

Meeting Date: 5/5/2015

Report Type: Consent

Report ID: 2015-00351

Title: Agreement: U.S. Department of Interior, Bureau of Reclamation WaterSMART Grant Funds for Water Conservation Projects

Location: Citywide

Recommendation: Pass a Resolution authorizing the City Manager, or the City Manager's designee, to: 1) execute a Project Agreement with the Regional Water Authority to accept \$150,000 in grant funding to pay for water meter installation; and 2) establish the grant revenue and expenditure budgets for the Residential Water Meter Retrofit Project (Z14010000).

Contact: Dan Sherry, Interim Engineering & Water Resources, (916) 808-1419; Michelle Carrey, Interim Supervising Engineer, (916) 808-1438, Department of Utilities

Presenter: None

Department: Department Of Utilities

Division: Cip Engineering

Dept ID: 14001321

Attachments:

1-Description/Analysis

2-Background

3-Resolution

4-RWA & City Agreement_WaterSMART 2014 Meter Grant

5-USBR & RWA Agreement_WaterSMART Grant

City Attorney Review

Approved as to Form

Joe Robinson

4/21/2015 3:20:21 PM

Approvals/Acknowledgements

Department Director or Designee: Mike Malone - 4/21/2015 6:44:42 AM

Description/Analysis

Issue Detail: The Secure Water Act authorizes federal water agencies to work with state and local water managers and funds grants and cooperative agreements with agencies for water conservation projects. Administered by the Department of Interior, US Bureau of Reclamation (USBR), an annual competitive process is used to award funding appropriated for the program. In 2013, the Regional Water Authority (RWA) coordinated a grant application and Sacramento Suburban Water District (SSWD) applied on behalf of two RWA members: SSWD and the City of Sacramento.

The application was selected to receive a total of \$300,000 to enhance water efficiency projects in the Sacramento Region, of which the City of Sacramento will receive \$150,000 with the requirement for a City cost match of \$2,581,333.

The proposed Project Agreement with RWA identifies the respective responsibilities of the parties to the agreement and provides for RWA's management of the grant on behalf of the recipients. The Agreement includes provisions to pay internal project management expenses for USBR and administrative expenses for RWA and SSWD to be divided equally by the two participants. Funding provided by this grant will be used to offset costs for the South Natomas and Hagginwood Water Meter Retrofit Project. This project includes the installation of new water meters and transmitters to an estimated 2,800 existing residential water services.

Policy Considerations: Entering into the Project agreement with RWA to receive WaterSMART grant funds will assist the City in completing the installation of water meters on all existing water service connections. Water meter installation is consistent with the City Council focus areas of expanding public safety, and achieving sustainability and livability.

Economic Impacts: Entering into this Project Agreement with RWA has no economic impact. Construction on this project is not scheduled to begin until September 2015. When the construction contract is awarded, economic impacts will be estimated.

Environmental Considerations: Water meter retrofit projects are categorically exempt from the California Environmental Quality Act (CEQA) under Class 2, Section number 15302 (c) and Class 3, Section number 15303(d) of the CEQA Guidelines. Projects exempt under Class 2, Section 15302(c) consist of the replacement of existing utility systems involving negligible expansion of capacity. Projects exempt under Class 3, Section number 15303(d) consist of the installation and location of new, small utility facilities and equipment.

In addition, per the USBR WaterSMART grant requirements, National Environmental Policy Act (NEPA) compliance is necessary prior to any ground disturbing activities. The NEPA compliance was coordinated by RWA and has been completed, reviewed, and approved by USBR under a Categorical Exclusion.

Sustainability: Entering into the agreement with RWA to receive WaterSMART grant funding for the City's water meter program is consistent with the City's Sustainability Master Plan by improving water conservation awareness through metered billing with a monthly statement of water usage to customers. Water meter installation also furthers the City's progress in implementing the Water Forum Agreement and the California Urban Water Conservation Council Best Management Practices (BMPs 1, 4, and 7).

Commission/Committee Action: Not Applicable

Rationale for Recommendation: This Agreement will provide a \$150,000 grant from WaterSMART Water and Energy Efficiency funding that will be used to install water meters in the area identified on the Location Map (**Attachment A**).

