystem Unified Plan* (FACEUP), which had specific numerical goals for federal agencies and federal lands.

After more than a year in the making, the Chesapeake Executive Council came together on June 28, 2000, to sign a historic new agreement. The *Chesapeake 2000* agreement laid the foundation and set the course for the Bay’s restoration and protection for the next decade and beyond. *Chesapeake 2000* marked the first time that the Bay’s “headwater states” – Delaware, New York and West Virginia – officially joined the Bay Program’s restoration efforts. The governors of New York, Delaware, and West Virginia committed to *Chesapeake 2000*’s water quality goals through a memorandum of understanding, which was signed by New York and Delaware in 2000 and West Virginia in 2002.

Chesapeake 2000's success was mixed. The agreement laid the groundwork for restoration efforts in the 2000s and beyond. Bay Program partners achieved significant restoration gains in certain areas, such as land conservation, forest buffer restoration and reopening fish passages. However, limited progress was made toward many other health and restoration measures, including oyster abundance and reducing nutrient pollution from agriculture and urban areas.

On May 12, 2009, President Barack Obama issued Executive Order 13508 on Chesapeake Bay Protection and Restoration calling the Bay a “national treasure.” The purpose of the Executive Order (EO) is “to protect and restore the health, heritage, natural resources, and social and economic value of the nation’s largest estuarine ecosystem and natural sustainability of its watershed.” EO 13508 mandates increased federal leadership following extensive coordination with the jurisdictions and also mandates development of a coordinated implementation strategy and an annual action plan.

As a result of EO 13508, EPA’s Chesapeake Bay Program Office receives funding for Chesapeake Bay Regulatory and Accountability Program grants (CBRAP) to support the additional demands and expectations it places on the jurisdictions. These funds are intended by Congress to support additional regulatory and accountability programs to control urban, suburban, and agricultural runoff in the watershed.

In 2011, EPA and the CBP partners acknowledged the need to integrate the goals, outcomes and actions of the Chesapeake Bay Program—detailed in *Chesapeake 2000*—with those set forth in the federal 2010 *Chesapeake Bay Executive Order Strategy* (issued pursuant to EO 13508). The partners also recognized a new agreement was needed to reflect improvements in our scientific knowledge; changes in laws, regulations and policies over the past decade; and evolutions that have taken place within the CBP partnership, including the Chesapeake Bay TMDL and the jurisdiction’s watershed implementation plans (WIPs). Beginning in 2012, the CBP partners set the course for a new Watershed Agreement that would be developed through an open, cooperative and collaborative effort.

The new 2014 *Chesapeake Bay Watershed Agreement*, was signed on June 16, 2014, by authorized representatives of Delaware, the District of Columbia, Maryland, Pennsylvania, New York, Virginia, West Virginia, the Chesapeake Bay Commission, and EPA. This is the first Bay Agreement signed by Delaware, New York, and West Virginia. This agreement identifies the CBP partnership’s collective commitments for restoring and protecting the watershed through 10 goals and 29 outcomes. The goals address the partners’ continuing efforts to improve water quality as well as to promote sustainable fisheries, vital habitats, healthy watersheds, stewardship, land use and conservation, and public access. The goals also confront critical emerging issues, such as environmental literacy, toxic contaminants, and climate resiliency of the Bay ecosystem.

Goals articulate the high-level aspects of the CBP partners’ vision while outcomes express specific, time-bound, and measureable targets that directly contribute to achieving each goal. These goals and outcomes are clearer and better-defined than in previous agreements and allow for greater flexibility through the adoption of an adaptive management decision-

making process—one based on the application of scientific processes and continual analyses of monitoring data.

To help implement the *2014 Chesapeake Bay Watershed Agreement*, the CBP partners, through the CBP’s goal implementation teams (GITs) and workgroups, will develop by 2015 “management strategies” for each of the outcomes. The strategies will articulate the overarching and specific actions necessary to achieve the goals and outcomes by 2025. They will also summarize the means for accomplishing each outcome as well as methods for monitoring, assessing, reporting progress, and coordinating actions among partners and stakeholders.

As a means to achieve program goals and commitments, EPA awards assistance agreements (grants/cooperative agreements) to nonprofit organizations, state and local governments, colleges, universities, and interstate agencies. The type of projects awarded range from the monitoring of underwater bay grasses to environmental education. These projects have helped support the commitments set forth in Executive Council agreements and amendments (*Chesapeake Bay Agreement of 1983* through the *2014 Chesapeake Bay Watershed Agreement*) and subsequent directives, adoption statements, endorsements, and resolutions. This also supports Executive Order 13508. (For more complete information on eligibility, see sub-section A., Grant Authorities and Descriptions, pages 13 – 16.)

INTRODUCTION TO THE GUIDANCE DOCUMENT

EPA developed this guidance document to assist applicants for grants and cooperative agreements to support the Chesapeake Bay Program partnership’s goals.

EPA revises this guidance and issues addenda periodically to incorporate requirements and explanations of new and existing EPA orders, directives, and policies. Recipients should check the following website for the most current grant guidance and applicable addenda: <http://www.epa.gov/region3/chesapeake/grants.htm>.

A. NEW OR REVISED GRANTS POLICIES

Excerpts from recently revised grants policies are as follows:

1.) EPA updated its Policy for Competition of Assistance Agreements (Order 5100.5A1) on February 6, 2014. This update increased the exempt-from-competition threshold for new awards from \$15,000 to \$25,000; the maximum amount of such awards, including all amendments, cannot exceed \$35,000.

2.) EPA issued Grants Policy Issuance (GPI) 14-02, “Enhancing Public Awareness of EPA Assistance Agreements” on September 26, 2014. This policy establishes procedures to enhance public awareness of EPA’s role in funding assistance agreement projects that protect the human health and environment of communities. All EPA assistance agreements, including all incremental and supplemental funding amendments, made on or after October 1, 2014, must contain the following term and condition:

“The recipient agrees that any reports, documents, publications or other materials developed for public distribution supported by this assistance agreement shall contain the following statement: ‘This project has been funded wholly or in part by the United States Environmental Protection Agency under assistance agreement (number) to (recipient). The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does the EPA endorse trade names or recommend the use of commercial products mentioned in this document.’”

3.) EPA’s Grants Management Council is making efforts to streamline EPA’s grant application process by requiring electronic submission of applications through Grants.gov. Through the issuance of GPI 14-01, EPA will begin requiring the following:

- All initial applications for non-competitive awards submitted on or after February 17, 2015, must be submitted to EPA electronically through Grants.gov.**
- All initial applications submitted for competitive awards based on solicitations issued on or after February 17, 2015, must be submitted to EPA electronically through Grants.gov.**
- Applicants with limited or no internet access can apply for an exception and submit their application through another method if approved.**

4.) The Office of Management and Budget’s (OMB) Uniform Grants Guidance were adopted by EPA effective December 26, 2014. This guidance supersedes and streamlines requirements from OMB Circulars A-21, A-87, A-110, and A-122; Circulars A-89, A-102, and A-133; and the guidance in Circular A-50 on Single Audit Act follow-up. This Uniform Grants Guidance is also known as the “OMB Omni-Circular” or “OMB Super Circular.” It is codified at 2 CFR Part 200. EPA-specific supplemental regulations are codified at 2 CFR Part 1500, and these regulations, in conjunction with 2 CFR Part 200, replace 40 CFR Parts 30 and 31 for certain awards as described below under C. Applicable Date of Grant Regulations. The Uniform Grants Guidance is available at: <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>. Both regulations are also available at www.ecfr.gov.

5.) As required by the new OMB Uniform Grants Guidance under 2 CFR §200.112, EPA established an interim financial assistance conflict of interest policy. The policy governs disclosure of actual and potential conflicts of interest by applicants and recipients of federal financial assistance awards from EPA. The interim policy is available at: <http://www.epa.gov/ogd/coi.htm>.

B. APPLICABLE REGULATIONS

For a list of applicable regulations, please consult the chart on the next page. All cited regulations in the chart are available at: <http://www.ecfr.gov/>.

Applicable to Funding Awarded Prior to December 26, 2014

Applicant/ Recipient Type	EPA Grant Regulation	OMB Circulars on Cost Principles	Disadvantaged Business Enterprise Regulation	Suspension and Debarment Regulation	Intergovernmental Review Regulation
Nonprofit Organization	40 CFR Part 30	A-122	40 CFR Part 33	2 CFR Part 180, and 2 CFR Part 1532	40 CFR Part 29
Educational Institutions	40 CFR Part 30	A-21	40 CFR Part 33	2 CFR Part 180, and 2 CFR Part 1532	40 CFR Part 29
State, local, and Indian Tribal governments	40 CFR Part 31	A-87	40 CFR Part 33	2 CFR Part 180, and 2 CFR Part 1532	40 CFR Part 29

Applicable to Funding Awarded on or After December 26, 2014

Applicant/ Recipient Type	EPA Grant Regulation	OMB Regulation on Cost Principles	Disadvantaged Business Enterprise Regulation	Suspension and Debarment Regulation	Intergovernmental Review Regulation
Nonprofit Organization	2 CFR Part 1500	2 CFR Part 200, Subpart E	40 CFR Part 33	2 CFR Part 180, and 2 CFR Part 1532	40 CFR Part 29
Educational Institutions	2 CFR Part 1500	2 CFR Part 200, Subpart E	40 CFR Part 33	2 CFR Part 180, and 2 CFR Part 1532	40 CFR Part 29
State, local, and Indian Tribal governments	2 CFR Part 1500	2 CFR Part 200, Subpart E	40 CFR Part 33	2 CFR Part 180, and 2 CFR Part 1532	40 CFR Part 29

C. EFFECTIVE DATE OF GRANT REGULATIONS

EPA will apply the new regulations of 2 CFR parts 200 and 1500 as follows:

If you received an EPA award before December 26, 2014, and no funding is added on or after December 26, 2014, you will use the following regulations:

- **Uniform Administrative Requirements: 40 CFR Parts 30 or 31.** The [annual version](#) of the Code of Federal Regulations is available electronically at www.gpo.gov/fdsys. EPA's uniform administrative guidelines, 40 CFR Parts 30 and 31, are located in 40 CFR Subchapter B – Grants and Other Federal Assistance (Parts 30-49).
- [Cost Principles](#) by entity type: A-21, A-87 or A-122.
- **Audit Requirements: A-133: \$500,000+ threshold.**

If you received an EPA award prior to December 26, 2014, but supplemental or incremental funding is added to the award on or after December 26, 2014, you will use the following regulations for both the supplemental/incremental funding and the unobligated balances remaining from the previous award actions (see [2 CFR Section 200.98](#) for the definition of unobligated balances):

- **Uniform Grants Guidance: 2 CFR Parts [200](#) and [1500](#).**
- **Cost Principles: 2 CFR Part 200, Subpart E.**

- **Audit Requirements: 2 CFR Part 200, Subpart F: \$750,000+ threshold (audit requirements will apply to audits of recipients' fiscal years beginning on or after 12/26/14).**

In this situation EPA will include a condition to the amendment that adds funding on or after December 26, 2014, informing the recipient of the application of the new requirements. The term and condition is included here:

[http://www.epa.gov/ogd/tc/general tc applicable aa recipients dec 26 2014.pdf](http://www.epa.gov/ogd/tc/general%20tc%20applicable%20aa%20recipients%20dec%2026%202014.pdf).

If you receive a new EPA award on or after December 26, 2014, you will use the following regulations:

- **Uniform Grants Guidance: 2 CFR parts [200](#) and [1500](#).**
- **Cost Principles: 2 CFR Part 200, Subpart E.**
- **Audit Requirements: 2 CFR Part 200, Subpart F: \$750,000+ threshold (audit requirements will apply to audits of recipients' fiscal years beginning on or after 12/26/14).**

Additional information about the Uniform Grants Guidance is available at <https://cfo.gov/cofar/>.

COMPETITION PROCESS

Effective January 15, 2005, and updated on **February 6, 2014**, EPA Order 5700.5A1, Policy for Competition of Assistance Agreements, establishes EPA's policy for the competition of assistance agreements. The authority for this order is the Federal Grant and Cooperative Agreement Act of 1977, as amended, 31 U.S.C. 6301(3).

Grants.gov is the required mechanism for submission of applications in response to requests for proposals (RFP's) posted on or after February 17, 2015. The RFPs include details about eligible organizations, page limitations, funding ranges, cost-share requirements, additional requirements, submission instructions, and any other relevant information pertaining to the proposal requirements. Please follow the instructions in the RFPs for specific submission guidance.

All EPA RFPs issued by CBPO are announced in the following manner: posted to <http://www.grants.gov>, posted on CBPO's website located at <http://www.epa.gov/region03/chesapeake/grants.htm>, posted on CBP partnership's website located at <http://www.chesapeakebay.net/rfps>, sent to those on CBPO's RFP mailing list, and e-mailed to those on CBPO's RFP e-mail list. RFPs are posted at various times throughout the year.

If you are interested in receiving information on future RFPs, please contact CBPO at 1-800-YOUR-BAY (968-7229) and request to be added to the RFP distribution list(s).

UNLIQUIDATED OBLIGATIONS (ULOs)

EPA assistant administrators and regional administrators are required to certify annually to the EPA administrator that unneeded funds are de-obligated from EPA assistance agreements in order to implement the Government Accountability Office's Policy and Procedures Manual for

Guidance of Federal Agencies, Title 7; the Federal Managers' Financial Integrity Act; and OMB Circular A-123. To accomplish this task EPA reviews all unliquidated obligations on assistance agreements.

ULO's are the unexpended balance remaining from the total amount of federal funds obligated to an EPA assistance agreement. EPA is committed to ensuring that the money EPA obligates to recipients is being utilized properly and in a timely manner. One part of this is EPA project officers reviewing ULO balances on grants, and EPA may use these balances to determine funding levels for awards. For example, in FY2013 EPA used ULO's to allocate reductions to CBRAP, Small Watershed, and some Clean Water Act (CWA) Section 117(d) grants. Circumstances will be reviewed on a case-by-case basis. We intend to work with the recipient whenever we identify ULO's of concern and when making funding decisions based on ULO balances.

