

NOTICE OF INTENT TO AWARD

THIS FUNDING ANNOUNCEMENT IS NOT A REQUEST FOR APPLICATIONS. This announcement is to provide public notice of Reclamation’s intention to fund the following project activities without full and open competition.

ABSTRACT	
Funding Announcement	R10AS20034
Project Title	On-Project Water Planning
Recipient	Klamath Water and Planning Agency (KWAPA)
Principle Investigator (if applicable)	
Total Anticipated Award Amount	\$2,500,000.00
Cost Share	None
New Award or Continuation?	New award
Anticipated Length of Agreement	2 Years
Anticipated Period of Performance	Date of execution to September 30, 2012
Award Instrument	Cooperative Agreement
Statutory Authority	Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.) as amended; as limited by the Secretary of the Interior delegation of authority at 255 DM 14; Klamath Basin Water Supply Enhancement Act
CFDA Number	15.517
Single Source Justification Criteria Cited	(4) Unique Qualifications
Reclamation Point of Contact	Mary Sims, msims@usbr.gov

OVERVIEW

The Klamath Project, or Klamath Reclamation Project (Project), is located in the Upper Klamath River and Lost River sub-basins in southern Oregon and northern California. The Project provides irrigation water for both agricultural and National Wildlife Refuge lands and provides flood control along the Klamath River, both in the immediate area of the Project and also downstream of the Project.

Prior to Project development, which began in 1905, agriculture in the surrounding area was limited. Between 1905 and the 1960s, further development, “build out”, of the project was essentially completed.

Two watersheds comprise the Project area: the Klamath River watershed, which is the largest, and the Lost River watershed, which is collectively comprised of the Clear Lake, Malone and Gerber (Miller Creek) watersheds. Prior to development of the Project, the two major watersheds were linked by a flood channel, the Lost River Slough, which allowed water from the Klamath River to enter the Lost River and

flow to Tule Lake during high runoff conditions. The two watersheds are now linked by the Lost River Diversion Channel, which facilitates the use of water by the Project for both wildlife and irrigation purposes.

Construction of the Project was authorized by the Secretary of the Interior on May 15, 1905, in accordance with the Reclamation Act (43 U.S.C. S 372 *et seq*, Act of June 17, 1902, 32 Stat. 388). It was to include the following project works and actions: to drain and reclaim lands from the Lower Klamath and Tule Lakes; to store water from the Klamath and Lost Rivers, including storage of water in Lower Klamath and Tule Lakes; to divert irrigation supplies; and to control flooding on the reclaimed lands.

The Project historically included approximately 240,000 acres of irrigable lands plus additional wildlife refuge lands within Klamath County, Oregon and Siskiyou and Modoc Counties in California. The Project generally provides water to approximately 210,000 acres of agricultural lands annually. On average, net water use on the Project is approximately 2-3 acre-feet per acre, including the water used by the Fish and Wildlife Service in the Tule Lake and Lower Klamath National Wildlife Refuges. Principal crops raised on the Project include: alfalfa, irrigated pasture, small grains, and potatoes. Wildlife benefits derived from Project operations include over 20,000 acres of seasonal and permanent marsh as well as benefits derived from agricultural activities (ie. grain feed, shelter, etc).

The purpose of a cooperative agreement between Reclamation and KWAPA is to align water supply and demand for the areas that rely in whole or part on water diverted from the Settlement Points of Diversion, exclusive of all of Lower Klamath National Wildlife Refuge other than Area K lands (On-Project Plan Area) consistent with the diversion limitations provided in the Klamath Basin Restoration Agreement (KBRA).

The plan will address such issues facing the Project such as reliability and sustainability of water supplies. The plan will also identify tools, actions and potential mitigation measures for consideration by Project and KBRA identified management entities and stakeholders.

RECIPIENT INVOLVEMENT

Under the Agreement the KWAPA agrees to:

Task 1. Prepare and submit for approval to Reclamation a performance and grant administration plan for activities.

Task 2. Carry out activities identified under the performance and grant administration plan.

Task 3. Provide quarterly reports with the following information as a minimum: KWAPA and its consultant staff meeting/conf call attendance requests, staff time, staff costs, budgets, schedules, milestones, milestones achieved, outstanding issues and results to date.

Task 4. Provide Reclamation and other interested parties with an interim strategy for developing the On-Project Plan.

Task 5. Coordinate with Reclamation and other interested parties regarding the On-Project Plan development and provide Reclamation with meeting outcomes and summaries. This will include strategies to incorporate Reclamation and interested party concepts as appropriate.

Task 6. Provide a draft On-Project Plan to Reclamation for consideration and review.

Task 7. Provide a final On-Project Plan to Reclamation.

RECLAMATION INVOLVEMENT

Substantial involvement between Reclamation and the Recipient is anticipated during the performance of the project. Reclamation will:

- A. Review the On-Project Plan for consideration.
- B. Review and approve performance and administration plan.
- C. Provide project maps, charts and data that are appropriate to the plan.