Financial Considerations: The Residential Water Meter Retrofit Project (Z14010000) has sufficient funds to deliver on the agreement. The reimbursable water fund (Fund 6205) will be amended to reflect the grant funding revenue and expenditure authority for \$150,000. The City pledged cost-share in the amount of \$2,581,333 is available within the project (Water Revenue Bond Ser. 2013, Fund 6310).

Local Business Enterprise (LBE): The City's LBE requirements do not apply to the proposed Project Agreement with RWA.

Background

In July 2001, the City of Sacramento joined the Regional Water Authority (RWA). The RWA's mission is to represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources. Among other functions, the RWA provides assistance to achieve water efficiency on a regional scale by assisting member agencies with meeting Best Management Practice (BMP) commitments and soliciting grant funding for conservation efforts. Today, RWA represents 22 water purveyor and affiliated agency members in Sacramento, Placer, El Dorado, and Yolo Counties.

In 2014, RWA facilitated a grant application for two agencies in the Sacramento region which requested funding for residential water meter installations. The application was approved, and the City will receive \$150,000 of the \$300,000 awarded from the U.S Department of Interior, Bureau of Reclamation (USBR) under the WaterSMART Water and Energy Efficiency Grants for installation of residential water meters.

The proposed RWA Project Agreement identifies the respective responsibilities of the parties to the agreement and provides for RWA's management of the grant on behalf of the participants. The Agreement includes an initial reduction of \$1,500 to the overall grant award, divided equally by the two participants, to cover USBR's internal project management expenses, reducing the City's award amount by \$750. The administrative cost to the City for RWA to manage this grant and for Sacramento Suburban Water District (SSWD) to be the lead agency and enter into an agreement with USBR on behalf of the City is estimated to be \$9,318. The Department plans to use grant funds to offset costs for the South Natomas and Hagginwood Water Meter Replacement project. The Residential Water Meter Retrofit Project (Z14010000) will be amended to reflect the grant funding revenue and expenditure authority.

The City cost match of \$2,581,333 includes estimated bond expenditures for multiple water meter installation projects scheduled to be completed within the next two years.

The project will include abandoning and replacing a small portion of undersized and substandard water mains in backyard easements and includes placing new meter boxes, setters, and meters on both the new and existing water service locations.

RESOLUTION NO. 2014-

Adopted by the Sacramento City Council

APPROVAL OF PROJECT AGREEMENT AND BUDGET ACTIONS FOR ACCEPTANCE OF WATERSMART WATER AND ENERGY EFFICIENCY GRANT FUNDING FOR RESIDENTIAL WATER METER INSTALLATION PROJECT (Z14010000)

BACKGROUND

- A. The Regional Water Authority (RWA) coordinated a multi-agency grant application that has been awarded to the lead agency, Sacramento Suburban Water District (SSWD). The grant funding provided by the U.S. Bureau of Reclamation under the WaterSMART Water and Energy Efficiency Grant Program will provide funding to SSWD and the City of Sacramento, to enhance water efficiency projects in the Sacramento Region.
- B. The City is entering into a Project Agreement with RWA to allow the City to receive up to \$150,000 of the \$300,000 in grant funding. The Agreement requires a pledged match of \$2,581,333, which is available in the Residential Water Meter Retrofit project (Z14010000).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1 The City Manager or the City Manager's designee is authorized to:
- A. Execute a Project Agreement with RWA for allocation of the WaterSMART Water and Energy Efficiency Grant funding; and
 - B. Amend revenue and expenditure budgets for the WaterSMART Water and Energy Efficiency Grant funding of \$150,000 within the reimbursable water fund (Fund 6205) for the Residential Water Meter Retrofit project (Z14010000).

REGIONAL WATER AUTHORITY PROJECT AGREEMENT

2014 RECLAMATION WATERSMART METER GRANT PROJECT

This Agreement is made and entered into effective as of the ___ day of _____, 2015, by and between the Regional Water Authority (“RWA”), a joint exercise of powers authority formed under California Government Code section 6500, and following, and the Members and Contracting Entities of RWA listed in **Exhibit 1** to this Agreement, upon their execution of this Agreement (who are collectively referred to in this Agreement as “Participants”), to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the Participants.