To strengthen the identification and prevention of the unwarranted accumulation of ULO's, EPA project officers and grant specialists are required, as part of current monitoring activities, to monitor the disbursement of funding awarded to the recipient. Each project officer and grant specialist must validate the necessity of the remaining monies and document their files accordingly. This will require ongoing dialogue between the recipient and the project officer.

In addition, EPA adds a term and condition to all awards that establishes clear progress expectations. If a recipient has a history of accumulating unliquidated obligations without adequate justification is present, EPA may include a term and condition requiring the recipient to submit quarterly billing requests.

ASSISTANCE AGREEMENT GUIDANCE

Applying for assistance agreements involves developing a work plan and completing the federal application that includes various certifications and budget information. The following sub-sections contain guidance on CBPO assistance agreements.

A. GRANT AUTHORITIES AND DESCRIPTIONS

This sub-section describes the various CBPO grants and their authorities that allow EPA to provide these funds to nonprofit organizations, state and local governments, colleges, universities, and interstate agencies.

On November 7, 2000, the President signed the Estuaries and Clean Waters Act of 2000, which included Title II-Chesapeake Bay Restoration (see Attachment 2). This Act amended Section 117 of the Federal Water Pollution Control Act (commonly known as the Clean Water Act or CWA) and established new authorities for the Chesapeake Bay Program. These new legal authorities specify the type of work that can be performed with the funds appropriated for the Chesapeake Bay Program, the type of funding vehicles (e.g., assistance agreement) that can be used, and the types of governments and organizations eligible to receive funding. The purposes of these amended authorities are: to expand and strengthen cooperative efforts to restore and protect the Chesapeake Bay; and to achieve the goals established in the Chesapeake Bay Agreement.

CWA Grant Requirements

Project proposals that involve work in the waters of the United States, such as certain stream restoration projects, may require federal and state permits. For purposes of assuring compliance – and minimizing potential conflicts – with permit requirements, applicants and sub-awardees applying for funding under the authorities described below will be required to ascertain whether there is a need for a permit and document successful completion of pre-application consultation with the relevant regulatory agencies. Applicants who are awarded grants under any of these authorities must include this requirement in their RFPs for subgrants, and such consultation must be completed prior to the submittal of the grant or sub-award application. If requested by the permitting agency, pre-application consultation may need to include pre-application project site visits by the permitting and regulatory review agencies. In such cases, joint (i.e., simultaneous multi-agency) site visits are strongly encouraged. Applicants and sub-award applicants should not assume that after completing the pre-application conference that the proposed project will receive authorization by the federal and state permitting agencies.

The following describes the various CBPO grants and their CWA authorities.

1.) CWA Section 117(d) Technical Assistance and General Assistance Grants

EPA awards these grants competitively to nonprofit organizations, state and local governments, colleges, universities, and interstate agencies through the RFP process (see the Competition Process section on page 12 for further information). These grants are used by recipients to implement the goals of the Chesapeake Bay agreements through activities that support:

- Living resource protection and innovative restoration;
- Vital habitat protection and restoration;
- Water quality protection and restoration;
- Sound land use; and
- Stewardship and community engagement.

If EPA determines that the recipient is not making sufficient progress, EPA may decide to exercise federal actions in accordance with Sub-section I, Post-award Requirements, and/or to not add additional funds to the grant.

2.) CWA Section 117(e)(1)(A) – Chesapeake Bay Implementation Grants (CBIG)

The Chesapeake Bay implementation grants are authorized under Section 117(e)(1)(A) to signatory jurisdictions. **These grants are awarded non-competitively to any watershed jurisdiction that has signed the 2014 Chesapeake Bay Watershed Agreement.** Implementation grants are for the purpose of implementing the management mechanisms established under the Chesapeake Bay Agreement, with particular emphasis on state programs for control and abatement of nonpoint source nutrient and sediment pollution (including atmospheric deposition as a nonpoint source). **Specifically, CBIG awards support the jurisdictions' implementation of the management strategies developed for each of the applicable outcomes identified in the 2014 Chesapeake Bay Watershed Agreement.**

In May 2009, all seven watershed jurisdictions adopted two-year milestones to accelerate load reductions of nutrient and sediment pollution. In December 2010 and March 2012, the seven

watershed jurisdictions finalized their Chesapeake Bay Total Maximum Daily Load (Bay TMDL) Phase I and II WIPs, respectively, which outline all necessary practices will be in place by 2025 to fully restore the Chesapeake Bay and its tidal waters. CBIG awards **may** support the jurisdictions' implementation of their WIP and milestone commitments, including addressing EPA's evaluation of the WIPs and milestones, and comparable actions that support nutrient and sediment load reduction goals. If the signatory jurisdictions do not use 117(e)(1)(A) grants for projects consistent with furthering the **2014 Chesapeake Bay Watershed Agreement goals and outcomes**, EPA may reallocate, conditionally award, or withhold funds.

If EPA determines that the recipient is not making sufficient progress, EPA may decide to exercise federal actions in accordance with Sub-section I, Post-award Requirements, and/or to not add additional funds to the grant.

3.) *CWA Sections 117(e)(1)(A) – Chesapeake Bay Regulatory and Accountability Program Grants (CBRAP)*

These grants help each of the six watershed states and the District of Columbia to:

- Develop/revise regulations, design and implement WIPs and two-year milestones;
- Implement regulatory, tracking, reporting, verification, assessment, and/or monitoring commitments of the jurisdictions' WIPs and/or two-year milestones or in response to EPA's evaluation of these documents;
- Issue, reissue and enforce permits;
- Develop and implement nutrient credit trading and offset programs;
- Develop and implement technical assistance and guidance documents to support WIP implementation;
- Provide technical and compliance assistance to landowners; and
- Provide compliance assistance to local governments and regulated entities.

CBRAP grants aid the six states and DC in implementing and expanding their jurisdictions' regulatory, accountability, assessment, compliance, and enforcement capabilities in support of reducing nitrogen, phosphorus, and sediment loads delivered to the Bay to meet the Water Quality Goal of the **2014 Chesapeake Bay Watershed Agreement** and the Bay TMDL. These grants are awarded non-competitively. EPA is confident that the CBRAP grant program will continue for the foreseeable future. EPA has received funding for this program every year since 2010, and EPA does not have any reason to expect funding for the CBRAP grant program to discontinue.

If EPA determines that the recipient is not making sufficient progress, EPA may decide to exercise federal actions in accordance with Sub-section I, Post-award Requirements, and/or to not add additional funds to the grant.

4.) *CWA Section 117(e)(1)(B) Monitoring Grants*

The monitoring grants are authorized under Section 117(e)(1)(B) for signatory jurisdictions. These grants support the characterization of water and habitat quality and benthic community conditions for the main stem Chesapeake Bay and tidal tributaries, characterizing nutrient and sediment loadings to the Chesapeake Bay and its tidal tributaries from the surrounding Chesapeake Bay watershed, assessing changes in nutrient and sediment concentrations in local streams and rivers

throughout the Chesapeake Bay watershed, and providing data analysis and interpretation support for water quality and living resources status and trends. The work supports the *2014 Chesapeake Bay Watershed Agreement* goal to “**Reduce pollutants to achieve** the water quality necessary to support the aquatic living resources of the Bay and its tributaries and to protect human health.” EPA may award these grants non-competitively to any watershed jurisdiction that has signed the Chesapeake Bay Agreement.

If EPA determines that the recipient is not making sufficient progress, EPA may decide to exercise federal actions in accordance with Sub-section I, Post-award Requirements, and/or to not add additional funds to the grant.

5.) CWA Section 117(g)(2) Small Watershed Grants (SWG)

The Small Watershed Grants Program was established under Section 117(g)(2), which provides that grants can be awarded under Section 117(d) to local governments, nonprofit organizations, and individuals in the Chesapeake Bay region working at a local level to protect and improve watersheds while building citizen-based resource stewardship. The purpose of this grant program is to demonstrate effective techniques and partnership-building to achieve CBP objectives at the small-watershed scale. The SWG Program has been designed to encourage the sharing of innovative ideas among the many organizations wishing to be involved in watershed protection activities.

If EPA determines that the recipient is not making sufficient progress, EPA may decide to exercise federal actions in accordance with Sub-section I, Post-award Requirements, and/or to not add additional funds to the grant.

B. APPLICATION REQUIREMENTS

This sub-section lists all the required documentation and information needed to provide EPA with a complete application. It includes time frames, contacts, address information, **and recent application process changes.**

Proposals in response to RFPs must be submitted in accordance with the instructions in the RFP.

Both competitive and non-competitive final applications can be submitted to EPA in one of the following manners:

1. Through www.grants.gov under the appropriate Funding Announcement Number: “EPA-R3-CBP-001,” for example;
2. In hard copy to EPA Region 3, Grants and Audit Management Branch (3PM70), Attn: Kathleen Blinbury, 1650 Arch Street, Philadelphia, PA 19103-2029; or
3. In PDF format to electronic mail box R3_Grant_Applications@epa.gov.

Beginning February 17, 2015, most applications must be submitted through Grants.gov (see page 10 for additional information). Regardless of the manner used to submit an application, **an electronic** courtesy copy of the submitted application should also be sent to the EPA project officer.

For new awards, the application must be submitted for review at least 90 days before the proposed start date and 60 days before the proposed start date for continuation awards or amendments. State and local governments receiving **grant funding prior to December 26, 2014** under any of the provisions of Section 117 must comply with 40 CFR Part 31, and all other applicants **receiving funding prior to December 26, 2014** must comply with 40 CFR Part 30. **Grantees receiving funding on or after December 26, 2014 must comply with 2 CFR Parts 200 and 1500, which supersede 40 CFR Parts 30 and 31. See pages 10 – 12 for additional details on applicable regulations and policies.**

An electronic version of the application, application forms, and checklists can be found on the Internet at: <http://www.epa.gov/ogd/forms/forms.htm>. Office of Management & Budget Circulars may be found at: <http://www.whitehouse.gov/OMB/circulars>. **The OMB Uniform Grants Guidance (applicable December 26, 2014) is available at: <https://www.federalregister.gov/articles/2013/12/26/2013-30465/uniform-administrative-requirements-cost-principles-and-audit-requirements-for-federal-awards>.**

A complete application must include the following components to be considered for review. Recipients should also consult the EPA Region 3 Grants and Audit Management Branch Application Kit for Cooperative Agreements (available at: <http://www.epa.gov/region03/grants/gengrants.htm>) for additional instructions on completing a grant application.

1. Transmittal letter signed by the applicant
2. Standard Form (SF) 424 – Application for Federal Assistance
 - CFDA 66.466 is an EPA program eligible for intergovernmental review, therefore the SF-424 must document the intergovernmental review process (Executive Order 12372 – Intergovernmental Review of Federal Programs, issued under the authority of Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966) by including the date and original signature of authorized representative. Please see Attachment 11 for more information regarding the Intergovernmental Review process.
3. SF-424A – Budget Information for Non-Construction Programs
4. Budget detail
 - Please note that all costs associated with sub-awards, including agreements with federal agencies other than EPA, should be placed in the “Other” budget category. For assistance in distinguishing between sub-awards and contracts, please see Attachment 7.
 - The budget detail should add specific detail about each budget category instead of simply repeating the information found on the SF- 424A.
5. SF-424B – Assurances for Non-Construction Programs
6. A fully descriptive work plan, which includes a (see sub-section C. Work Plan for additional information):
 - Completed Work Plan Template (see Attachment 4, a fillable version is available from your EPA project officer); and
 - Mostly completed Progress Report Template (see Attachment 5, a fillable version is available from your EPA project officer)

7. Quality Management and Quality Assurance Project Plans – required if proposal accepted (see Section E. Quality Assurance for more information)
8. Current indirect cost rate agreement – must use a lower indirect cost rate if staff members are onsite at the EPA Chesapeake Bay Program Office in Annapolis, MD.
9. Certification Regarding Lobbying
10. SF-LLL- Disclosure of Lobbying Activities (This form needs to be completed only if the applicant has lobbying activities to disclose.)
11. EPA Form 4700-4 Pre-award Compliance Review Report
12. The Budget Detail of your Application for Federal Assistance (SF-424) must reflect how your administrative costs will comply with the cap. In accordance with the Paperwork Reduction Act, the Administrative Cap Worksheet is no longer required to be submitted as an attachment to SF-424 but is provided as Attachment 10 for assistance. The worksheet is to assist you in calculating allowable administrative costs.

Certain recipients are not required to submit items 5, 9, and 11 above with their grant applications because EPA Region 3 received and maintains bundled assurances and certifications covering these forms. The current list for “Bundled Certification Recipients” located in Region 3 is available at: <http://www.epa.gov/region03/grants/gengrants.htm>. The New York State Department of Environmental Conservation also does not have to submit these forms in accordance with an agreement with EPA Region 2. However, these recipients do have to include forms 5, 9, and 11 in their applications if they apply for their grant through Grants.gov because Grants.gov requires all mandatory forms to be submitted. **As noted earlier:**

- **All initial applications for non-competitive awards submitted on or after February 17, 2015, must be submitted to EPA electronically through Grants.gov.**
- **All initial applications submitted for competitive awards based on solicitations issued on or after February 17, 2015, must be submitted to EPA electronically through Grants.gov.**
- **Applicants with limited or no internet access can apply for an exception and submit their application through another method if approved.**

Any incomplete application may delay processing. In addition, the recipient can expect an award only after all administrative and programmatic issues are resolved and the State Intergovernmental Review comment period has been met. EPA will not approve grant awards or amendments for additional funding until all deliverables from previous or current grants are completed, unless your EPA project officer approves a specific written agreement to complete all previous overdue deliverables prior to the proposed award date.

It should be noted that EPA Form 5700-49 Debarment/Suspension Certification is no longer required. Instead, applicants are required to disclose certain information to EPA regarding eligibility prior to award. As found in 2 CFR Section 180.335, the recipient must disclose when there is an affirmative response to any of the following questions:

- Are you or any of the principals for this award presently suspended, debarred, or otherwise ineligible?

