

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	R11AS20007
Project Title	South of Delta Refuge Water Supply Augmentation Program
Recipient	San Luis & Delta Mendota Water Authority
Principle Investigator (if applicable)	
Total Anticipated Award Amount	\$480,755.00
Cost Share	No
New Award or Continuation?	New Award
Anticipated Length of Agreement	3 Years
Anticipated Period of Performance	Date of execution to September 30, 2013
Award Instrument	Grant Agreement
Statutory Authority	Central Valley Project Improvement Act, Public Law 102-575, Section 3406(d)
CFDA Number	15.512
Single Source Justification Criteria Cited	Justification Criteria: (1) Unsolicited Proposal and (4) Unique Qualifications, of the Department of the Interior Single Source Policy Requirements
Reclamation Point of Contact	Mary Sims, msims@usbr.gov

OVERVIEW

The Secretary of the Department of the Interior (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.

Under the Central Valley Project Improvement Act (CVPIA), Reclamation's Refuge Water Supply Program (RWSP) provides two blocks of water to the refuges: Level 2 Water (422,251 acre-feet) is largely derived from central valley project annual yield and is the amount of water historically required to maintain refuge wetland habitat prior to CVPIA's enactment in 1992; and Incremental Level 4 Water (133,264 acre-feet) that is acquired from willing sellers. Together, Level 2 Water and Incremental Level 4 Water equate to Full Level 4 Water (555,515 acre-feet) and is the total water supply refuges require to optimize wetland habitat conditions. Incremental Level 4 Water supplies vary annually depending on hydrology, availability of water, funding, and water pricing. Annually, Reclamation delivers on average approximately 365,000 acre-feet of Level 2 Water and approximately 51,050 acre-feet of Incremental Level 4 Water to the refuges, for a total water supply of approximately 416,050 acre-feet.

CVPIA requires that the Secretary endeavor to diversify Level 2 Water supply sources other than solely relying upon CVP yield. Other diverse sources of water may include regional water storage, groundwater, conserved water, water rights water, as well as other supplies. For example, recaptured Level 2 refuge water of acceptable quality may be applied to refuge wetland areas in lieu of using CVP yield, which is then, in part, made available to CVP agricultural and municipal and industrial contractors. The RWSP seeks to partner with local water districts in developing creative ways to broaden Level 2 Water supply sources, as well as expand Incremental Level 4 water acquisition opportunities.

The program objective is to identify meaningful short and long term opportunities, such as, identifying additional sources of water to either purchase or make available via diversification, to improve Incremental Level 4 water, diversify Level 2 water supplies south of the Delta, and help reduce escalating wetland water acquisition costs, through the development of an expanded network of potential local suppliers. Further, the program will strive to create long term partnerships among south of delta stakeholders to be able to quickly identify and respond to short and long term water markets.

The San Luis & Delta Mendota Water Authority (Authority) propose the development of the Refuge Water Supply Augmentation Program to identify new opportunities, such as, Incremental Level 4 water supply acquisitions and Level 2 diversification projects south of the Delta. This locally based program will concentrate on coordinating with local water districts and refuges to augment the resources currently being provided by Interior's RWSP.

RECIPIENT INVOLVEMENT

Under the Agreement, the Authority agrees to:

A. Act as liaison between local water districts, refuges, public agencies and private interests to improve south of Delta Incremental Level 4 water supplies and reliability and expand Level 2 water diversification opportunities.

B. In cooperation with the Refuge Water Supply Steering Committee, will work to develop strategies and proposals for RWSP consideration which includes projects to increase Incremental Level 4 water supplies and reliability and Level 2 Diversification. Projects that may be considered to accomplish the objectives include water conservation, groundwater pumping, wet/dry year water exchanges, source shifting, water banking and water acquisitions.

C. Assist the RWSP in developing plans to ensure ongoing operations and maintenance (including water quality and biological monitoring, where required) of Incremental Level 4 water acquisition and Level 2 diversification projects in the San Joaquin Valley.

D. Assist the RWSP in the review and/or comment of any reports, investigations, projects or proposals related to Incremental Level 4/Level 2 diversification.

RECLAMATION INVOLVEMENT

Substantial involvement between Reclamation and the Recipient is **not** anticipated during the performance of the project.

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:
<ol 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.

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

(1) UNSOLICITED PROPOSAL

The Authority has submitted an unsolicited proposal for the development of the Refuge Water Supply Augmentation Program to identify new opportunities for Incremental Level 4 water supply acquisitions and Level 2 diversification projects south of the Delta. This locally based program provides an innovated approach to augment the resources currently being provided by Interior’s RWSP by implementing a program which concentrates on coordinating with local water districts and refuges. The proposal provides a “boots on the ground approach” by seeking opportunities in a region with well established CVP refuge water users. The Authority has established relationships with its member agricultural and refuge water supply members in this region that can greatly benefit in attaining the goals of the RWSP.

(4) UNIQUE QUALIFICATIONS

The Authority has:

- a. Previously worked with the CVPIA RWSP in order to develop water acquisition agreements that mutually benefit its member agricultural water districts and other state and federal refuges in the San Joaquin Valley
- b. Been instrumental in delivering between 250,000 and 300,000 acre feet of water to 8 refuges in the area.
- c. Twenty-nine member agencies that receive up to 2,500.000 acre feet of water annually and is located close to many of our South of Delta refuges which provides significant opportunities for water transfers and exchanges that can be used to help secure and augment CVPIA Refuge Water Supplies.

STATUTORY AUTHORITY

Public Law 102-575, Title 34, Central Valley Project Improvement Act:

3406. FISH, WILDLIFE AND HABITAT RESTORATION.

(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.

(3) All costs associated with implementation of paragraph (1) of this subsection shall be reimbursable pursuant to existing law. Incremental costs associated with implementation of paragraph (2) of this subsection shall be fully allocated in accordance with the following formula: 75 percent shall be deemed a nonreimbursable Federal expenditure; and 25 percent shall be allocated to the State of California for recovery through direct reimbursements or through equivalent in-kind contributions.

(4) The Secretary may temporarily reduce deliveries of the quantity of water dedicated under paragraph (1) of this subsection up to 25 percent of such total whenever reductions due to hydrologic circumstances are imposed upon agricultural deliveries of Central Valley Project water; *Provided*, That such reductions shall not exceed in percentage terms the reductions imposed on agricultural service contractors. For the purpose of shortage allocation, the priority or priorities applicable to the increment of water provided under paragraph (2) of this subsection shall be the priority or priorities which applied to

the water in question prior to its transfer to the purpose of providing such increment.

(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.

(6) The Secretary, in consultation with the State of California, the Central Valley Habitat Joint Venture, and other interests, shall investigate and report on the following supplemental actions by not later than September 30, 1997:

(A) alternative means of improving the reliability and quality of water supplies currently available to privately owned wetlands in the Central Valley and the need, if any, for additional supplies; and

(B) water supply and delivery requirements necessary to permit full habitat development for water dependent wildlife on one hundred and twenty thousand acres supplemental to the existing wetland habitat acreage identified in Table 8 of the Central Valley Habitat Joint Venture's 'Implementation Plan' dated April 19, 1990, as well as feasible means of meeting associated water supply requirements.