RECITALS

A. RWA is a joint powers authority, formed to serve and represent regional water supply interests and to assist its members in protecting and enhancing the reliability, availability, affordability and quality of water resources.

B. The joint powers agreement (“RWA JPA”) pursuant to which RWA was formed and operates, authorizes RWA to enter into a “Project or Program Agreement,” which is defined in the RWA JPA as an agreement between RWA and two or more of its Members or Contracting Entities to provide for carrying out a project or program that is within the authorized purposes of RWA, and sharing in the cost and benefits by the parties to the Project or Program Agreement.

C. Article 21 of the RWA JPA states: “The Regional Authority’s projects are intended to facilitate and coordinate the development, design, construction, rehabilitation, acquisition or financing of water-related facilities (including sharing in the cost of federal, State or local projects) on behalf of Members and/or Contracting Entities. The Regional Authority may undertake the development, design, construction, rehabilitation, acquisition or funding of all or any portion of such projects on behalf of Members and/or Contracting Entities in the manner and to the extent authorized by such Members and/or Contracting Entities as provided in this Agreement, but shall not accomplish these functions, nor acquire or own water-related facilities in its own name.”

D. Article 22 of the RWA JPA states: “Prior to undertaking a project or program, the Members and/or Contracting Entities who elect to participate in a project or program shall enter into a Project or Program Agreement. Thereafter, all assets, benefits and obligations attributable to the project shall be assets, benefits and obligations of those Members and/or Contracting Entities that have entered into the Project or Program Agreement. Any debts, liabilities, obligations or indebtedness incurred by the Regional Authority in regard to a particular project or program, including startup costs advanced by the Regional Authority, shall be obligations of the participating Members and/or Contracting Entities, and shall not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed the Project or Program Agreement.”

E. RWA and the Participants desire to carry out a project and share in the costs and benefits of the project, as a Project or Program Agreement as provided for in Articles 21 and 22 of the RWA JPA.

In consideration of the promises, terms, conditions and covenants contained herein, the parties to this Agreement hereby agree as follows:

- 1. Recitals Incorporated.** The foregoing recitals are hereby incorporated by reference.
- 2. Defined Terms.** Terms defined in the RWA JPA will have the same meaning in this Agreement.
- 3. Description of the Project.** This is a collaborative project between two water supply agencies (see **Exhibit 1** for a list of participants) in the Sacramento region to use a grant award from the U.S. Bureau of Reclamation (Reclamation) WaterSMART Program: Water and Energy Efficiency Grants. Sacramento Suburban Water District (SSWD) acted as the lead agency and was awarded the grant. RWA will serve as the grant manager on behalf of the collaborating agencies.

The proposed project will install an estimated 3,665 residential water meters. Participants have committed \$3,643,168 in direct and in-kind funding to the project to be matched by \$300,000 in Reclamation grant funds. The project duration is to run from September 15, 2014 through September 30, 2016.

4. Project Committee. The Participants hereby form a Project Committee consisting of one representative (and one or more alternates) designated by each Participant. The Project Committee will meet as necessary from time to time to administer and implement this Agreement on behalf of the Participants. Both members of the Project Committee will be necessary constitute a quorum, and both members of the Project Committee will be required for an affirmative vote to take action on behalf of the Participants. Actions that could result in fiscal changes will also require unanimous consent of the Participants.

5. Sharing in Project Costs and Benefits. Subject to the provisions of Articles 9 and 11 of this Agreement, two RWA members will participate in the Project as listed in **Exhibit 1**. Each Participant will ensure that it meets its obligation for its identified local cost share portion.

As the grantee, SSWD will be subject to additional administrative expenses associated with processing and distributing payments to each of the collaborating agencies. SSWD estimates the cost of its activities at \$7,240 over the term of the grant. The SSWD cost estimate for required accounting and auditing functions are stated in **Exhibit 2**. The Participants agree to pay an equal share of SSWD's management expenses. Additionally, each Participant will pay an equal share for the RWA project management costs that are estimated to be \$11,396 identified in Article 8 of this Agreement.