- Have you or any of the principals for this award been convicted within the preceding three years of any of the offenses listed in 2 CFR Section 180.800(a) or had a civil judgment rendered against you for one of those offenses?
- Are you or any of the principals for this award presently indicted or otherwise criminally or civilly charged by a governmental entity with commission of any of the offenses listed in §180.800(a)?
- Have you had one or more public transactions terminated within the preceding three years for cause or default?

The Federal Funding Accountability and Transparency Act (FFATA, Public Law 109-282, as amended) established reporting requirements for prime grant recipients on the following information: first-tier subawards; first-tier subrecipient executive compensation; and prime recipient executive compensation. This requirement is applicable to all new awards that equal or exceed \$25,000 and are awarded on or after October 1, 2010. EPA notifies grant recipients of the subaward /executive compensation reporting requirement, including what specifically must be reported, through the usage of a standard term and condition located at 2 CFR Part 170, Appendix A.

FFATA also requires registration in the Central Contractor Registration (CCR) database and a current Duns and Bradstreet Data Universal Numbering System (DUNS) number. This requirement is effective for all new grants made on or after October 1, 2010. Through a term and condition, grant recipients are required to ensure the currency of the information they report in the CCR and that all subrecipients have an assigned DUNS number prior to receiving a subaward from grant recipients. Beginning July 30, 2012, registration is available through the System for Award Management (SAM). Recipients have to create a new account in SAM, using their current CCR username and password. SAM.gov contains quick-start guides, webinars, a user guide, and other materials that provide all the information recipients need to get started. For more assistance using SAM, please contact the Federal Service Desk at <https://fsd.gov>.

Another requirement of FFATA is the reporting of where the work funded by a grant will take place. A recent EPA directive requires data on “Areas Affected by Project” (commonly referred to as “place of performance”) in order to comply with this element of FFATA. We need to know the state, county, city, congressional district, and zip code in which the federally funded work will be carried out. Applicants are required to report a maximum of five places of performance. Your EPA project officer will work with you for the specific information required under this directive. This requirement applies to all grants and cooperative agreements. OMB requires EPA to report this data for every grant within 30 days of award, and the information is displayed for the public at USAspending.gov.

For grants awarded on or after January 1, 2011, EPA provided project officers and grant specialists with guidance on determining the allowability and reasonableness of certain cost items under assistance agreements. The guidance indicates that the use of EPA grant funds for evening banquets, evening receptions, or for light refreshments and meals at meetings, conferences, training workshops, and outreach activities (events) must be justified by the assistance recipient, identified in the budget detail, allowable under the Office of Management and Budget (OMB) Cost Principles **(for funds awarded prior to December 26, 2014) or the OMB Uniform Grants**

Guidance (for funds awarded on or after December 26, 2014), and approved by the EPA award official. Further, EPA will not approve the use of grant funds for any portion of an event where alcohol is served, purchased, or otherwise available even if grant funds are not used to purchase the alcohol. To assist the EPA award official in the approval determination, certain additional information will be requested by your project officer, as discussed later in this document on pages 21 – 23.

In April 2012, EPA’s Office of Grants and Debarment (OGD) updated the language of the Food and Refreshments programmatic condition to make the condition clearer that EPA approval is expressly required for the use of EPA grant funds for any activities that take place after normal business hours and must be justified. This condition is included in all new and continuation awards, any monetary amendments and any re-budgets for conference costs for grants made on or after January 1, 2011.

EPA established a new policy on Indirect Cost Rates for EPA Grants/Cooperative Agreements to Nonprofit Organizations. This policy is effective for new grants and cooperative agreements awarded on or after March 31, 2012. The policy provides a new approach for negotiating indirect cost rates with nonprofit organizations, including a simplified flat indirect cost rate option. Your EPA project officer can provide you a copy of the policy upon request.

On December 12, 2012, EPA issued a new policy requiring organizations that generate or use environmental data under EPA-funded assistance agreements to submit documentation of their competency to do so. This applies to all CBPO grants and cooperative agreements that involve organizations generating environmental data through environmental sample collection, field measurements and/or laboratory analyses. When applicable, recipients must demonstrate competency prior to carrying out any activities under the award involving the generation or use of environmental data. Recipients shall maintain competency for the duration of the project period of the applicable agreement and this will be documented during the annual reporting process. A copy of the Policy is available online at http://www.epa.gov/fem/lab_comp.htm or a copy may also be requested by contacting the EPA project officer.

Recipients and subrecipients are subject to the program accessibility provisions of Section 504 of the Rehabilitation Act, codified in 40 CFR Part 7, which includes an obligation to provide individuals with disabilities reasonable accommodations and an equal and effective opportunity to benefit from or participate in a program, including those offered through electronic and information technology (“EIT”). In compliance with Section 504, EIT systems or products funded by EPA awards must be designed to meet the diverse needs of users (e.g., U.S. public, recipient personnel) without barriers or diminished function or quality. Systems shall include usability features or functions that accommodate the needs of persons with disabilities, including those who use assistive technology. At this time, EPA will consider a recipient’s websites, interactive tools, and other EIT as being in compliance with Section 504 if such technologies meet standards established under Section 508 of the Rehabilitation Act, codified at 36 CFR Part 1194. While Section 508 does not apply directly to grant recipients, we encourage recipients to follow either the 508 guidelines or other comparable guidelines that concern accessibility to EIT for individuals with disabilities. Recipients may wish to consult the latest Section 508 guidelines issued by the

U.S. Access Board or W3C's Web Content Accessibility Guidelines (WCAG) 2.0 (see <http://www.access-board.gov/sec508/guide/index.htm>).

Recipients of multi-year awards only have to submit a full application prior to the first year of the multi-year award. For purposes of this discussion, multi-year awards are defined as awards for which the project and budget periods are the same, the recipient previously requested the total award amount for the full project/budget period, and the recipient provided annual budget details. For example, a three year award would be considered a multi-year award. After the first year of a multi-year award, the recipient is required to submit the following information annually to their EPA project officer (see the Modifications to Award Documents sub-section on pages 52 – 53 for additional information):

1. When there is *no budget change*, recipient must submit:
 - a. An email to the project officer stating there is no change to the budget or work plan and requesting the next year's funding
 - i. If there is a change to the work plan, then the revised work plan must accompany the email request (Use track changes to identify said changes).
2. When there is a budget *change of less than 10 percent*,* recipient must submit:
 - a. A revised budget detail for the current funding year only
 - b. A revised work plan with track changes, if applicable
3. When there is a budget *change greater than 10 percent*,* recipient must submit:
 - a. A revised SF-424A that includes cumulative totals and match
 - b. A revised budget detail
 - c. A revised work plan with track changes, if applicable

C. WORK PLAN

All applicants and recipients should use the work plan template included as Attachment 4 to this document. Applicants and recipients should complete all areas of the work plan and they should label any area not applicable to a particular project as such.

General Information

For all proposed awards competed through the Chesapeake Bay Program Office, the work plan should **be consistent with** the original proposal **submitted in response to the RFP** (unless the EPA project officer and the grantee agreed to changes to the scope in writing).

If an assistance agreement application contains more than one objective, an introductory paragraph should describe the overall strategy your organization has developed for completing all of the tasks.

Each objective of the work plan should be sufficiently detailed in the narrative, description, and task section in order for the EPA project officers to understand exactly what the grantee plans to

* Ten percent of the cumulative total costs (federal and non-federal) on grants where the total federal share exceeds \$100,000.

do under the agreement. Further, it should be clearly evident how the outputs relate to the tasks within each objective.

If a work plan includes conferences, workshops, or meetings that the recipient will conduct, the recipient must address the following questions in the narrative summary portion of the work plan:

- Who is initiating the conference, workshop, or meeting?
- How is the conference, workshop, or meeting being advertised?
- Whose logo will be on the agenda and conference, workshop, and meeting materials?

Note: According to the Best Practices Guide for Conferences

<http://www.epa.gov/ogd/recipient/bestpractice.htm>

a) “Supporting a Conference Sponsored by a Nonfederal Entity: use of the EPA’s logo in connection with promotion or sale of non-government produced goods or services is forbidden. Promotional material for conferences conducted under grants and cooperative agreements may acknowledge that the conference receives financial support from the agency under an assistance agreement, but cannot use the logo on a conference brochure in a manner that implies that the conference is being conducted by EPA. These conferences should be described as the recipient’s event, not EPA’s.”

b) “Jointly Sponsored Conferences: The official logo may be used on promotional and conference materials for conferences EPA jointly sponsors with outside groups. The co-sponsor’s logo should also be used on promotional and conference materials and should be displayed at least as prominently as the EPA’s.”

- What is the percentage distribution of the persons attending the conference, workshop, or meeting (i.e. percent of federal government, public participants, state and locals)?
- Is the recipient going to conduct the proceedings or analysis/analyses and disseminate this information back to the appropriate state, local, and scientific community?
- Does the recipient anticipate any program income being generated from the conference, workshop, or meeting, including registration fees?

In addition, if the work plan and/or budget detail includes activities during which light refreshments and/or meals will be provided, then additional information will be necessary prior to approving the work plan or incurring expenses for such costs. The General Services Administration has defined light refreshments to include but not limited to coffee, tea, milk, juice, soft drinks, donuts, bagels, fruit, pretzels, cookies, chips, and/or muffins.

The following information should be included in your work plan. If not included, it will be requested by your EPA project officer.

- The estimated cost of the event associated with the light refreshments and/or meals.
- An adequate description of the event.
- A statement regarding whether those attending the event will receive a per diem financed with grant funds.

- A statement justifying why the provision of light refreshments and/or meals is necessary to achieve the objectives of the assistance agreement.
- A statement justifying why the provision of light refreshments and/or meals is necessary to achieve the objectives of the event.
- Information on the availability of the light refreshments and/or meals (i.e. before, during, or after the event).

Below are instructions on what the recipient should include for specific sections of their work plan.

Introduction Section Information by Grant Program

1.) *117(d) – Technical and General Assistance Grants, 117(e)(1)(B) Monitoring Grants to Signatory Jurisdictions, and 117(g)(2) Small Watershed Grants*

This narrative must include background of your organization and historical perspective, if any, of work contributing to the restoration of the Chesapeake Bay. In addition, if the application is being submitted in connection with an RFP, then the work plan should match the proposal the applicant submitted in response to the RFP.

2.) *117(e)(1)(A) – Chesapeake Bay Implementation Grants (CBIG) to Signatory Jurisdictions*

This narrative should identify significant state and federal funding programs used to implement the management mechanisms established in the **2014 Chesapeake Bay Watershed Agreement**, with particular emphasis on addressing nutrient and sediment reduction-related activities within the Chesapeake Bay watershed. The narrative should include the linkages between these funding sources and the objectives/projects funded through the CBIG award. This narrative should also include, as appropriate, the state and federal point and nonpoint source programs that are available to fund the jurisdiction’s nutrient and sediment reduction efforts and explain how each program is used to address watershed implementation activities. Examples of state and federal programs include but are not limited to: Nonpoint Source Management Program (Clean Water Act, Section 319), Water Quality Cooperative Agreements Program (Clean Water Act, Section 104(b)(3)), Water Pollution Control Program (Clean Water Act, Section 106), State Revolving Funds (Clean Water Act, Section 602), USDA Environmental Quality Improvement Program (EQIP), Conservation Reserve Program (CRP); Conservation Reserve Enhancement Program (CREP); Conservation Innovation Grants (CIGs); and Coastal Zone Act Reauthorization Amendments (CZARA, Section 6217).

The narrative should also provide a general description of the objectives covered by the grant and a description of the relationship to the WIP and/or two-year milestones where applicable.

3.) *117(e)(1)(A) – Chesapeake Bay Regulatory and Accountability Program (CBRAP) Grants*

This narrative should identify significant state and federal funding programs used to address nutrient and sediment reduction-related activities within the Chesapeake Bay watershed and the linkages between these funding sources and the objectives/projects funded through the CBRAP grants. The narrative should also provide a general description of the objectives covered by the grant and a description of the relationship to the WIP and/or two-year milestones.

After the introduction section, recipients will need to complete the following details for each objective. Additional details are contained in Appendix 4, “Work Plan Template.”

Outputs

On January 1, 2005, EPA issued Order 5700.7, Environmental Results for Assistance Agreements. The Order states that an assistance agreement work plan must be negotiated to ensure that the work plan contains well-defined outputs. The definition of output is as follows:

“Output” means an environmental activity, effort, and/or associated work products related to an environmental goal or objective that will be produced or provided over a period of time or by a specific date. Outputs may be quantitative but must be measurable during an assistance agreement funding period.

1.) Required Outputs

Progress and Final Reports

Quarterly or semi-annual and final progress reports are document outputs that must be included in each work plan and must comply with EPA Order 5700.7. These reports must contain a project narrative that documents the progress made in achieving the objectives of work plans as presented in the application. A progress report template is located in Appendix 5. Each report will contain:

- A comparison of actual accomplishments with the anticipated outputs and outcomes;
- Reasons why anticipated **outputs** were exceeded or not met;
- Problems encountered during the performance period, that may have interfered with meeting program/project objectives;
- If applicable, proposed remedies;
- Information on the rate of expenditure versus progress on the project;
- If applicable, information on equipment purchased during the reporting period; and
- Any additional pertinent information, including, when appropriate, analysis of cost overruns or high unit costs or unanticipated economics.

As stated in EPA Order 5700.7, the agency’s project officer must ensure that interim (quarterly or semi-annual) and final performance reports submitted by the recipients adequately address progress in achieving agreed-upon outputs and outcomes. This includes, where necessary, ensuring that performance reports provide a satisfactory explanation of why outcomes or outputs were not achieved.

Data/Information and Document Outputs

CBP has adopted a comprehensive set of guidelines and policies addressing the management and submission of data, information, and documents, which must be submitted electronically in a format identified in Attachments **6 and 8** unless otherwise stipulated in the work plan. The work plan must describe the data and information management procedures to be followed to ensure the quality and timely delivery of data and/or information. Specifically, the work plan must describe the plan for adhering to the CBP data management guidelines as documented in Attachment 8. Please refer to Attachments **6, 8, 9A, and/or 9B** for additional policies and guidelines, as well as specific formatting information for outputs.

