

## 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	
<b>Funding Announcement</b>	R10AS20110
<b>Project Title</b>	North Grasslands Water Conservation and Water Quality Control Project
<b>Recipient</b>	Grassland Water District
<b>Principle Investigator</b>	Mr. David Widell
<b>Total Anticipated Award Amount</b>	\$6,746,081.00
<b>Cost Share</b>	None
<b>New Award or Continuation?</b>	New Award
<b>Anticipated Length of Agreement</b>	27 months
<b>Anticipated Period of Performance</b>	Date of execution through December 31, 2012
<b>Award Instrument</b>	Cooperative Agreement
<b>Statutory Authority</b>	Central Valley Project Improvement Act, Public Law 102-575, Title 34, <b>Fish, Wildlife, Improved Water Management &amp; Conservation</b> , Section 3406(d)(1, 2 & 5)
<b>CFDA Number</b>	15.512
<b>Single Source Justification Criteria Cited</b>	Justification Criterion: (1) (Unsolicited Proposal) and (4) Unique Qualifications), of the Department of Interior Single Source Policy Requirements
<b>Reclamation Point of Contact</b>	Vivian Davis, <a href="mailto:vdavis@usbr.gov">vdavis@usbr.gov</a>

### OVERVIEW

The Central Valley Project Improvement Act (CVPIA), Public Law 102-575, Title 34, Section 3406(d) obligates the U.S. Bureau of Reclamation (Reclamation) to provide "firm water supplies of suitable quality to maintain and improve wetland habitat areas on units of the National Wildlife Refuge System in the Central Valley of California; on the Gray Lodge, Los Banos, Volta, North Grasslands, and Mendota state wildlife management areas; and on the Grassland Resources Conservation district in the Central Valley of California." These wetland habitat areas (Refuges) include the Grassland Resource Conservation District (GRCD), privately owned and managed wetlands. Reclamation entered into long term water supply contracts with the three refuge managing agencies [U.S. Fish and Wildlife Service, California Department of Fish and Game, and Grassland Water District (GWD)] formally establishing Reclamation's obligation to provide water supplies to these Refuges.

The Refuge Water Supply Program (RWSP) was established pursuant to CVPIA Subsections 3406(d)(1, 2 and 5) and 3406(b)(3) with the purpose for providing and conveying Level 2 and acquired Incremental Level 4 water supplies annually to the Refuges in certain quantities and timing. Reclamation entered into

water conveyance cooperative agreements with a number of conveying entities for the purpose of delivering water supplies to the Refuges, including a conveyance agreement with the GWD. The RWSP administers these conveyance agreements.

*The Report on Refuge Water Supply Investigations, March 1989* and the *San Joaquin Basin Action Plan/Kesterson Mitigation Plan, December 1989 (1989 Reports)* were both incorporated into CVPIA by reference. These reports provide the definition and specific allocation quantities for the Refuges for Level 2 and Level 4 water types. Level 2 water type is the historic annual average water supplies received by the Refuges prior to 1989, and represents the amount of water required to maintain the Refuges in their existing state around the time of the 1989 Reports. Level 4 water type is the amount of water identified as needed for optimal wetlands and wildlife habitat development. The difference, or increment, between Level 2 and Level 4 water amounts is referred to as Incremental Level 4.

CVPIA directed Reclamation to provide full Level 4 water supplies to all Refuges beginning in 2002. Reclamation has not yet met its obligation to provide full Level 4 water supplies to all Refuges. Various factors contributing to Reclamation not meeting the full Level 4 goal include: 1) annual hydrology,; 2) availability of water on the open market, availability of willing sellers, increasing cost of water due to competitive market, and insufficient funding affecting acquiring Incremental Level 4 supplies; and 3) inadequate external conveyance capacity to some Refuges affecting delivery of both Level 2 and Incremental Level 4 water supplies. The RWSP has five remaining construction projects which, when completed, will provide for adequate external conveyance capacity to these five Refuges. Upon completion of these construction projects, all CVPIA Refuges will have sufficient external conveyance capacity to allow for full Level 4 water deliveries. Reclamation continues to explore available options to expand the annual amount of Incremental Level 4 water supplies acquired and delivered in its effort to meet the goals set forth under CVPIA.