Reclamation has indicated that it will reduce the overall grant award to fund Reclamation's internal project management expenses. Reclamation has estimated this fee at \$1,500 for

environmental review. The Participants agree to share in this expense by reducing their shares of the grant award in the same proportion as each Participant's share of the grant award. **Exhibit 3** provides the required local cost share of each Participant and an estimate of the grant benefit for each of the Participants. If Reclamation determines that additional project management expenses are required, the participants agree to reduce their grant awards using the same formula agreed to in this Article. At the time of execution of the Reclamation funding agreement on September 20, 2013, Reclamation obligated \$298,500.00 as the total estimated funding award available.

The Project Committee will determine the use of any surplus funds, including any excess project management fees charged in accordance with Article 8 of this Agreement. In accordance with the provisions of Articles 21 and 22 of the RWA JPA, any debts, liabilities, obligations or indebtedness incurred by RWA in regard to the Project will be the obligations of the Participants, and will not be the debts, liabilities, obligations and indebtedness of those Members and/or Contracting Entities who have not executed this Agreement.

6. Role of RWA. The Executive Director of RWA will ensure that the interests of Members and Contracting Entities of RWA who do not participate in this Project are not adversely affected in performing this Agreement. The RWA Project Manager will (a) provide information to the Participants on the status of implementation of the Project, (b) assist the Project Committee in carrying out its activities under this Agreement, and (c) administer the grant on behalf of the Participants consistent with the determinations of the Project Committee and the provisions of this Agreement.

7. Role of Participants. SSWD is considered the grantee, and is the only Participant to execute the funding agreement with Reclamation. However, all Participants must ensure that they implement their portions of the project consistent with the Reclamation funding agreement included as **Exhibit 4**. The Reclamation grant is a Federal award and is therefore subject to the Davis-Bacon Act for labor standards and other applicable federal "cross-cutter" requirements as more fully described and imposed on each Participant by their incorporation into this Agreement by **Exhibit 4**. Project participants agree to submit information associated with fulfilling the statement of work in a timely fashion to allow RWA and SSWD to meet reporting requirements and to notify RWA regarding any delays in the project that could result in meeting the overall goal of installing 3,665 meters in the region by September 30, 2016. No funds will be disbursed to any Participant that is not current with all compliance and reporting obligations.

8. RWA Project Management Fee. The RWA management fee to administer the Project is estimated to be \$11,396, and is itemized in **Exhibit 5**. **Exhibit 5** also shows the estimated SSWD management fee of \$7,240, bringing the total estimated fee to \$18,636. Each Participant will be assessed an equal portion of this fee. Project management activities include development of project agreements, project guidance, semi-annual reporting and semi-annual invoice processing, and interim and final project reports as required by the Reclamation funding agreement.

9. Authorization to Proceed with the Project. The Project is authorized to proceed upon the commitment of all Project Participants to fund Project costs by each Participant's approval and execution of this Agreement. Upon execution of this Agreement, the Participants

agree to make their payments to cover their shares of the management fees as required by Articles 5 and 8, respectively, which are estimated to total \$9,318 per Participant. This payment covers both the SSWD management fee and the RWA management fee. Payments will be due and payable upon RWA's presentation of an invoice to each Participant.

10. Term. This Agreement will remain in effect for so long as any obligations under this Agreement remain outstanding.

11. Withdrawal. A Participant may withdraw from this Agreement without requiring termination of this Agreement, effective upon ninety days' notice to RWA and the other Participants, provided that, the withdrawing Participant will remain responsible for any indebtedness incurred by the Participant under this Agreement prior to the effective date of withdrawal.

12. Amendments. This Agreement may be amended from time to time only with the written approval of all of the Participants and RWA.

13. General Provisions. The provisions of Articles 37 through 41, inclusive, of the RWA JPA, and the provisions of Article 13 ("General Provisions") of any Participation Agreement entered into between RWA and a Participant, will apply to this Agreement.