In select cases where electronic submission of an output is not possible, the recipient and the project officer will determine an alternate form of submission in advance and document in the final work plan the exact format for submission of the outputs. Electronic outputs can include reports, graphics, spreadsheets, imagery, data files, audio, and digital video products. More detailed guidance regarding formats for submission of electronic outputs is provided in Attachment 8.

Outputs that are videos or printed material meant for the public, such as brochures, fact sheets, or publications, **shall contain the following statement: “This project has been funded wholly or in part by the United States Environmental Protection Agency under assistance agreement (number) to (recipient). The contents of this document do not necessarily reflect the views and policies of the Environmental Protection Agency, nor does the EPA endorse trade names or recommend the use of commercial products mentioned in this document.”** These items, once finalized, are to be an output within the work plan.

All data and information generated through grant funding, whether EPA funds or cost share, is considered public information and shall be made available to the public, unless there is a grant/cooperative agreement condition that specifies otherwise.

2.) Other Outputs

A comprehensive schedule for submittal of progress reports, milestones, quality management plans, quality assurance project plans, data, information, document output submissions, and final reports is required within the work plan. The recipient agrees to deliver to EPA all products by the dates outlined in the work plan accompanying the application, following the procedures described in the work plan and the most recently approved version of the applicable quality assurance project plans. The recipient will deliver to EPA all outputs resulting from all programs (federally funded and non-federal match) described within the work plan.

Outcomes – Linkage to *2014 Chesapeake Bay Watershed Agreement Goals and Outcomes*

EPA Order 5700.7 also states that an assistance agreement work plan must contain, to the maximum extent practicable, well-defined outcomes. The definition of outcome is as follows:

“Outcome” means the result, effect, or consequence that will occur from carrying out an environmental program or activity that is related to an environmental programmatic goal or objective. Outcomes may be environmental, behavioral, health-related, or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement-funding period.

For Chesapeake Bay Program grants, this means all recipients are required to identify in the work plan the appropriate *2014 Chesapeake Bay Watershed Agreement goal(s) and outcome(s)* for each objective. Refer to Attachment 3 to determine the appropriate *2014 Chesapeake Bay Watershed Agreement goals and outcomes*. Any objective or project under the recipient’s work plan that addresses the goals of the jurisdiction’s WIP or two-year milestones must be linked to **outcomes under the Water Quality Goal of the 2014 Chesapeake Bay Watershed Agreement.**

Additionally, all CBRAP objectives must include outcomes related to the Water Quality Goal.

Each **work plan** objective must link to **each** specific *2014 Chesapeake Bay Watershed Agreement goal(s) and outcome(s)* being achieved. If the work plan contains long-term objectives/projects that exceed one grant cycle, additional information is required. The applicant must provide information on what will be accomplished during the current grant cycle, whether the objective/project is on schedule, the ultimate goal of the objective/project, and what has been completed in previous years. Recipients are encouraged to provide progress on previous objectives/projects in a table format if possible.

Jurisdictions are not required to include information in their CBIG or CBRAP work plans on any 2014 Chesapeake Bay Watershed Agreement outcomes and management strategies that they are implementing with other sources of funding. Instead, the GITs will include this information in their biennial management strategy work plans and progress reporting.

Linkage to EPA's Strategic Plan

Prior to approving an assistance agreement work plan, EPA's project officer must ensure that s/he can link the work plan to EPA's Strategic Plan. Currently, CBPO has one link to EPA's Strategic Plan, which is Goal 2: Protecting America's Waters, Objective 2.2: Protect and Restore Watersheds and Aquatic Ecosystems. Recipients must include in their work plan the current CBPO linkage to EPA's Strategic Plan at the time of their application. EPA periodically updates the Strategic Plan goals, and subsequently the CBPO linkage may change. **The current EPA Strategic Plan is available here: <http://www2.epa.gov/planandbudget/strategicplan>.** Applicants should check with their EPA project officer about the current linkage prior to submitting their application or revised work plan. Attachment 4 includes a section specifically for this information and has been completed in advance for your convenience.

Linkage to Jurisdiction's Watershed Implementation Plan (WIP) Commitments and Two-Year Milestones

Recipients of CBIG awards **must complete this section if the Water Quality Goal was chosen as a link above (see Outcomes – Linkage to 2014 Chesapeake Bay Watershed Agreement Goals and Outcomes on page 25), and all CBRAP grants must complete this section to include WIP and/or two-year milestone commitments, including any section, chapter, and/or page number.** Recipients should mark this section "Not applicable" for grant objectives and projects **that align with other 2014 Chesapeake Bay Watershed Agreement goals, outcomes, and management strategies.**

All CBRAP grant objectives must be linked **to a water quality-related 2014 Chesapeake Bay Watershed Agreement management strategy.** They also must be linked directly to WIP and/or two-year milestone commitments, issues raised in EPA's evaluation of the WIPs and two-year milestones, and the jurisdiction's programs that relate to improved water quality in the Chesapeake Bay due to the load reductions of nutrients and sediment. Activities related to the development of WIPs must be consistent with EPA's expectations set forth in the:

- November 4, 2009, WIP Expectations letter, (http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/tmdl_implementation_letter_110409.pdf);
- April 2, 2010, Guide for EPA's Evaluation of Phase I Watershed Implementation Plans (http://archive.chesapeakebay.net/pubs/Guide_for_EPA_WIP_Evaluation_4-2-10.pdf);
- March 30, 2011 Guide for Chesapeake Bay Jurisdictions for the Development of Phase II Watershed Implementation Plans, (http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/PhaseIIWIPS/GuideforthePhaseIIWIPs_330final.pdf);
- July 6, 2011, Guide for Chesapeake Bay Water Quality Two-year Milestones (see Attachment 14); and
- Phase II WIP planning targets issued to the Bay jurisdictions on August 1, 2011, (http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/letter_PA8012011.pdf).

Linkage to Addressing Priority Practices, Watersheds, and Strategies

On May 12, 2010, EPA issued *Strategy for Protecting and Restoring the Chesapeake Bay Watershed* in fulfillment of Section 203 of Executive Order 13508. This sub-section of the grant guidance is consistent with the EO 13508 Strategy targeting mission, which states, "in 2011 these grant funds are being targeted...to better protect the Chesapeake Bay and its tributary waters, including resources under the Clean Water Act." EO 13508 Strategy is available at: <http://executiveorder.chesapeakebay.net/>.

Consistent with the EO 13508 Strategy, recipients of CBIG and CBRAP grants must give preference to priority practices, watersheds, and strategies in their work plans that will result in the greatest benefits to water quality in the Bay. This focus is consistent with CBPO's ongoing efforts to use the most accurate and appropriate science to identify priority practices, watersheds, and activities. Priority watersheds and activities apply to CBIG CBRAP grants. Priority practices apply predominately to CBIG awards.

Likewise, the Innovative Nutrient and Sediment Reduction grants (issued under Technical Assistance and General Assistance grants; CWA, Section 117(d)) should, to the greatest extent possible, target:

- Innovative practices identified in the jurisdictions' WIPs and/or two-year milestones.
- Urban areas with the highest nutrient and sediment loadings to the Chesapeake Bay;
- Communities experiencing rapid growth and new development;
- Agricultural watersheds with the highest nutrient yielding areas to the tidal Chesapeake Bay based on USGS SPARROW (SPATIally Referenced Regression on Watershed attributes) analyses; and/or
- Watersheds with high sediment loadings.

Finally the Small Watershed Grants should, to the greatest extent possible for water quality improvement projects, target:

- Practices identified in the jurisdictions' WIPs and/or two-year milestones.

- Areas with the highest nutrient and sediment loadings to the Chesapeake Bay;
- Tools and practices that address nonpoint source pollution using EPA's *Guidance for Federal Land Management in the Chesapeake Bay Watershed* as a guide for tool and practice selection (<http://www.epa.gov/nps/chesbay502/>); and/or

Below is additional information about this sub-section of the work plan.

1.) *General Priority Practices and Watersheds*

Priority practices are those proven, cost-effective practices that reduce or prevent the greatest nutrient and sediment loads to the Chesapeake Bay. Grant recipients should refer to the following resources for a representative list of proven, cost-effective practices that can reduce nutrients/sediment:

- EPA *Guidance for Federal Land Management in the Chesapeake Bay Watershed* (see Attachment 12 for the summary document; the full guidance is located at <http://www.epa.gov/nps/chesbay502/>) – provides a list of proven, cost-effective tools and practices that can reduce water pollution from nonpoint sources. Although this document was developed for federal lands, the same set of tools and practices are appropriate for nonfederal land managers to restore and protect the Chesapeake Bay.
 - EPA report titled *The Next Generation of Tools and Actions to Restore Water Quality in the Chesapeake Bay (202(a) Report)* – provides a list of priority practices to address nutrient loads to the Chesapeake Bay (<http://executiveorder.chesapeakebay.net/file.axd?file=2009%2F11%2F202a+Water+Quality+Report.pdf>).
- Chesapeake Bay Program Partnership Approved Best Management Practices (BMPs) – provides a list of all practices approved by the partnership for credit in assessing progress towards milestones and other goals and objectives (**Chesapeake Assessment Scenario Tool (CAST) documentation**, <http://www.casttool.org/default.aspx>, and **Scenario Builder documentation**, http://www.chesapeakebay.net/publications/title/documentation_for_scenario_builder).

While grant recipients should consider all of these resources, EPA acknowledges that grant recipients may include other proven BMPs in their work plan with appropriate justification that includes the following information:

- The priority practices that will be implemented with the grant funds;
- A short justification as to why each practice is a priority for the location in which it is to be implemented;
- A short justification of the nutrient and sediment reductions associated with the practice; and
- A brief description of the strategies being undertaken to ensure effective implementation of the practice.

CBIG and CBRAP grants cannot support implementation of practices that the CBP partnership has determined do not result in nutrient and/or sediment reductions, do not contribute to the desired

habitat and/or living resource restoration objectives, or are not consistent with the goals **and outcomes of the 2014 Chesapeake Bay Watershed Agreement**. Jurisdictions are encouraged to include priority practices associated with federal, state, and/or local regulatory and related compliance assurance programs in their CBRAP work plan content.

The U.S. Geological Survey (USGS) issued new results on the sources of sediment within the Chesapeake Bay that could be considered in helping to select areas on which to focus water-quality improvements. The new information, based on the Chesapeake Bay sediment SPARROW model, can be accessed through:

<http://onlinelibrary.wiley.com/doi/10.1111/j.1752-1688.2010.00450.x/abstract>. The user can find information showing areas of high sediment loads to local streams and also areas of high sediment loads to the Bay and its tidal tributaries. Results of new SPARROW models for nitrogen and phosphorus can be found at: <http://water.usgs.gov/nawqa/sparrow>.

2.) *Priority Urban Watersheds*

In urban watersheds, grant recipients may give preference to watersheds in areas of accelerated population and impervious cover growth as well as areas requiring extensive retrofits to address urban stormwater. These priority areas can be identified using local land use/land cover data as well as recent land change data developed by USGS

(http://128.118.47.34/chesapeakeview/MetadataDisplay.aspx?file=CBWLCD_2006.xml&dataset=1333). Jurisdictions should rely on recent water quality monitoring and modeling data being used for development of their WIPs and should also consider delivered loads of nitrogen and phosphorus described in the online USGS SPARROW website: <http://water.usgs.gov/nawqa/sparrow>.

3.) *Priority Approaches and Practices for Stormwater*

Approaches to stormwater management have changed notably in the past few years from extended detention approaches (big basins) to onsite retention. EPA encourages grant recipients to consider the following sources of information when selecting their approaches and practices for addressing stormwater nutrient and sediment loads:

- National Research Council – *Urban Stormwater Management*, 2008 (http://www.epa.gov/npdes/pubs/nrc_stormwaterreport.pdf);
- EPA technical documents – *Guidance for Federal Land Management in the Chesapeake Bay Watershed*, Chapter 3 Urban and Suburban, 2010 (http://water.epa.gov/polwaste/nps/upload/chesbay_chap03.pdf);
- EISA technical guidance – Technical Guidance on Implementing the Stormwater Runoff Requirements for Federal Projects under Section 438 of the Energy Independence and Security Act, 2009, (http://www.epa.gov/owow/NPS/lid/section438/pdf/final_sec438_factsht.pdf and http://www.epa.gov/greeningepa/documents/epa_swm_guidance.pdf);
- EPA green infrastructure policy memos (http://water.epa.gov/infrastructure/greeninfrastructure/gi_regulatory.cfm);
- EPA Region 3 July 2010 MS4 guidance – *Urban Stormwater Approach for the Mid-Atlantic Region and the Chesapeake Bay Watershed* (http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/MS4GuideR3final07_29_10.pdf); and

- Chesapeake Bay Program Partnership Approved BMPs – (http://www.chesapeakebay.net/publications/title/documentation_for_scenario_builder).

4.) *Priority Practices for Onsite Treatment Systems*

EPA's *Model Program for Onsite Systems Management in the Chesapeake Bay Watershed* is available to help the Bay jurisdictions more effectively prevent nutrients from entering the Bay from onsite or septic systems, which will improve water quality. The manual is available online at: http://executiveorder.chesapeakebay.net/130627_Ches_Bay_Tech_Assist_Manual.pdf.

EPA developed this model program to provide state-of-the-art treatment, management, and operational recommendations that the jurisdictions and their local communities can use if they are interested in reducing onsite system nitrogen impacts. EPA encourages grant recipients to consider the information provided in this document when selecting their approaches and technologies for addressing onsite treatment system nutrient loads.

