

then make funding decisions in accordance with the process described below.

#### b. Watershed Project Summaries

Tribes that have approved NPS assessments and management programs as well as TAS status as of January 8, 2003, are invited to apply for watershed project funding by submitting watershed project summaries for proposed projects up to a maximum budget of \$150,000. (This funding is in addition to the base funding that each approved tribe will receive, as described above.) Tribes that apply for funding for watershed projects should submit a brief (e.g., 3–5 pages) summary of a watershed project implementation plan by January 15, 2003, to the appropriate EPA Regional office for initial screening. (Complete grant applications should not be submitted until after projects are selected, pursuant to review by the Watershed Project Review Committee, as described below.) The Regional office will, by January 29, 2003, forward the proposals that meet the required criteria to EPA Headquarters for distribution to the Watershed Project Review Committee. (E-mail versions would be appreciated where possible because they can be shared among the reviewers most rapidly and easily.)

The watershed project summary should outline the nonpoint source pollution problem and the on-the-ground improvement to be addressed; the project's goals and objectives and the expected water quality benefit to the receiving waterbody; the lead implementing agency (either the tribe or another organization authorized by the tribe to be the project leader) and other agencies that will be authorized to expend project funds; the types of best management practices or measures that will be implemented; the projected implementation schedule; the project's budget items including construction costs; and the environmental performance measures that will be used to evaluate the success of the project. Each watershed plan summary should be clearly written with enough detail to show why the proposed project should be selected for competitive funding. This is critical to help ensure that the best projects are funded.

#### c. Selection Criteria for Funding Watershed Projects

In ranking the projects, each reviewer on EPA's Watershed Project Review Committee will consider the extent to which the following factors are present in each project.

1. The watershed plan summary includes a clear and specific identification of the on-the-ground improvement project and the water quality problem to be addressed, including the pollutants of concern and their sources (including critical areas to be treated, if known), and clearly describes the project to be constructed or installed.

2. Where relevant, the watershed project consists of implementation actions or load calculations that are intended to help restore an impaired waterbody for which an approved nonpoint source total maximum daily load (NPS TMDL) has been developed or the NPS components of mixed-source TMDLs. [Note: EPA recognizes that most tribes have not yet developed NPS TMDLs.

However, section 319 funding may be used to develop and implement approved NPS TMDLs for any 303(d) listed waterbody. Where a tribe has developed a relevant water quality standard and NPS TMDL and seeks section 319 funding to assist in the implementation of the NPS TMDL, that should be considered by reviewers to be a relevant factor supporting the funding request.]

3. The proposed project is listed as a priority implementation project in the tribal NPS management program.

4. The proposed project is designed to include cooperation and/or combination of resources with other agencies and other parties to provide additional technical and/or financial assistance to the project.

5. The watershed plan summary includes a clear and objective statement of the project's goals and objectives, in terms of controlling nonpoint sources and/or of improving/protecting water quality.

6. The summary identifies the best management practices or measures to be implemented and the location where these measures and practices will be implemented.

7. The summary outlines the construction cost of the project and the amount of section 319 grant dollars that are requested, not to exceed \$150,000. Please note that a 40-percent non-Federal match is also required. However, pursuant to section 35.635(b), EPA's Regional Administrator may increase the maximum Federal share if the tribe or intertribal consortium can demonstrate in writing to the satisfaction of the Regional Administrator that fiscal circumstances within the tribe or within each tribe that is a member of the intertribal consortium are constrained to such an extent that fulfilling the match requirement would impose undue hardship. In no case will the Federal share be greater than 90 percent.

8. The summary includes an implementation schedule.

9. The summary includes a statement of how the project will be evaluated to determine its success and to derive lessons that will assist the tribe (and other tribes) in future projects.

#### d. Award of Grants for Tribal Watershed Projects

##### (i) Award Decisions

The Watershed Project Review Committee will hold a conference call by February 12, 2003, to ensure that all Committee members fully understand and agree on how to objectively apply the criteria discussed above. Rankings will be developed by considering all of the factors as a whole, in accordance with a weighting system to be decided upon by the Committee.

By March 12, 2003, the Committee will compile the ranking of proposed watershed projects based on the selection criteria and then forward their rankings to the Nonpoint Source Control Branch at EPA Headquarters. Headquarters will tally the Committee's rankings and then hold a conference call to provide a final opportunity for members of the Review Committee to discuss the rankings among themselves. By March 19, 2003, EPA will select the highest ranked proposals and announce to the Regions

which tribes' watershed projects have been selected for funding. These tribes will be notified immediately by phone or e-mail, with a written letter to follow.

##### (ii) Final Work Plans/Full Grant Applications

Once a Region and tribe have been notified of the amount that will be awarded to the tribe, they will negotiate a final work plan consistent with 40 CFR 35.507. After making appropriate changes, the tribe must submit a final work plan to the Region by March 31, 2003. If a tribe fails to or is unable to submit an approvable work plan by March 31, 2003, the Section 319(h) grant will instead be awarded to the next highest ranking unfunded application. Regions should endeavor to finalize the grant awards no later than 60 days after receipt of a complete grant application with an approvable work plan.

##### (iii) Match Requirements

The match requirement for Section 319 competitive grants is 40 percent of the approved work plan costs. The match requirement for Section 319 base grants is also 40 percent unless included as part of an approved Performance Partnership Grant which sets the match requirement at 5 percent of the allowable cost of the work plan budget for base funding only. Both the base funding and competitive funding components are discussed above. In general, consistent with 40 CFR 31.24, the match requirement may be satisfied by allowable costs borne by non-Federal grants, by cash donations from non-Federal third parties, or by the value of third party in-kind contributions.

EPA's regulations also provide that EPA may decrease the match requirement to as low as 10 percent if the tribe can demonstrate in writing to the Regional Administrator that fiscal circumstances within the tribe or within each tribe that is a member of the intertribal consortium are constrained to such an extent that fulfilling the match requirement would impose undue hardship. (See 40 CFR 35.635.)

In making grant awards to tribes that provide for a reduced match requirement, Regions should include a brief finding that the tribe has demonstrated that it does not have adequate funds to meet the required match.

#### *Intertribal Consortia*

Some tribes have formed intertribal consortia to promote cooperative work. An intertribal consortium is a partnership between two or more tribes that is authorized by the governing bodies of those tribes to apply for and receive assistance under this program. (See 40 CFR 35.502.) The intertribal consortium is eligible only if the consortium demonstrates that all its members meet the eligibility requirements for the Section 319 program and authorize the consortium to apply for and receive assistance in accordance with 40 CFR 35.504. An intertribal consortium must submit to EPA adequate documentation of the existence of the partnership and the authorization of the consortium by its members to apply for and receive the grant. (See 40 CFR 35.504.)