The foregoing 2014 Reclamation WaterSMART Meter Grant Project Agreement is hereby consented to and authorized by RWA and the Participants.

Dated: _____, 2015

Dated: _____, 2015

Signature

Signature

John K. Woodling

Name

Name

Regional Water Authority

Agency

EXHIBIT 1

REGIONAL WATER AUTHORITY

2014 RECLAMATION WATERSMART METER GRANT PROJECT

PROJECT PARTICIPANTS

Agency

City of Sacramento

Sacramento Suburban Water District

EXHIBIT 2

REGIONAL WATER AUTHORITY

2014 RECLAMATION WATERSMART METER GRANT PROJECT

**ESTIMATE OF SSWD EXPENSES FOR ACCOUNTING AND AUDIT
REQUIREMENTS**

| Descriptions | Quantity | Unit cost | Total |
|---|-----------------|------------------|--------------------|
| Setup Cost | | | |
| Banking Fee (separate bank account) | 24 Months | 60.00 | \$ 1,440.00 |
| Admin. Hours | | | |
| Review up to 4 reimbursement invoices | 4 Hours | 100.00 | \$ 400.00 |
| Prepare up to 4 grant disbursements to participants | 4 Hours | 100.00 | \$ 400.00 |
| Audit | | | |
| Conduct Single Audit as required by Federal funding agreement | | | \$ 5,000.00 |
| Total Estimated Cost | | | \$ 7,240.00 |

EXHIBIT 3

REGIONAL WATER AUTHORITY

2014 RECLAMATION WATERSMART METER GRANT PROJECT

**LOCAL COST SHARE AND
ESTIMATED BENEFITS**

| Agency | Local Share | Initial Grant Share | Reclamation Project Management Fee Deduction* | Net Estimated Grant Share |
|------------------------------------|-------------|---------------------|---|---------------------------|
| City of Sacramento | \$2,581,333 | \$150,000 | \$750 | \$149,250 |
| Sacramento Suburban Water District | \$1,061,835 | \$150,000 | \$750 | \$149,250 |
| Total | \$3,643,168 | \$300,000 | \$1,500 | \$298,500 |

*This was the project management deducted at the time of execution of the Reclamation funding agreement. It included environmental review. If additional deduction for Reclamation staff expenses are deducted, they will be prorated according to the current ratio of management fee deductions.

EXHIBIT 4

REGIONAL WATER AUTHORITY

2014 RECLAMATION WATERSMART METER GRANT PROJECT

**U.S. BUREAU OF RECLAMATION
FUNDING ASSISTANCE AGREEMENT**

EXHIBIT 5

REGIONAL WATER AUTHORITY

2014 RECLAMATION WATERSMART METER GRANT PROJECT

**ESTIMATE OF COMBINED RWA AND SSWD
PROJECT MANAGEMENT EXPENSES**

| PROJECT MANAGEMENT COST ESTIMATE - 2014 Reclamation WaterSMART Grant Project (September 2014 - September 2016) | | | | | |
|---|-------------------------------|------------|-------------|--------------|--|
| Project Management Tasks | Staff | hrs | Rate | Total | |
| Grant Agreement Administration/Support and Project Agreement Development | Manager of Technical Services | 20 | 140 | \$2,800 | |
| Conduct and Document Project Committee meetings (2 planned) | Manager of Technical Services | 4 | 140 | \$560 | |
| Prepare up to 4 Invoices for Grant Reimbursement to Reclamation and Distribute to Participants | Manager of Technical Services | 24 | 140 | \$3,360 | |
| Prepare up to 4 Semi-Annual Reports to Reclamation | Manager of Technical Services | 12 | 140 | \$1,680 | |
| Prepare Interim Project Report | Manager of Technical Services | 4 | 140 | \$560 | |
| Prepare Final Project Report | Manager of Technical Services | 8 | 140 | \$1,120 | |
| Coordination meeting with Reclamation | Manager of Technical Services | 2 | 140 | \$280 | |
| Total Estimated RWA Project Management Expenses | | | | \$10,360 | |
| Contingency - 10% of RWA Project Management Total Costs | | | | \$1,036 | |
| | | | | \$11,396 | |
| SSWD Direct Expenses (reimbursement, checking account, audit) | | | | \$7,240 | |
| Total Project Estimated Fees | | | | \$18,636 | |