5.) *Priority Agricultural Watersheds*

Priority agricultural watersheds are those watersheds that have the greatest influence on Chesapeake Bay water quality. Priority agricultural watersheds can include watersheds in greatest need of restoration (where nutrient/sediment loads to the Bay are greatest, have the highest “delivery factors” for loads reaching the Bay, and/or the watershed is having a negative impact on water quality). EPA encourages grant recipients to consider the following resources when selecting agricultural priority watersheds in need of restoration:

- USGS SPARROW maps for the Chesapeake Bay watershed – EPA developed priority agricultural watershed maps based on an analysis of the latest SPARROW data. The priority watershed maps and the associated list of priority watersheds are available on the Chesapeake Stat website at <http://stat.chesapeakebay.net/EPAprioritywatersheds>, where other data layers may be overlaid.
- GIS Shapefile tool provides jurisdictions with the ability to map out land-river segments with the highest delivery factors at: <http://www.chesapeakebay.net/data>.

6.) *Priority Strategies for Trading and Offset Programs*

Developing environmental markets, particularly for nutrient credit trading, is an important supporting strategy for achieving water quality goals for the Chesapeake Bay. Nutrient credit trading has the potential to reduce the costs of achieving the nutrient and sediment load reductions expected under the Bay TMDL and to generate revenue streams for some sectors. EPA supports trading programs in which appropriate baselines are used, trades are verified, trading partners are accountable, and the process is open to all interested parties. A number of Bay watershed jurisdictions already are implementing water quality trading programs.

In early 2012, EPA completed a comprehensive assessment of the watershed jurisdictions' trading and offset programs to determine whether they meet the criteria established in Section 10 and Appendix S of the Bay TMDL. These assessments identified a number of jurisdiction-specific and cross-jurisdictional common concerns that need to be addressed. EPA requested the jurisdictions to prepare action plans by 2013 to address these areas.

Grant recipients may use CBRAP funds to implement their action plans in 2014 **and beyond**. The jurisdictions may also use CBRAP funds to support the development and implementation of

trading and offset programs as long as these programs are established and implemented in a manner consistent with the Chesapeake Bay TMDL, the Clean Water Act, and its applicable regulations. EPA expects grant recipients to use their CBRAP funds to develop accountability and tracking systems that are operational by December 31, 2015. EPA expects the development of these systems to be identified as a separate objective in CBRAP work plans beginning with FY 2014 grants (see C. Work Plan, Additional Work Plan Content Specific to CBRAP Grants on page 32).

Grant recipients should refer to the jurisdiction-specific assessments areas as they develop their action plans and develop and implement their trading and offset programs:

http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/Phase2WIPEvals/Trading_Offsets/PortfolioOfReports.pdf.

Grant recipients using CBRAP grants to fund development and implementation of trading and offset programs need to consider the following:

- Authority,
- Baseline for credit generators,
- Minimum controls required for credit purchasers,
- Eligibility,
- Credit calculation and verification,
- Safeguards,
- Certification and enforceability,
- Accountability and tracking,
- Nutrient-impaired segments, and
- Credit banking.

For more details, grant recipients should refer to Appendix S of the Bay TMDL at http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/FinalBayTMDL/AppendixSOOffsets_final.pdf.

EPA developed a comprehensive work plan for EPA's work on trading and offsets, which was developed in coordination with the Chesapeake Bay Program Trading and Offsets Workgroup. A major component of EPA's work is developing a series of technical memoranda to assist the Bay jurisdictions in implementing their action plans and strengthening their programs. The memoranda will also provide EPA and the jurisdictions with a framework for determining whether program elements meet expectations.

Guidance on the Use of This Sub-Section for Individual Grant Programs

While the resources identified in this sub-section should be considered by recipients of CBIG and CBRAP grants, EPA acknowledges that the jurisdictions may include other priority watersheds in their work plan with appropriate justification that includes the following information:

- The priority watersheds that will be addressed with the grant funds;
- A short justification as to why each watershed is considered a priority;
- The amount of grant funding to be allocated to each priority watershed;
- The work to be accomplished in each priority watershed; and
- A brief description of the strategies being undertaken in this watershed.

Summary of Staff Funded

All recipients should include in their work plans a summary of the staff being funded with federal dollars or recipient cost-share **for each objective in their work plan. At a minimum, this should include the personnel costs and number of staff for the objective(s).**

Additional Work Plan Content Specific to CBRAP Grants

Activities eligible for funding under the CBRAP grants differ from those funded by CBIG. CBRAP grants fund activities related to the water quality goal of the **2014 Chesapeake Bay Watershed Agreement**, whereas CBIG can fund all goals of the **2014 Chesapeake Bay Watershed Agreement**. Although there is some overlap among the eligible uses of these grants, recipients cannot fund the same activity or task with more than one of these grants.

In 2012, EPA conducted program assessments of all seven Bay jurisdictions' offset and trading programs. These assessments contained recommendations that each jurisdiction was to address by the end of FY 2013. The jurisdictions did not identify or provide information in their February 2013 or August 2013 sector growth submittals that demonstrated that they have adequate tracking and accounting systems in place that could determine whether sector loads were increasing or not. Based on these responses, EPA determined that most of their accountability and tracking systems were inadequate for purposes of tracking offsets of new or increased pollutant loads.

EPA **did** not reduce the dollar amount of any of the Bay jurisdictions' existing grants as a result of that determination. However, **in 2014** EPA including the expectation in **the FY 2014** grant guidance that each of these jurisdictions must, at a minimum, either:

- Begin making improvements to an existing tracking and accountability system so that it is operational by December 31, 2015; or
- Begin developing a new system that is operational by December 31, 2015.

In its 2014 CBRAP work plan submission, EPA **expected** each jurisdiction to provide a narrative addressing each applicable pollutant source sector and describing either how the jurisdiction is currently tracking trades and offsets for the source sector and/or how it plans to improve tracking of trades and offsets in the near future.

In parallel, EPA will continue to build trading and offset reporting and accountability functionality within the CBP partnership's Chesapeake Bay TMDL Tracking and Accountability System (Bay TAS) which linked with the public interface through the CBP partnership's ChesapeakeStat website. EPA will continue to work with the jurisdictions on the interconnections between the individual jurisdictions' systems and this basinwide system, looking for shared efficiencies in the collection and generation of the data residing in these systems.

EPA contractor assistance may be available to the Bay jurisdictions for this purpose in the form of direct assistance to support multi-jurisdictional work on common templates and/or common systems and in-kind assistance for addressing jurisdiction specific needs (see sub-section E. Funding Allocations for CBIG, CBRAP, and Local Implementation Funding on pages 41 – 43).

Each jurisdiction should work with their EPA project officer to determine what they need to include in their work plan related to tracking and accountability. Each Bay jurisdiction that has not yet developed an operational tracking and accountability system consistent with Appendix S of the Chesapeake Bay TMDL is expected to include one of the following as a separate objective in its CBRAP work plan:

- Begin making improvements to an existing tracking and accountability system so that it is operational by December 31, 2015; or
- Begin developing a new accountability and tracking system that is operational by December 31, 2015.

The following should also be included in this CBRAP work plan objective:

Consistent with common element 8 on pages 5 – 6 of Appendix S of the Chesapeake Bay TMDL (http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/FinalBayTMDL/AppendixSOffsets_final.pdf), the accountability and tracking system(s) will be able to track the offsetting of new or increased loadings of nitrogen, phosphorus, and sediment to the Chesapeake Bay watershed. Such systems are expected to focus on performance outcomes while providing maximum transparency, operational efficiency, and accessibility to all interested parties. Such system(s) should address the following:

- 1) An appropriate offset baseline is used to generate credits.
- 2) The offset is quantified and verified according to standards established by the jurisdiction.
- 3) The offset or credit is sold to no more than one purchaser at a time.
- 4) The nutrient delivery equivalency of the offset generated and the offset consumed both in terms of the equivalency of pollutants and appropriate attenuation.
- 5) The location(s) of the offset, including where the offset or credit is generated.
- 6) Authentication of ownership.
- 7) The NPDES permit number or other identification of the purchaser of the offset or credit.
- 8) Documentation of agreements between parties to the offset transaction.
- 9) Whether sufficient offsets will be acquired over the period of the new or increased loading.
- 10) Compliance status of NPDES parties.
- 11) The results of monitoring and verification for each offset.
- 12) Time frames for regular review and evaluation of the offset program.

The Bay jurisdictions' accountability and tracking systems should have the ability to differentiate BMPs according to the following **two** categories: BMPs used to meet WIP commitments and BMPs used to generate trading credits **for compliance purposes**. The jurisdictions should also reference relevant technical memoranda developed by EPA on establishing offset and trading programs.

In September 2014, the Chesapeake Bay Program partnership's Principals' Staff Committee approved and adopted the *Chesapeake Bay Basinwide BMP Verification Framework*.[†] This framework commits the partners to a set of five BMP verification

[†] Chesapeake Bay Program, 2014. *Strengthening Verification of Best Management Practices Implemented in the Chesapeake Bay Watershed: A Basinwide Framework*. Annapolis, Maryland. Accessible at:

principles and comprehensive sets of BMP verification guidance. Based on the schedule agreed to by the CBP partnership, as embodied within the framework report, the expectation is clear that during 2015 all seven jurisdictions will develop, document, and submit for EPA review and approval enhanced BMP tracking, verification, and reporting programs. These programs will need to be fully consistent with and supportive of the Chesapeake Bay Program partnership's adopted BMP verification principles. CBRAP grant funding can be used directly by the jurisdictions to support the development or enhancement of their BMP verification programs and their continued operation.

Examples of additional eligible CBRAP grant activities and tasks and their related outputs that jurisdictions can include in their CBRAP work plan are identified below.

1.) *Examples of eligible grant activities and tasks include:*

a. Development and Implementation of WIPs and Two-Year Milestones

- Gathering, analysis, and quality assurance of data related to: the sources and transport of nutrient and sediment loads to the Bay; the impact of future growth, changing land uses, and conservation strategies on water quality; and/or management of nutrient and sediment loads;
- Development of strategies to reduce nutrient and sediment loads delivered to the Bay;
- Drafting and implementation of WIPs and two-year milestone commitments;
- Facilitation of stakeholder input into development and implementation of WIPs and two-year milestones; and/or
- Public comment and review of preliminary and draft WIPs and two-year milestones.

b. Improved or Expanded Regulation of Sources of Nitrogen, Phosphorus, and Sediment Delivered to the Bay Consistent with WIPs and/or Two-Year Milestones for Water Quality

- Development of new authorities, rules, or regulations to reduce nutrient and sediment loads delivered to the Bay through enforceable or otherwise binding commitments;
- Development or revision of state technical standards;
- Development of more stringent and clearly enforceable permits;
- Development of technical information to ensure permits contain necessary information to ensure consistency with TMDL wasteload allocations;
- Technical and/or compliance assistance for permit reviews;
- Technical and/or compliance assistance for landowners;
- Additional staff to develop permits and ensure consistency with water quality needs, including TMDL wasteload allocations;
- Designation for regulation of additional areas or operations as regulated under the Clean Water Act; and/or
- Development or implementation of trading programs to facilitate compliance with water quality goals.

http://www.chesapeakebay.net/publications/title/strengthening_verification_of_best_management_practices_implemented_in_the

c. Enforcement and Compliance Assurance Consistent with WIPs and/or Two-Year Milestones for Water Quality

- Develop and implement methods to assess compliance with existing or new regulations, such as those relating to municipal separate storm sewers (MS4s), construction storm water and animal feeding operations, and wastewater treatment plants, and pursue appropriate enforcement responses when violations are identified;
- Develop and implement methods to target and deliver enforcement follow-through or compliance assistance;
- Develop and implement transparent methods to track and publicly communicate compliance and enforcement efforts, including identifying serious noncompliance, compliance and enforcement efforts to address noncompliance, and resulting environmental benefits achieved;
- Technical compliance assistance to support enforcement and/or compliance assurance efforts;
- **Training and outreach to local entities on nutrient and sediment reduction practices for MS4s.**
- Increased staff resources for compliance monitoring, enforcement follow-up, reviews, reporting, inspections, investigations, audits, corrective actions, and assistance visits;
- Workshops for regulatory staff or permittees on new permit conditions, standards, or requirements; and/or
- Effectiveness monitoring for practices or management actions associated with permit conditions or contracts.

d. Improved Tracking, Reporting, Verification, and Accountability Consistent with WIPs and/or Two-Year Milestones for Water Quality

- Development and implementation of National Environmental Information Exchange Network (NEIEN) BMP data flows to report practices to the Chesapeake Bay Program;
- Improved verification of point and nonpoint sources of pollution and management actions (e.g., procedures for verifying that agricultural conservation practices – both cost-shared and non-cost shared – are properly designed, installed, and maintained) consistent with the November 4, 2009 and December 29, 2009 expectations letters, as well as the *Guide for EPA's Evaluation of Phase I Watershed Implementation Plans* issued April 2, 2010, as amended or clarified by subsequent EPA Chesapeake Bay Program partnership communications, including the CBP partnership's BMP verification framework, which is currently under development;
- Development and implementation of protocols and staff resources to report data that meet EPA expectations for tracking and verification into NEIEN, Scenario Builder, the Chesapeake Bay Watershed Model, ChesapeakeStat, and/or Chesapeake Bay Tracking and Accountability System (BayTAS), and are consistent with the November 4, 2009 and December 29, 2009 expectations letters, as well as the *Guide for EPA's Evaluation of Phase I Watershed Implementation Plans* issued April 2, 2010, and subsequent EPA and Chesapeake Bay Program communications;
- Development and/or improvement of procedures for verifying practices that were designed, implemented, and maintained properly, including as specified in permit or contract conditions; and/or

- Reporting of available state data for the 12 outcome measures contained in the EO 13508 Strategy.

e. Improved Monitoring and Assessment of Compliance with Regulatory Loading Limits and Water Quality Standards Regulations

- Development and implementation of monitoring and assessment techniques for determining and reporting progress toward achievement of Bay TMDL and WIP-based allocations; and/or
- Development and implementation of monitoring and assessment techniques for making regulatory decisions on listing and delisting Chesapeake Bay and tidal tributary and embayment waters.

Activities and tasks not listed above but in support of the development and/or implementation of the jurisdictions' WIPs and two-year milestones for water quality, or in response to EPA's evaluation of these documents or to EPA assessments of jurisdictions' programs, are also eligible for CBRAP grants. Activities and tasks should be targeted based on EPA evaluations of WIPs, milestones, trading offsets, and other program assessments. Jurisdictions should also give priority to addressing state regulatory programmatic deficiencies identified in EPA's State Review Framework, Permit Quality Review, Trading and Offset Program Assessments, Stormwater Assessments, and Agricultural Assessments that can be an impediment in achieving their WIP and milestone commitments and goals.