Presently, the RWSP annually conveys approximately 100% of Level 2 supplies to those CVPIA Refuges with adequate external conveyance capacity. Most Level 2 water is provided from Central Valley Project (CVP) yield.

Incremental Level 4 water is primarily acquired on the open market from willing sellers through short-term and medium-term contracts. During the last three Contract Water Years (WY) 2007-2009, Reclamation delivered an average of only approximately 35% of the Incremental Level 4 water allocated to the South of Delta (SOD) Refuges. (A contract water year is defined as starting March 1 continuing through the last day of February of the following year.)

Overall, those Refuges having a greater need for delivery of full Incremental Level 4 supplies are located SOD in the San Joaquin Valley. On average, Incremental Level 4 supplies make up about one-fourth of the total Level 4 Refuge water allocations. However, for those Refuges located in the San Joaquin Valley, Incremental Level 4 allocations represent between 19 to 79 percent of their total Level 4 allocations, depending on the Refuge.

The project is designed to intercept surplus high quality flows in Los Banos Creek, the Eagle Ditch, Mud Slough North and selected local drainages associated with operational spill and return the water upstream into the service area for reuse within the GRCD as water supplies to be accounted for as CVPIA deliveries under the RWCP.

The proposed work includes performance of a project feasibility study, and the detailed project design and development of project plans, specifications and contract documents for a conveyance system and two pump stations to recover and deliver return flows into the Sante Fe Canal upstream of the Cherokee Weir, and construct these facilities.

**RECIPIENT INVOLVEMENT**

Under this cooperative agreement the District, upon completion of a satisfactory feasibility assessment, will design and construct a system of pipelines and pumps to intercept operational spill from its north grasslands service area and return these flows upstream for delivery within its service area. The operational area for the Project is located on privately owned lands that are serviced by the District. These water supplies will augment current limited CVPIA supplies provided by Reclamation for south of Delta wetlands.

**RECLAMATION INVOLVEMENT**

Under this cooperative agreement the Bureau of Reclamation will

- (a) Monitor Project and perform site visits;
- (b) Providing environmental documentation required under the National Environmental Policy Act (NEPA);
- (c) Performing review of the completed feasibility assessment report and making determination on Project advancement; if the Project is determined to be feasible, Phases II and III will be implemented. If the Project is determined to not be feasible, the Project will be terminated and Phase II and Phase III will not be implemented;
- (d) Approving implementation of Phases II and III. Approval will be dependent upon receipt of Feasibility Assessment Report and resultant determination of project feasibility; receipt of final CEQA documentation; and receipt of cultural surveys with sufficient time for Reclamation to submit to California State Historical Preservation Officer (SHPO) and receive SHPO concurrence;
- (e) Performing a Value Engineering Study during the design development in coordination with the District;
- (f) Providing administrative oversight;
- (g) Providing technical oversight;
- (h) Providing to GWD, 100 percent (100%) of the funding for development of project feasibility assessment, conceptual and final designs, construction of facility improvements and/or new facilities, and other costs for implementing this Agreement;

**SINGLE-SOURCE JUSTIFICATION**

<b>DEPARTMENT OF THE INTERIOR SINGLE SOURCE POLICY REQUIREMENTS</b>
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:
(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.

**Reclamation did not solicit full and open competition for this award based on the following criteria:**

**(1) UNSOLICITED PROPOSAL**

The Grassland Water District (District) developed their proposal, titled North Grasslands Water Conservation and Water Quality Control Project (Project), as a creative approach to developing additional surface water supplies for delivery to certain wetlands in the California Central Valley identified in the Central Valley Project Improvement Act (CVPIA), Public Law 102-575. The proposal evolved in response to current drought conditions in the Central Valley and to assist the U.S. Bureau of Reclamation in meeting its obligation under the CVPIA to provide full Level 4 water supplies to specific wetlands habitat areas (refuges). Water supplies developed through this project will augment the limited pool of Incremental Level 4 water available for south of Delta refuges. A portion of these supplies will provide a diversified source of Level 2 refuge water, reducing demand on the Central Valley Project (CVP) supplies resulting in additional CVP yield made available for other Central Valley Project Operations beneficial uses, including delivery to agricultural contractors.