Exhibit 5

7-2279 (01-2014)
Bureau of Reclamation

**UNITED STATES DEPARTMENT OF THE INTERIOR
BUREAU OF RECLAMATION
ASSISTANCE AGREEMENT**

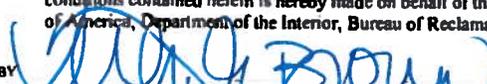
| | | | | | | | |
|--|--|-----------------|--|---|--|---|--|
| 1A. AGREEMENT NUMBER R14AP00158 | | 1B. MOD NUMBER | | 2. TYPE OF AGREEMENT <input checked="" type="checkbox"/> GRANT <input type="checkbox"/> COOPERATIVE AGREEMENT | | 3. CLASS OF RECIPIENT Special District | |
| 4. ISSUING OFFICE Department Of Interior Bureau of Reclamation Mid-Pacific Region 2800 Cottage Way, Room E-1815 Sacramento, California 9525-1898 DUNS#: 09886501 EINS#: 84-1024566 | | | | 5. RECIPIENT Sacramento Suburban Water District Phone: (916) 967-7692 3701 Marconi Avenue, Suite 1000 Fax: (916) 967-7322 Sacramento, California 95821-5346 | | | |
| EIN #: | | 80-0002258 | | County: | | Sacramento | |
| DUNS #: | | 798624201 | | Congress. Dist: | | CA-003 | |
| 6. GRANTS MANAGEMENT SPECIALIST Ms. Teresa E. Brown, MP-3839 Phone: (916) 978-5049 Bureau of Reclamation Fax: (916) 978-5175 Mid-Pacific Region 2800 Cottage Way, Room E-1815 Sacramento, California 95825-1898 Email: tebrown@usbr.gov | | | | 7. RECIPIENT PROJECT MANAGER Mr. Rob Swartz Phone: (916) 967-7692 Project Manager Fax: (916) 967-7322 Regional Water Authority 5620 Birdcage Street, Suite 180 Citrus Heights, California 95610 rschwartz@rwah2o.org | | | |
| 8. GRANTS OFFICER TECHNICAL REPRESENTATIVE Ms. Pauline A. Calvillo, CC-404 Phone: (916) 989-7275 Bureau of Reclamation Fax: (916) 989-7208 7794 Folsom Dam Road Folsom, California 95630-1799 pcalvillo@usbr.gov | | | | 9A. INITIAL AGREEMENT EFFECTIVE DATE: Date of Execution | | 9B. MODIFICATION EFFECTIVE DATE: N/A | |
| 10. COMPLETION DATE September 30, 2016 | | | | | | | |
| 11A. PROGRAM STATUTORY AUTHORITY Public Law 108-361, Sec. (c)(1)(d)(3)(A) Water Supply, Reliability, and Environmental Improvement Act, Title I, California Water Security and Environmental Enhancement, Section D and public Law 111-11, Sec. 9504(a)(1)(3), Omnibus Public Land Management Act of 2009 | | | | | | 11B. CFDA Number 15.507 | |
| 12. FUNDING INFORMATION | | RECIPIENT/OTHER | | RECLAMATION | | 13. REQUISITION NUMBER 20056165 | |
| Total Estimated Amount of Agreement | | \$3,639,668.00 | | \$298,500.00 | | 14A. ACCOUNTING AND APPROPRIATION DATA Cost Fund: R02430000 Functional Area: 14XR0680A1 WBS: RX.30180006.SASCA40 | |
| This Obligation | | \$3,639,668.00 | | \$298,500.00 | | 14B. TREASURY ACCOUNT FUNDING SYMBOL 14XR0680A1 | |
| Previous Obligation | | \$0.00 | | \$0.00 | | | |
| Total Obligation | | \$3,639,668.00 | | \$298,500.00 | | | |
| Cost-Share % | | 92% | | 8% | | | |
| | | | | **\$1,500.00 will be held for NEPA** | | | |
| 15. PROJECT TITLE Sacramento Regional Residential Water Meter Installation Project | | | | | | | |
| 16a. Acceptance of this Assistance Agreement in accordance with the terms and conditions contained herein is hereby made on behalf of the above-named recipient BY:  DATE: Sept. 15, 2014 | | | | 17a. Award of this Assistance Agreement in accordance with the terms and conditions contained herein is hereby made on behalf of the United States of America, Department of the Interior, Bureau of Reclamation BY:  DATE: SEP 16 2014 | | | |
| 16b. NAME, TITLE, AND TELEPHONE NUMBER OF SIGNER Robert S. Roscoe, General Manager (916) 972-7171 <input type="checkbox"/> Additional signatures are attached | | | | 17b. NAME OF GRANTS OFFICER Teresa E. Brown | | | |