The following related activities are not eligible under CBRAP:

- Cost-sharing implementation of voluntary controls or best management practices identified in the jurisdictions' WIPs; and
- Paying penalties, fines, injunctive relief, or other corrective actions to address noncompliance.

2.) *Examples of possible outputs within each of the above five categories of eligible grant activities and tasks include but are not limited to:*

a. Development and Implementation of TMDL WIPs and Two-Year Milestones

- Submission of draft and final WIPs by relevant deadlines;
- Submission of draft and final two-year milestones by relevant deadlines;
- Number of stakeholder or public meetings; and/or
- Number of stakeholder groups engaged.

b. Improved or Expanded Regulation of Sources of Nitrogen, Phosphorus, and/or Sediment Delivered to the Bay

- Number of new authorities, rules, or regulations adopted;
- Number of new authorities, rules, or regulations adopted pertaining to trading and offsets;
- Pounds of nitrogen and phosphorus and tons of sediment loads now subject to new, expanded, or improved regulatory controls;
- Nitrogen, phosphorus, and/or sediment load reductions due to improved or expanded regulations;
- Number of operations subject to new, expanded, or improved regulatory controls;
- Acreage of area subject to new, expanded, or improved regulatory controls;

- Percent of permits reviewed;
- Percent of permits that contain appropriate conditions, controls, limits and/or consistency with local water quality needs, including TMDL wasteload allocations;
- Number of permits issued;
- Number of new or improved management practices or procedures implemented; and/or
- Development of adequate accountability and tracking systems for tracking trading and offsets.

c. Enforcement and Compliance Assurance

- Percent of permits in compliance with permit conditions;
- For those permits where serious noncompliance is identified (including instances where an NPDES permit was not applied for but should have been), indicate estimated nitrogen, phosphorus, and/or sediment loads associated with the noncompliance and the type of action taken to address the noncompliance;
- Percent of permits inspected;
- Percent of permits inspected for compliance assurance/enforcement due to impact on Bay water quality within a target area;
- Percent of permittees in compliance with permit conditions in an area targeted for compliance assurance/enforcement due to impact on water quality in the Bay;
- Percent of targeted areas where all sources potentially contributing to the impairment have been inspected;
- Number of workshops for regulatory staff and/or permittees;
- Percent of regulatory staff and/or permittees that attend permitting workshops;
- Percent of sites with available monitoring;
- Number of enforcement actions (with locations, and types of violations addressed);
- Number of corrective actions;
- Percent of noncompliant permittees brought into compliance;
- Nitrogen, phosphorus, and/or sediment load reductions that will be required due to injunctive relief;
- Dollars spent on installing and operating required remedies;
- Penalties and/or supplemental environmental projects;
- Number of new or improved management practices or procedures implemented;
- Number of new compliance assistance outreach and educational materials available
- Audience reached by new compliance assistance outreach and educational materials; and/or
- Number of new or improved management practices resulting from compliance assistance.

Upon request, EPA can provide methodologies and tools for estimating nitrogen, phosphorus, and/or sediment load reductions from BMPs and/or corrective actions associated with improved or expanded regulatory, enforcement, and compliance assurance actions.

d. Improved Tracking, Verification, and Accountability

- Improved pollutant identification;
- Percent of sites with effectiveness monitoring;

- Percent of state tracking and verification systems compatible with Chesapeake Bay Program Office tools (NEIEN, Scenario Builder, the Watershed Model, ChesapeakeStat, BayTAS) and consistent with the expectations of the November 4, 2009, and December 29, 2009 letters, as well as the *Guide for EPA's Evaluation of Phase I Watershed Implementation Plans* issued April 2, 2010 – as amended or clarified by subsequent CBP partnership communications, including the CBP partnership's BMP verification framework;
- Number of state tracking and verification systems compatible with Chesapeake Bay Program Office tools (NEIEN, ChesapeakeStat, BayTAS) and consistent with the expectations of the November 4, 2009, and December 29, 2009 letters, as well as the *Guide for EPA's Evaluation of Phase I Watershed Implementation Plans* issued April 2, 2010 – as amended or clarified by subsequent CBP partnership communications, including the CBP partnership's BMP verification framework. For example, verification systems for ensuring that agricultural conservation practices (both cost-shared and non-cost shared) are properly designed, installed and maintained);
- Percent of sites, sources, and/or permittees captured by tracking and verification systems compatible with CBPO systems; and/or
- Submission of state data for each of the 12 outcome measures.

e. Improved Monitoring and Assessment of Compliance with Regulatory Loading Limits and Water Quality Standards Regulations

- Number of watersheds assessed for compliance with Bay TMDL/WIP allocations; and/or
- Number of Chesapeake Bay tidal segments assessed for attainment of Chesapeake Bay water quality standards.

EPA may work with grant recipients to select appropriate programmatic and environmental outputs related to WIPs, regulatory programs, enforcement, compliance assurance, and accountability. Grant recipients should continue to refer to Attachment 3 when submitting outcomes.

Additional Work Plan Content Specific to Local Implementation Funding

In the president's FY2014 budget submission to Congress, EPA committed to provide increased funding for local governments and watershed organizations to reduce nitrogen, phosphorus, and sediment loads to the Chesapeake Bay, consistent with the Bay watershed jurisdictions' WIPs. The Consolidated Appropriations Act of 2014 provided additional state funding for CBPO, and EPA provided \$5 million for this commitment from the president's budget. EPA is hopeful that funding for local implementation will continue in future years. Jurisdictions have the option of having EPA add their share of local implementation funding to their CBRAP and/or CBIG.

Local implementation funding is intended for use by local entities. For purposes of this guidance, "local entity" may include counties, municipalities, cities, towns, or townships, as well as local public authorities or districts (including conservation districts or regional planning districts), organizations representing local governments, or watershed organizations. If EPA awards a Bay watershed jurisdiction local implementation funding,

they are expected to provide this funding through contracts or subgrants to local entities based on the local entities' ability to reduce nutrient and sediment loads through key sectors, such as land development and agriculture. Jurisdictions must make subrecipient and contractor determinations in accordance with 2 CFR §200.330. If a jurisdiction plans to make subgrants, then they must follow the requirements of 2 CFR §200.331.[‡] Jurisdictions can provide this funding to a different state agency, which will then provide the funding to local entities through subgrants or contracts. EPA can also provide this funding directly to local entities through competitive RFPs (see Competition Process section on page 12).

Local implementation funding added to CBRAP and CBIG awards needs to be incorporated in these grants' work plans. Jurisdictions should include this funding as a new objective(s) in the work plan for the grant vehicle they choose for the local funding. This part of the grant guidance describes the information EPA expects jurisdictions to include in the local implementation objective of their work plan, as well as the expected uses of these funds. Information about necessary work plan content for local funding awarded directly to local entities by EPA through a competitive RFP will be contained in the specific RFP.

The Narrative Summary of Outputs for this objective should briefly describe the local implementation work that will be accomplished with this funding and how the funding will be used in a timely manner. Jurisdictions should also describe how they will distribute this funding to local entities. This includes describing what criteria or mechanisms they will use to select local entities for funding through subgrants or contracts and whether they will provide these funds to another state agency to distribute to local entities. If jurisdictions know the local entities they will fund when they are preparing this work plan objective, then they should include them under the new work plan objective and explain why they were chosen.

EPA expects work plans to include well-defined and measurable outputs related to meeting WIP commitments and, where applicable, to addressing issues raised by EPA in its evaluations of the jurisdictions' two-year milestones. The work plan should include near-term outputs for local implementation activities that produce nutrient and sediment reduction. However, some activities that jurisdictions fund may not lead to quantifiable pounds of nutrients or sediment reduced, such as those related to enforcement. For these activities, jurisdictions should still include outputs and deliverables that are quantifiable while describing the activity's connection to nutrient and sediment reduction. Other areas of the local implementation objective should follow the guidance on pages 21 – 38 above and Attachment 4, Work Plan Template.

The local implementation activities will be in support of the Bay watershed jurisdictions' WIPs. Jurisdictions should consider funding activities that address the issues raised by EPA in its evaluations of the jurisdictions' milestones if local implementation activities can address one or more of the issues. As noted on pages 49 – 51 of this grant guidance, the failure of a jurisdiction to address these issues may impact future CBIG or CBRAP funding. Jurisdictions should give priority to funding those activities that will address missed water quality milestones, accelerate the pace for meeting WIP commitments, and/or have the

[‡] This only applies to CBIG and CBRAP awards that receive any funding on or after December 26, 2014.

greatest impact on reducing nutrient and sediment loads. In deciding which local activities to fund, jurisdictions should also consider the timeliness and cost-effectiveness of the activities in contributing to nutrient and sediment reduction.

As such, the allowed uses of the local implementation funding are a subset of the eligible uses of the CBRAP and CBIG awards that address EPA’s evaluations of jurisdictions’ milestones. Jurisdictions should choose to which grant vehicle to apply their local implementation funds based on the types of activities they plan to fund with this money. Jurisdictions should choose their CBIG if they plan to provide their funding to local entities for direct implementation of nutrient and sediment reduction. Examples of direct implementation include the expansion of BMP implementation as well as improvements to wastewater treatment and stormwater management, including green infrastructure projects. They should choose their CBRAP grants if they plan to distribute their funding to local entities to expand their regulatory and accountability capabilities related to nutrient and sediment loads. Examples of CBRAP-eligible activities and related outputs by local entities can be found above on pages 34 – 38. These activities include improving the regulation of sources of nutrients and sediment as well as expanding capacity to enforce and ensure compliance. With the exception of training requested by local entities, jurisdictions that need to improve training and outreach to local entities on nutrient and sediment reduction practices should use their other CBRAP funding.

Additional examples of possible uses of this funding by local entities for reducing nutrient and sediment loads that would also support WIP implementation are below:

- **Local implementation of priority, structural agricultural, urban/suburban, and/or resource BMPs identified in the jurisdictions’ WIPs.**
- **Optimization studies and subsidies for operation and maintenance of wastewater treatment plants that lead to more stringent permit loads.**
- **Local stormwater management improvements.**
- **Training sponsored by local governments for local governments (e.g., peer-to-peer) focused on addressing barriers to and innovative ideas for implementation of nutrient and sediment reduction programs. Training conducted by jurisdictions that was specifically requested by local entities is also eligible.**
- **Technical assistance to develop and implement environmental financing revenue streams, including stimulation and leveraging of private capital, to pay for nutrient and sediment reduction projects.**
- **Compliance monitoring and assistance, and inspections and enforcement of MS4s, construction stormwater, animal feeding operations, and wastewater treatment plants.**
- **Development of new, or improvement of, existing authorities, rules, codes, zoning, and/or regulations to reduce nutrient and sediment loads delivered to the Bay through enforceable or otherwise binding commitments.**
- **Chesapeake Bay Green Street-Green Jobs-Green Towns (G3) Initiative: The G3 Initiative supports community-based green stormwater infrastructure in urbanized watersheds for water quality benefits. Local implementation funds can be used for “green streets,” specifically for the design and implementation of green infrastructure**

based stormwater management practices, increasing urban tree canopy in conjunction with stormwater management practices, and replacing impervious surfaces with more permeable materials. Additional information about the G3 Initiative can be found at:

[http://www.cbtrust.org/site/c.miJPKXPCJnH/b.7735695/k.5E92/Green Streets Green Jobs Green Towns.htm](http://www.cbtrust.org/site/c.miJPKXPCJnH/b.7735695/k.5E92/Green%20Streets%20Green%20Jobs%20Green%20Towns.htm).

Jurisdictions may request in-kind services by having EPA contractors assist local entities with implementation needs identified by EPA in its milestone evaluations.

Jurisdictions are expected to be able to track wastewater facility, stormwater management, and other BMP implementation activities they fund with this money. They should submit these practice implementation data to CBPO through NEIEN, in accordance with Attachment 6 of this guidance. Jurisdictions should use their existing CBRAP funding if they need to improve tracking, verification, and reporting of local implementation actions.

D. PROGRESS REPORTS

Recipients must complete portions of the progress report template (see Attachment 5) and include it in their application package. For the application submittal, complete only the recipient name, assistance number (if known), and project description. Attach the completed work plan to the partially completed progress report template.

After the assistance agreement has been awarded, the recipient will need to complete the entire progress report template and submit it to the project officer when due (i.e., quarterly or semi-annually, and final). There will be a programmatic grant condition in your assistance agreement award document that specifies the reporting period.

The progress report template will enable the recipient to document the outputs and outcomes that are included in the application work plan; the recipient must provide information on the progress of all the outputs and outcomes for each objective. Also, this template will be instrumental in linking work plans to EPA's Strategic Plan, *2014 Chesapeake Bay Watershed Agreement goals and outcomes*; WIPs, the Bay TMDL, two-year milestones, and EPA evaluations and assessments. The electronic copy of this completed template will be used during the project to make revisions, as necessary, to the work plan. Revisions will require the approval of the project officer. Using this template will eliminate the need to repeatedly type the same information each time an interim (quarterly or semi-annually) performance report is due. *This template must be completed and submitted with all work plans.*

E. FUNDING ALLOCATIONS FOR CBIG, CBRAP, AND LOCAL IMPLEMENTATION FUNDING

A description of the funding allocations for CBIG and CBRAP grants, as well as non-competitive local implementation funding for these grants, is below. It should be noted that in all years funding is subject to the availability of funds and appropriations from Congress, potentially impacting the CBIG, CBRAP, and or local funding implementation allocations. For instance, in FY2013 sequestration reduced total funding for CBRAP from \$11,200,000 to

\$10,022,000. EPA allocated the FY2013 reduction in CBRAP funding based on each state's share of unliquidated obligations. Additionally, EPA reserves the right to change these allocations at our sole discretion. **Occasionally, additional funding is available for specific activities under these grants in a given year. The allocations described below do not apply to these specific activities. The dollar amounts each jurisdiction received based on the allocations are available in Appendix 15, beginning with FY2014.**

Chesapeake Bay Implementation Grants (CBIG) Funding Allocation

Maryland, Virginia, and Pennsylvania each currently receives **20%** of total CBIG funding **while Delaware, the District of Columbia, New York, and West Virginia each receives 10%. Beginning in FY 2014, all jurisdictions received additional CBIG funding to help support implementation of the goals and outcomes of the 2014 Chesapeake Bay Watershed Agreement.**

Chesapeake Bay Regulatory and Accountability Program (CBRAP) Grants Funding Allocation

Grantees within each watershed state and the District of Columbia receive a combination of CBRAP base and targeted funding. EPA determines the amount of targeted funds based on the relative effectiveness of nutrient reductions within a jurisdiction on water quality in the Bay and how readily nutrient sources within the jurisdiction can be controlled. EPA used these decision rules beginning in July 2010 to distribute the amount of nitrogen that the Bay can receive from the watershed and still meet water quality standards among the jurisdictions. Therefore, states that received proportionally lower and more aggressive nitrogen targets because they have a greater impact on water quality in the Bay received proportionally more CBRAP grant dollars.