SINGLE-SOURCE JUSTIFICATION

DEPARTMENT OF THE INTERIOR SINGLE SOURCE POLICY REQUIREMENTS

Department of the Interior Policy (505 DM 2) requires a written justification which explains why competition is not practicable for each single-source award. The justification must address one or more of the following criteria as well as discussion of the program legislative history, unique capabilities of the proposed recipient, and cost-sharing contribution offered by the proposed recipient, as applicable.

In order for an assistance award to be made without competition, the award must satisfy one or more of the following criteria:
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| <ul style="list-style-type: none">(1) Unsolicited Proposal – The proposed award is the result of an unsolicited assistance application which represents a unique or innovative idea, method, or approach which is not the subject of a current or planned contract or assistance award, but which is deemed advantageous to the program objectives;(2) Continuation – The activity to be funded is necessary to the satisfactory completion of, or is a continuation of an activity presently being funded, and for which competition would have a significant adverse effect on the continuity or completion of the activity;(3) Legislative intent – The language in the applicable authorizing legislation or legislative history clearly indicates Congress’ intent to restrict the award to a particular recipient of purpose;(4) Unique Qualifications – The applicant is uniquely qualified to perform the activity based upon a variety of demonstrable factors such as location, property ownership, voluntary support capacity, cost-sharing ability if applicable, technical expertise, or other such unique qualifications;(5) Emergencies – Program/award where there is insufficient time available (due to a compelling and unusual urgency, or substantial danger to health or safety) for adequate competitive procedures to be followed. |
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Reclamation did not solicit full and open competition for this award based the following criteria:

(4) UNIQUE QUALIFICATIONS

The applicant is uniquely qualified to perform the activity based upon a variety of demonstrable factors such as its’ specific appointment to duties as specified in the Klamath Basin Restoration Agreement (KBRA). Representatives of diverse communities in the Klamath Basin, working with federal, state, and county governments, have developed a proposed KBRA to rebuild fisheries, sustain agricultural communities, and resolve other longstanding disputes related to the allocation of water resources. Key provisions of the Proposed Agreement include:

- A comprehensive program to rebuild fish populations sufficient for sustainable tribal, recreational, and commercial fisheries. Elements include: Actions to restore fish populations and habitats, including a program to reintroduce anadromous species in currently-blocked parts of the Basin; actions to improve fish survival by enhancing the amount of water available for fish, particularly in drier years; and other efforts to support tribes in fisheries reintroduction and restoration efforts.
- A reliable and certain allocation of water sufficient for a sustainable agricultural community and national wildlife refuges.
- A program to stabilize power costs for the Upper Basin's family farms, ranches, and for the two national wildlife refuges.
- A program intended to insure mitigation for counties that may be impacted by the removal of the hydroelectric facilities.

More info related to KBRA can be found at <http://www.kwua.org/kbra>.

Pursuant to the above first, second and third bullets, Reclamation is obligated under the terms of the KBRA Sec 15 "On-Project Water User Program" to support KWAPA in its' KBRA obligation for the development of a comprehensive on-project water user plan.

KWAPA is a Joint Powers/Inter-governmental agency and is made up of water agencies within the Klamath Project. A Joint Powers Agreement allows signatories to the agreement, who have statutory authorities that are common to each participant, to exercise those common "powers" jointly for the benefit of all parties. KWAPA is a governmental agency formed for the purposes set forth in the Klamath Water and Power Agency Intergovernmental Cooperation and Joint Exercise of Powers Agreement ("KWAPA IGA") which was effective on June 12, 2008. KWAPA, at this point in time, is not a function of the KBRA, however it is anticipated that upon approval of the KBRA, there would be certain duties and responsibilities that will fall to them. More info related to KWAPA can be found at: <http://www.kwua.org/energy/kwapa>.

STATUTORY AUTHORITY

Fish and Wildlife Coordination Act (16 U.S.C) et seq., as amended limited by the Secretary of the Interior delegation of authority at 255 DM 14

Departmental Manual:

255 DM 14. 14.1 Delegation. The Commissioner, Bureau of Reclamation, is delegated so much of the authority of the Secretary under the Fish and Wildlife Coordination Act, 16 U.S.C. 661 et seq., as is necessary to provide assistance, through grants or cooperative agreements, to public or private organizations for the improvement of fish and wildlife habitat associated with water systems or water supplies affected by Reclamation projects.

and

Klamath Basin Water Supply Enhancement Act, Public Law 106-498 the Secretary of the Department of the Interior is authorized and directed to "in consultation with affected State, local and tribal interests, stakeholder groups and the interested public, to engage in feasibility studies of the following proposals related to the Upper Klamath Basin and the Klamath Project, a Federal recognition project in Oregon and California:

- (1) Increasing the storage capacity, and/or the yield of the Klamath Project facilities while improving water quality, consistent with the protection of fish and wildlife.
- (2) The potential for development of additional Klamath Basin groundwater supplies to improve water quantity and quality, including the effect of such groundwater development on non-project lands, groundwater and surface water supplies, and fish and wildlife.
- (3) The potential for further innovations in the use of existing water resources, or market-based approaches, in order to meet growing water needs consistent with State water law.