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**Grant Agreement
Between
Bureau of Reclamation
And
Sacramento Suburban Water District
For
Sacramento Regional Residential Water Meter Installation Project**

I. OVERVIEW AND SCHEDULE

1. AUTHORITY

This Grant Agreement (Agreement) is entered into between the United States of America, acting through the Department of the Interior, Bureau of Reclamation, hereinafter referred to as "Reclamation," and Sacramento Suburban Water District, hereinafter referred to as the "Recipient" or "Grantee," pursuant to Public Law 108-361, Section 103 (c)(d)(3)(A)– Water Supply, Reliability, and Environmental Improvement Act, Title I – California Water Security and Environmental Enhancement, and Public Law 111 11, Section 9504(a)(1)(3)(i), Omnibus Public Land Management Act of 2009. The following section, provided in full text, authorizes Reclamation to award this financial assistance agreement:

This project is authorized under Public Law 108-361, section 103(c)(d)(3)(A) -Water Supply, Reliability, and Environmental Improvement Act, Title I- California Water Security and Environmental Enhancement, Section D and Public Law 111-11 (42, USC 10364, P.L. 111-11), Title IX of the Omnibus Public Land Management Act of 2009, Subtitle F, Secure Water, Section 9504(a)(1)(3)(i), Water Management Improvement, which states:

*Public Law 108-361, Section (c)(d)(3)(A) Compliance with State and Federal Law:
SEC. 103. BAY DELTA PROGRAM.*

(c) AUTHORIZATIONS FOR FEDERAL AGENCIES UNDER APPLICABLE LAW.—

(1) SECRETARY OF THE INTERIOR.—The Secretary of the Interior is authorized to carry out the activities described in paragraphs (1) through (10) of subsection (d), to the extent authorized under the reclamation laws, the Central Valley Project Improvement Act (title XXXIV of Public Law 102–575; 106 Stat. 4706), the Fish and Wildlife Coordination Act (16 U.S.C. 661 et seq.), the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.), and other applicable law.

(d) DESCRIPTION OF ACTIVITIES UNDER APPLICABLE LAW.—

(3) WATER USE EFFICIENCY.—

(A) WATER CONSERVATION PROJECTS.—Activities under this paragraph include water conservation projects that provide water supply reliability, water quality, and ecosystem benefits to the California Bay-Delta system.

and

Public Law 111-11, Section 9504(a)(1)(3) WATER MANAGEMENT:

(a) Authorization of Grants and Cooperative Agreements.--

(1) Authority of secretary.--The Secretary may provide any grant to, or enter into an agreement with, any eligible applicant to assist the eligible applicant in planning, designing, or constructing any improvement--

(A) to conserve water;

(B) to increase water use efficiency;

(C) to facilitate water markets;

(D) to enhance water management, including increasing the use of renewable energy in the management and delivery of water;

(E) to accelerate the adoption and use of advanced water treatment technologies to increase water supply;

(F) to prevent the decline of species that the United States Fish and Wildlife Service and National Marine Fisheries Service have proposed for listing under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) (or candidate species that are being considered by those agencies for such listing but are not yet the subject of a proposed rule);

(G) to accelerate the recovery of threatened species, endangered species, and designated critical habitats that are adversely affected by Federal reclamation projects or are subject to a recovery plan or conservation plan under the Endangered Species Act of 1973 (16 U.S.C. 1531 et seq.) under which the Commissioner of Reclamation has implementation responsibilities; or

(H) to carry out any other activity--

(i) to address any climate-related impact to the water supply of the United States that increases ecological resiliency to the impacts of climate change; or

(ii) to prevent any water-related crisis or conflict at any watershed that has a nexus to a Federal reclamation project located in a service area.