Consistent with the agreement reached during the development of the FY 2010 and 2011 CBRAP distribution allocations, EPA does not anticipate making changes to future CBRAP funding allocation formulas. However, EPA maintains its authority to review and revise CBRAP funding allocation formulas and will consult with the jurisdictions in making such revisions as appropriate. Should EPA receive additional funds for CBRAP in future years, these additional funds are intended to be used to support local governments for Phase II WIP implementation **(see “Non-Competitive Local Funding Implementation Allocation” below).**

Beginning with the FY2013 awards, and on an annual basis, thereafter, jurisdictions may request a portion of their annual CBRAP allocation (up to 10%) be applied to their CBIG award for implementation activities that support their WIPs and two-year milestones. This does not apply to **previously** awarded CBRAP funds. EPA will review each request on a case-by-case basis. EPA will only approve requests if the jurisdiction can demonstrate that there are currently adequate resources and satisfactory progress for regulatory and accountability commitments in the WIPs, milestones, and as called for in EPA's evaluations and program assessments. Additionally, the shift from CBRAP to CBIG funding should not hinder the progress or commitments in the jurisdiction's CBRAP work plan. The recipient should submit such requests to their EPA project officer on an annual basis before submitting their CBIG and CBRAP grant applications to EPA. Such decisions are made at the sole discretion of EPA. All match requirements still apply to both grants. Additionally, jurisdictions should work with their EPA project officer to determine all necessary administrative requirements.

Jurisdictions can also direct a portion of their CBRAP grant allocation to EPA's contractor for assistance in carrying out applicable objectives of their CBRAP grant. Jurisdictions should work with their EPA project officer if they wish to use EPA's contractor.

Non-Competitive Local Implementation Funding Allocation (to CBIG and/or CBRAP)

Beginning in FY2014, EPA is providing jurisdictions with increased funding for local entities to reduce nitrogen, phosphorus and sediment loads to the Chesapeake Bay, consistent with the jurisdictions' WIPs. EPA allocates the local implementation funding to the Bay jurisdictions using the allocation formula for the targeted funds of the CBRAP grants. EPA is using this formula because it allocates CBRAP grants' targeted funds based on the relative effectiveness of nutrient reductions within a jurisdiction on water quality in the Bay and how readily nutrient sources within the jurisdiction can be controlled. Under this formula, jurisdictions with a greater impact on nutrients in the Bay that are expected to make larger pollution reductions receive a greater share of the local implementation funding. EPA may provide a portion of the local implementation funding directly to local entities through competitive RFPs.

EPA will add the local implementation funding to the Bay jurisdictions' CBRAP or CBIG award. Jurisdictions need to notify their EPA project officer to which grant(s) they want EPA to add this funding prior to preparing their annual funding applications for their CBRAP and CBIG.

F. ADDITIONAL REQUIREMENTS FOR CBIG AND CBRAP GRANTS

It is assumed that the results achieved by coordinating CBIG and CBRAP grant activities with other available state and federal programs produces cost-effective solutions that meet the current nutrient and sediment allocations in the Chesapeake Bay TMDL, WIP commitments, two-year milestones for water quality, and respond to EPA's evaluations of the WIPs and milestones and assessments of jurisdictions' programs. **It is also noted that this coordination will support the jurisdictions' implementation of the management strategies developed for each of the applicable outcomes identified in the 2014 Chesapeake Bay Watershed Agreement.** The expenditure of public funds requires accountability and transparency through periodic cost-effectiveness evaluations.

Data Submission Schedules

Annual progress reporting is an output of grants. Additional information about data submission schedules is contained in attachment 6. Grant recipients are expected to provide point source and nonpoint source nutrient and sediment load reduction implementation progress data on the following schedule every year:

Submission	Date Range of Data	Submission Schedule
Initial (except DC and VA wastewater)	July 1 – June 30	October 16 – November 26
Final (except DC and VA wastewater)	July 1 – June 30	By December 1
Final (DC and VA wastewater)	January 1 – December 31	By January 31

EPA expects data submitted to CBPO to be complete, quality assured, and in proper formats. This will allow CBPO to begin immediate processing of the recipients’ data in a CBP WSM annual progress scenario (see attachment 6 for data specifications and requirements and additional details for submission schedules).

This schedule may not apply to the wastewater sector for the Commonwealth of Virginia, which may submit its data in accordance with the Nutrient Allocation Compliance and Reporting requirements under Section 62.1-44.19:18 of the Virginia Code. Those data that are submitted to CBPO need to meet the requirements mentioned above.

In addition, this schedule does not apply to the wastewater sector data for the District of Columbia due to a combination of factors, including the report schedule for DC Water’s DMR reports and the Metropolitan Washington Council of Government’s role in support of DC Water and the District of Columbia to prepare the flow/load allocation reports.

In the event that data are not submitted in time, are inaccurate, or do not use the appropriate NEIEN or wastewater format for CBPO to calculate annual progress toward the Reducing Pollutions Indicators, CBPO will use the most recent data submitted by the jurisdiction.

In future years, grant recipients will be expected to submit data as necessary for the midpoint assessment by specified dates. Grant recipients can use CBIG and CBRAP grant funds to support these data submission activities.

Wetland Data

Wetland restoration and creation are credited as BMPs in the CBP watershed model, and wetland restoration is also a reporting level indicator for the annual Chesapeake Bay Health and Restoration Assessment. CBP needs annual wetland accomplishment data from the state partners in order to update both the model and the indicator. Accordingly, the seven Bay jurisdictions will submit wetland **protection and restoration** information via the NEIEN as a deliverable of their grant according to the Data Submission Schedule identified in this guidance. Each jurisdiction should submit only one set of wetland data. Jurisdictional leads for the model Input-Decks are encouraged to communicate with their natural resource agency counterparts to ensure accuracy of reporting **to avoid any double-counting of projects. At a minimum, jurisdictional leads should request wetland restoration and protection data from the USDA, Natural Resource Conservation Service and Farm Service Agency, U.S. Fish and Wildlife Service, State Conservation Departments, State Agriculture Departments, Ducks Unlimited, The Nature Conservancy,**

Chesapeake Bay Foundation, and other local conservation organizations involved in wetland conservation.

Furthermore, in order to build a baseline of information on wetland accomplishments not currently credited by the model (but which might be credited in the future), the Wetland Workgroup of the Habitat Goal Implementation Team will work with the Data Center to include additional fields for wetlands in the future. The Wetland Workgroup **and a wetland expert panel** will also work with the CBP modeling team to **clarify existing and updated wetland restoration definitions and data fields. New guidance on these terms and definitions will be provided to the jurisdictions to allow them to accurately report wetland progress.**

G. QUALITY ASSURANCE

This section describes specific technical documentation and reporting requirements for assistance agreements that involve the collection or use of environmental data. This includes a description of Quality Management Plans (QMPs) and Quality Assurance Project Plans (QAPPs).

Environmental data include direct measurements of environmental conditions or releases and data compiled from pre-existing sources of information, such as computer databases, computer models, literature files, and historical databases. Direct measurements of surface waters, sediment, atmospheric conditions, living resources, and land cover are examples of data collected for the CBP partnership. Pre-existing data related to BMP implementation, wastewater treatment and the development, calibration, verification, and application of environmental models are subject to quality assurance requirements.

Quality assurance requirements for EPA grants and cooperative agreements are mandated in **2 CFR §1500.11**. The regulations state:

- (a) Quality assurance applies to all assistance agreements that involve environmentally related data operations, including environmental data collection, production, or use.**
- (b) Recipients shall develop a written quality assurance system commensurate with the degree of confidence needed for the environmentally related data operations.**
- (c) If the recipient complies with EPA's quality policy, the system will be presumed to be in compliance with the quality assurance system requirement. The recipient may also comply with the quality assurance system requirement by complying with American National Standard ANSI/ASQ E4:2014: Quality management systems for environmental information and technology programs.**
- (d) The recipient shall submit the written quality assurance system for EPA review. Upon EPA's written approval, the recipient shall implement the EPA-approved quality assurance system.**
- (e) EPA Quality Policy is available at: <http://www.epa.gov/quality>.**

If required, a recipient must establish, document, and implement a quality system that applies to all work within the scope of the agreement. The recipient's quality system is documented in a Quality Management Plan (QMP) and a Quality Assurance Project Plan (QAPP) and must be approved by EPA prior to initiating work. See the EPA website

<http://www.epa.gov/ogd/grants/assurance.htm> for additional information on the quality assurance requirements for organizations receiving EPA financial assistance. **Further information on the Chesapeake Bay Program Office quality assurance planning process may be found at <http://www.chesapeakebay.net/about/programs/qa/planning/>.**

Quality Management Plan

Recipients of assistance agreements having environmental data operations shall submit a Quality Management Plan (QMP) prepared in accordance with the specifications in *EPA Requirements for Quality Management Plans, EPA QA/R-2* (<http://www.epa.gov/quality1/qs-docs/r2-final.pdf>). The specifications include organizational structure; quality system description; personnel qualifications and training; policies for procurement, documentation and records; computer hardware and software standards; and procedures for planning, implementing, and evaluating work. One QMP may apply to several assistance agreements if administered under the same management system. Laboratory Quality Manuals are required for ongoing monitoring programs.

A QMP must be approved by the organization's quality assurance and senior managers, and then submitted to the EPA project officer at least 45 days prior to the initiation of data collection or data compilation. QMPs are approved by the U.S. EPA Region 3 Quality Assurance Manager, located at the U.S. EPA Science Center, Ft. Meade, MD 20755-5350.

An approved Quality Management Plan is valid for up to five years unless there is a major reorganization that affects quality assurance functions and structures in the organization. If an approved plan is expected to expire during the course of the agreement, include a deliverable for the submission of a revised plan.

Organizations may be granted an exception or modification to the QMP requirement if they meet certain criteria, which may include but not be limited to the following:

- One-time, short-term, and special projects or projects of limited scope; and/or
- Organizations generating, collecting, compiling, and/or using environmental data for public education purposes.

Quality Assurance Project Plan

Recipients of assistance agreements having environmental data operations shall also submit a Quality Assurance Project Plan (QAPP) prepared according to the specifications in *EPA Requirements for Quality Assurance Project Plans, QA/R-5* (<http://www.epa.gov/quality1/qs-docs/r5-final.pdf>). A QAPP documents the technical and quality control aspects of an individual project, such as sampling design, sample collection, analytical methods, quality control, and data management activities. In developing this plan, all efforts must be made to produce data that is comparable to data collected previously and currently by other CBP grant recipients and partners.

Protocols for CBP water quality monitoring and guidance for reporting best management practice data may be found in the following documents:

- ***Methods and Quality Assurance for Chesapeake Bay Water Quality Monitoring Program* (under "Projects & Resources at:**

http://www.chesapeakebay.net/groups/group/analytical_methods_and_quality_assurance_workgroup).

- **Guidance for Revising the Jurisdictions' Chesapeake Bay Implementation Grant Quality Assurance Project Plans for Tracking, Verifying, and Reporting Nutrient and Sediment Pollutant Load Reducing Practices, Treatments, and Technologies – Appendix Q in “Strengthening Verification of Best Management Practices Implemented in the Chesapeake Bay Watershed: A Basinwide Framework (Oct. 2014) (http://www.chesapeakebay.net/publications/title/strengthening_verification_of_best_management_practices_implemented_in_the).**

A QAPP must be approved by the CBP quality assurance (QA) officer before the recipient commences associated data collection, compilation, or use. The QAPP may be submitted to the project officer along with the draft application or at least 30 days prior to the initiation of each data collection or data compilation activity. QAPPs must be submitted in an electronic format as these plans will be made directly available to the users of the generated data/information through the Chesapeake Information Management System (CIMS).

For ongoing monitoring programs, the QAPP should be updated annually if there are changes to field, laboratory, quality control or data management procedures. EPA's Office of Environmental Information requires QAPPs to be reviewed annually. If there are no changes, the recipient must provide written documentation (e.g., a letter) to the project officer confirming that a review was conducted and no changes have occurred. The recipient must notify the project officer prior to changing the number of samples, the number of sites, or parameters measured.

H. FINANCIAL

This section provides information regarding cost-share requirements, in-kind calculations for EPA onsite grantees, and information regarding the Federal Financial Report requirements.

Cost-Share Requirements

As stated previously, CBPO is funded under the Clean Water Act, Section 117. **For funds awarded prior to December 26, 2014**, state and local governments receiving assistance from EPA under any of the provisions of Section 117 must comply with 40 CFR Section 31.24; all other applicants must comply with 40 CFR Section 30.23. **For funds awarded on or after December 26, 2014, all EPA recipients must comply with 2 CFR §200.306 for cost-sharing or matching.** Recipients must spend cost-share funds on activities or projects in direct support of the Chesapeake Bay Agreements, such as staff working on Bay-related projects. Cost-share sources must be from non-federal sources. Recipients can use in-kind services, such as volunteer hours, in-lieu of a cash match, as long as the recipient maintains a record of these hours. The rates associated with these volunteer hours must be similar to those of related work efforts and be approved by your project officer.