**(4) UNIQUE QUALIFICATIONS**

Grassland Water District (District) is uniquely qualified because 100% of the Project area is within their service delivery area. The District conveys CVPIA water supplies to public and privately owned wetlands within Grassland Resource Conservation District, which is the largest continuous block of wetlands remaining in the Central Valley and is a major wintering ground for migratory waterfowl and shorebirds of the Pacific Flyway. The Project area is entirely located on privately owned property directly served through the District. These property owners (District members) and the District have a long history of strong working and cooperative relationships founded in trust. The property owners have agreed to allow the District to construct this Project on their private lands primarily due to the existing relationship between these parties. The landowners have a high level of confidence in the District’s ability to perform this Project in the least disruptive manner and with a demonstrated ability for construction phasing in accordance with the landowners’ water demands requirements. District operations will assure that the impacts to water deliveries are minimized to affected District members.

## STATUTORY AUTHORITY

### **Central Valley Project Improvement Act (CVPIA), Public Law 102-575, Title 34, Fish, Wildlife, Improved Water Management & Conservation, Section 3406(d)(1, 2 and 5):**

(d) Central Valley Refuges and Wildlife Habitat Areas.--In support of the objectives of the Central Valley Habitat Joint Venture and in furtherance of the purposes of this title, the Secretary shall provide, either directly or through contractual agreements with other appropriate parties, firm water supplies of suitable quality to maintain and improve wetland habitat areas on units of the National Wildlife Refuge System in the Central Valley of California; on the Gray Lodge, Los Banos, Volta, North Grasslands, and Mendota state wildlife management areas; and on the Grasslands Resources Conservation District in the Central Valley of California.

(1) Upon enactment of this title, the quantity and delivery schedules of water measured at the boundaries of each wetland habitat area described in this paragraph shall be in accordance with Level 2 of the "Dependable Water Supply Needs" table for those habitat areas as set forth in the Refuge Water Supply Report and two-thirds of the water supply needed for full habitat development for those habitat areas identified in the San Joaquin Basin Action Plan/Kesterson Mitigation Action Plan Report prepared by the Bureau of Reclamation. Such water shall be provided through long-term contractual agreements with appropriate parties and shall be supplemented by the increment of water provided for in paragraph (1) of this subsection; Provided, That the Secretary shall be obligated to provide such water whether or not such long-term contractual agreements are in effect. In implementing this paragraph, the Secretary shall endeavor to diversify sources of supply in order to minimize possible adverse effects upon Central Valley Project contractors.

(2) Not later than ten years after enactment of this title, the quantity and delivery schedules of water measured at the boundaries of each wetland habitat area described in this paragraph shall be in accordance with Level 4 of the "Dependable Water Supply Needs" table for those habitat areas as set forth in the Refuge Water Supply Report and the full water supply needed for full habitat development for those habitat areas identified in the San Joaquin Basin Action Plan/Kesterson Mitigation Action Plan Report prepared by the Bureau of Reclamation. The quantities of water required to supplement the quantities provided under paragraph (1) of this subsection shall be acquired by the Secretary in cooperation with the State of California and in consultation with the Central Valley Habitat Joint Venture and other interests in cumulating increments of not less than ten percent per annum through voluntary measures which include water conservation, conjunctive use, purchase, lease, donations, or similar activities, or a combination of such activities which do not require involuntary reallocations of project yield.

(5) The Secretary is authorized and directed to construct or to acquire from non-Federal entities such water conveyance facilities, conveyance capacity, and wells as are necessary to implement the requirements of this subsection; Provided, That such authorization shall not extend to conveyance facilities in or around the Sacramento-San Joaquin Delta Estuary. Associated construction or acquisition costs shall be reimbursable pursuant to existing law in accordance with the cost allocations set forth in paragraph (3) of this subsection.