The table below summarizes the cost-share requirements by grant program:

Grant Program	CWA Section	Cost-Share Percentage
CBIG	117(e)(1)(A)	50%
CBRAP	117(e)(1)(A)	50%
Monitoring grants	117(e)(1)(B)	50%
Small watershed grants	117(g)(2)	25%
Other competitive grants	117(d)	5% – 50%, see RFPs

To calculate the specific cost-share amount, follow these two-step equations:

For 5 percent cost-share:

- 1.) EPA amount (including any in-kind) \div 95% = 100% of Total Grant Amount
- 2.) 100% of Total Grant Amount \times 5% = Recipient's Cost-Share Amount
(e.g. \$425,000 \div 95% = \$447,368; \$447,368 \times 5% = \$22,368, which is the recipient's cost-share amount)

For 25 percent cost-share:

- 1.) EPA amount (including any in-kind) \div 75% = 100% of Total Grant Amount
- 2.) 100% of Total Grant Amount \times 25% = Recipient's Cost-Share Amount
(e.g. \$375,000 \div 75% = \$500,000; \$500,000 \times 25% = \$125,000, which is the recipient's cost-share amount)

If a jurisdiction chooses to use part of their CBRAP funding to obtain contractual services through EPA's contract (as an in-kind service), their cost-share amount is based on their full grant amount including the contractual service. For example, if EPA awards the jurisdiction \$2,758,047 and it decides to use \$1,000,000 to obtain services from EPA's contract (in-kind services), then the recipient would receive \$1,758,047 in cash. However, the recipient will still be required to match the full award amount of \$2,758,047.

In addition to the cost-share requirement, recipients must adhere to the requirement in the Clean Water Act, Section 117(e)(6) – "Administrative Costs." This section requires a 10-percent cap on **grant** administration costs. The costs of administering the grant (e.g. salaries and fringe benefits) shall not exceed 10 percent of the total project costs. The budget detail of your application for federal assistance (SF-424) should reflect how your administrative costs will comply with the cap. The worksheet in Attachment 10 is provided to assist you in calculating allowable administrative costs.

EPA In-kind and Supplies

The dollar value associated with providing space, supplies, etc., for grantees located onsite at EPA is considered EPA in-kind. If your grant/cooperative agreement supports staff housed at the EPA Chesapeake Bay Program Office, the project budget within your application must include the cost to house the employee(s) at the EPA office. For FY 2012 and beyond (until amended), the EPA in-kind amount is \$9,400 per person per year. Recipients must include in-kind funding in the federal share of funding when calculating their cost-share amount. Additionally, grantee staff

located onsite at CBPO must obtain a Personal Identity Verification (PIV) card. Recipients should contact their EPA project officer for information about obtaining a PIV.

Federal Financial Report (FFR) – SF-425

All recipients must use SF-425, Federal Financial Report (FFR), to report the financial status of their grant(s). A blank, fillable FFR is available at the Las Vegas Finance Center's (LVFC) website: <http://www.epa.gov/ocfo/finservices/forms.htm>.

Only financial status information is required by EPA. Recipients are no longer required to submit Federal Cash Transaction information formerly reported on the SF-272 (FFR lines 10a through 10c). Therefore, all fields on the FFR need to be filled out except for 10a, 10b, and 10c. However, it should be noted that cost-share ratios stated in the application and budget must be included in the final FFR.

Final FFRs are due to EPA no later than 90 days after the end of the grant budget/project period. If your assistance agreement requires submission of an annual interim FFR, please submit the SF-425 form (FFR) following the schedule stipulated in the terms and conditions of the agreement. All FFRs should be sent to the Las Vegas Finance Center at LVFC-grants@epa.gov or faxed or mailed to the locations provided at: <http://www2.epa.gov/financial/grants>.

If you have any questions, please contact your LVFC financial specialist. If you do not know your specialist, a list with contact information can be found at: <http://www2.epa.gov/financial/grants>.

I. POST-AWARD REQUIREMENTS

Monitoring and Grant Enforcement

After the assistance award is approved, the EPA project officer must ensure that federal funds are being spent appropriately. To do this, the EPA project officer must:

1. Review the progress reports and other work outputs to ensure the recipient is fulfilling the obligations as outlined in the work plan, applicable regulations, and programmatic terms and conditions in the agreement;
2. Conduct mid-year and closeout monitoring reviews in accordance with EPA Order 5700.6A2; and
3. Work with the EPA grants office to make modifications as needed to the assistance agreement based on the recipient's request and EPA's discretion.

When an EPA project officer observes, through any type of periodic monitoring activity, that the recipient is failing to make pre-approved programmatic timelines or milestones, the EPA project officer will require the recipient to update the work plan accordingly (see Modifications to Award Documents on page 52). **In addition, EPA may take action as described below.**

It is important to get changes to the assistance agreements in writing. A recipient's written request for a change must be accompanied by a narrative justification for the proposed revision, and must

be submitted to the project officer. The project officer will then forward this change request to the grants office along with his/her recommendation.

EPA's remedies for enforcement of grant non-compliance vary depending on the date EPA awarded the funds. For grants with no funds awarded before December 26, 2014, EPA's remedies are in 40 CFR Section 30.62 (for non-profit organizations and universities) and 40 CFR Section 31.43 (for state and local governments). The new Uniform Grants Guidance (2 CFR Part 200) applies to all grants with any funds awarded on or after December 26, 2014.

Under the Uniform Grants Guidance, if a recipient fails to comply with federal statutes, regulations, or the terms and conditions of an award, EPA may impose one or more additional conditions, as described in 2 CFR §200.207. Further, EPA may impose one or more of the conditions from 2 CFR §200.207 under the following circumstances:

- (1) Based on the criteria set forth in 2CFR §200.205 ("Federal awarding agency review of risk posed by applicants");**
- (2) When an applicant or recipient has a history of failure to comply with the general or specific terms and conditions of a federal award;**
- (3) When an applicant or recipient fails to meet expected performance goals as described in 2CFR §200.210 ("Information contained in a Federal award"). These include specific performance goals, indicators, milestones, or expected outcomes (such as outputs or services performed or public impacts of any of these) with an expected timeline for accomplishment; or**
- (4) When an applicant or recipient is not otherwise responsible.**

The conditions from 2 CFR 200.207(b) include:

- (1) Requiring payments as reimbursements rather than advance payments;**
- (2) Withholding authority to proceed to the next phase until receipt of evidence of acceptable performance within a given period of performance;**
- (3) Requiring additional, more detailed financial reports;**
- (4) Requiring additional project monitoring;**
- (5) Requiring the recipient to obtain technical or management assistance; or**
- (6) Establishing additional prior approvals.**

Prior to adding one or more of these conditions, EPA will notify the recipient in writing of the additional requirements, the reasons for the conditions, the steps it must take to have EPA remove the conditions, and the method for requesting reconsideration of the additional requirements.

If EPA determines that noncompliance cannot be remedied by imposing one or more of the above conditions, then EPA may take one or more of the following actions found in 2 CFR §200.338. EPA will notify the recipient in writing of the action taken, the reasons for the action, the steps it must take to come into compliance, and their appeal rights. The additional actions are:

- (a) Temporarily withhold cash payments pending correction of the deficiency by the recipient or the recipient may risk more severe enforcement action by EPA.**
- (b) Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.**

- (c) Wholly or partly suspend or terminate the current award.
- (d) Initiate suspension or debarment proceedings as authorized under 2 CFR Parts 180 and 1532.**
- (e) Withhold further awards for the project or program.
- (f) Take other remedies that may be legally available.

EPA can also terminate an award in whole or in part if the recipient fails to comply with the terms and conditions of an award or for cause (2 CFR 200.339(a)(1) and (2)).

The remedies available to EPA under 40 CFR Sections 30.62 and 31.43 for pre-December 26, 2014, funding are nearly identical to the remedies available under 2 CFR Section 200.338. As noted earlier, annual versions of the Code of Federal Regulations are available at www.gpo.gov/fdsys; 40 CFR Parts 30 and 31 are only available in the 2013 and earlier versions.

EPA may exercise other options, if a Chesapeake Bay watershed jurisdiction fails to meet EPA's expectations for WIPs and milestones or does not demonstrate satisfactory progress toward achieving nutrient and sediment allocations established by EPA in the Chesapeake Bay TMDL. This only applies to CBIG and CBRAP grants.

These options were communicated to all the states and the District of Columbia in the December 29, 2009 letter from Regional Administrator Shawn Garvin, EPA Region 3. According to this letter, EPA may condition or redirect CBRAP and/or CBIG funds if a watershed jurisdiction committed to incorporate the elements of their WIP or milestones into the grant work plan and does not adequately perform the activities identified in the EPA-approved work plan. Potential funding actions by EPA may be targeted to improve the existing program or work plan deliverables within the jurisdiction. Likewise, jurisdictions should give priority to addressing state regulatory programmatic deficiencies identified in EPA's State Review Framework, Permit Quality Review, Trading and Offset Program Assessments, Stormwater Assessments, and Agricultural Assessments that can be an impediment in achieving their WIP and milestone commitments and targets.

Additionally, if EPA determines that a recipient is not making satisfactory progress with their CBIG or CBRAP grants, EPA may decide not to provide additional funding or reduce future funding for these grants of the recipient. Watershed jurisdictions should also refer to the November 4, 2009 letter concerning EPA's expectations on the first two elements of the Chesapeake Bay accountability framework: the WIPs and the two-year milestones.

The November 4 and December 29, 2009, letters are available at http://www.epa.gov/reg3wapd/pdf/pdf_chesbay/tmdl_implementation_letter_110409.pdf and http://www.epa.gov/region03/chesapeake/bay_letter_1209.pdf.

Debarment and Suspension

Recipients are required to ensure that contracts or sub-awards are only awarded to responsible entities. Therefore, recipients must verify prior to award that such entities are eligible in accordance with the methods located in 2 CFR Part 180. EPA strongly encourages recipients to

check the Excluded Parties List System, which recently migrated over to the System for Award Management (<https://www.sam.gov/portal/public/SAM/>). In addition, recipients are responsible for requiring contractors and sub-awardees to comply with Subpart C of 2 CFR Part 180 regarding suspension and debarment and passing the same requirement down, as appropriate.

If, at any point after the award, the recipient learns it failed to notify EPA prior to award with suspension and debarment information as noted in the last paragraph under the sub-section “Application Requirements” beginning on page 16 of this guidance, or if circumstances have changed regarding the required information to be disclosed, then the recipient must provide EPA with immediate written notification.

Modifications to Award Documents

All changes to a project, including budgetary changes, MUST be submitted to the project officer in writing. However, it should be noted that not all changes require the project officer’s approval or an amendment. Please refer to the information below as to when the project officer’s approval is required or when an amendment is necessary. Recipients should send written notification of changes requiring project officer approval or a formal amendment to their EPA project officer as soon as the recipient becomes aware of the necessary change(s). All budgetary changes should be submitted using SF-424A as well as a revised budget detail. In addition, any change requiring a formal amendment must also be sent to the EPA Grants and Audit Management Branch. Additional information about the process for modifying awards can be found in the EPA Region 3 Grant and Audit Management Branch Application Kit for Grant and Cooperative Agreements: <http://www.epa.gov/region03/grants/gengrants.htm> (see page 12 and Appendix C, beginning on page 55).

1.) Changes not Requiring EPA Project Officer Approval or Formal Amendment:

Minor changes that are consistent with the project objective and within the scope of the agreement do not require project officer approval; however, EPA requests notification as a courtesy. For example, a recipient may make minor changes to the approach or other aspects of the project to meet objectives sooner or to expedite completion.

For universities and nonprofit recipients, a one-time, no-cost extension of up to 12 months can be made without project officer approval, though notification is required, unless:

- The terms and conditions of the award prohibit the extension;
- The extension requires additional federal funds; or
- The extension involves any change in the approved objectives or scope of the project.

The recipient must notify the EPA project officer in writing with supporting reasons and a revised expiration date at least 10 days before the expiration date specified in the award. To merely exhaust unobligated balances is not a valid justification for an extension.

Minor adjustments to the project budget, provided funds are used in accordance with the approved work plan or proposal, do not require project officer approval. For universities and nonprofits, EPA may restrict the transfer of funds among cost categories or programs, functions, and activities

for awards in which the federal share of the project exceeds \$100,000 and the cumulative amount of such transfers exceeds or is expected to exceed 10 percent of the total budget. For state, local, and tribal governments, a formal amendment is necessary.

2.) *Changes That Require EPA Project Officer Approval (No Formal Amendment):*

- A change in key personnel specified in the application or award document;
- The absence for more than three months or a 25-percent reduction in time devoted to the project by the approved project director or principle investigator;
- The transfer of amounts budgeted for indirect costs to absorb increases in direct costs or vice versa;
- The transfer of funds allotted for training allowances to other categories;
- Unless described in the application and funded in the approved award, the subaward, transfer, or contracting out of any work under an award; and/or
- Contracting out or otherwise obtaining services of a third party to perform activities central to the purpose of the award not already approved in the work plan/narrative.

3.) *Changes That Require a Formal Amendment:*

For universities, nonprofits, state, local, and tribal governments:

- Any revision resulting in the increase or decrease in funds;
- Major revisions to the objectives or scope of the project (PLEASE NOTE: The recipient cannot request revisions that substantially change the original project objectives selected under the competitive process); and
- Extensions to the period of availability of funds, unless university or nonprofit exercising right to one-time, 12 month extension (time extension).

For state, local, and tribal governments:

- Cumulative transfers among direct cost categories or, if applicable, among separately budgeted programs, projects, functions, or activities that exceed or are expected to exceed 10 percent of the current total approved budget, whenever EPA's share exceeds \$100,000.

CONCLUSION

As you tackle the challenges of applying for assistance agreements, grants, or cooperative agreements from the federal government, we encourage you to call your project officer for assistance. Project officers are here to help you submit the best possible application. The ultimate goal is to support the restoration of the Chesapeake Bay and its watershed.