(2) Application.--To be eligible to receive a grant, or enter into an agreement with the Secretary under paragraph (1), an eligible applicant shall--

(A) be located within the States and areas referred to in the first section of the Act of June 17, 1902 (43 U.S.C. 391); and

(B) submit to the Secretary an application that includes a proposal of the improvement or activity to be planned, designed, constructed, or implemented by the eligible applicant.

(3) Requirements of grants and cooperative agreements.--

(A) Compliance with requirements.--Each grant and agreement entered into by the Secretary with any eligible applicant under paragraph (1) shall be in compliance with each requirement described in subparagraphs (B) through (F).

(B) Agricultural operations.--In carrying out paragraph (1), the Secretary shall not provide a grant, or enter into an agreement, for an improvement to conserve irrigation water unless the eligible applicant agrees not--

(i) to use any associated water savings to increase the total irrigated acreage of the eligible applicant; or

(ii) to otherwise increase the consumptive use of water in the operation of the eligible applicant, as determined pursuant to the law of the State in which the operation of the eligible applicant is located.

(C) Nonreimbursable funds.--Any funds provided by the Secretary to an eligible applicant through a grant or agreement under paragraph (1) shall be nonreimbursable.

(D) Title to improvements.--If an infrastructure improvement to a federally owned facility is the subject of a grant or other agreement entered into between the Secretary and an eligible applicant under paragraph (1), the Federal Government shall continue to hold title to the facility and improvements to the facility.

(E) Cost sharing.--

(i) Federal share.--The Federal share of the cost of any infrastructure improvement or activity that is the subject of a grant or other agreement entered into between the Secretary and an eligible applicant under paragraph (1) shall not exceed 50 percent of the cost of the infrastructure improvement or activity.

(ii) Calculation of non-federal share.--In calculating the non-Federal share of the cost of an infrastructure improvement or activity proposed by an eligible applicant through an application submitted by the eligible applicant under paragraph (2), the Secretary shall--

(I) consider the value of any in-kind services that substantially contributes toward the completion of the improvement or activity, as determined by the Secretary; and

(II) not consider any other amount that the eligible applicant receives from a Federal agency.

(iii) Maximum amount.--The amount provided to an eligible applicant through a grant or other agreement under paragraph (1) shall be not more than \$5,000,000.

(iv) Operation and maintenance costs.--The non-Federal share of the cost of operating and maintaining any infrastructure improvement that is the subject of a grant or other agreement entered into between the Secretary and an eligible applicant under paragraph (1) shall be 100 percent.

(F) Liability.--

(i) In general.--Except as provided under chapter 171 of title 28, United States Code (commonly known as the "Federal Tort Claims Act"), the United States shall not be liable for monetary damages of any kind for any injury arising out of an act, omission, or occurrence that arises in relation to any facility created or improved under this section, the title of which is not held by the United States.

(ii) Tort claims act.--Nothing in this section increases the liability of the United States beyond that provided in chapter 171 of title 28, United States Code (commonly known as the Federal Tort Claims Act").

2. PUBLIC PURPOSE OF SUPPORT OR STIMULATION

This is a collaborative project between two large municipal water supply agencies in the Sacramento region, with the Sacramento Suburban Water District acting as the lead applicant. The City of Sacramento is a partner. The proposed project will install 3,665 residential water meters to achieve water savings estimated at 518 acre-feet per year or 10,360 acre-feet over the 20-year expected lifetime of the improvements. This municipal metering project will result in significant conservation of valuable water resources, which directly contribute to the goals of the WaterSMART Program. The project will improve water use efficiency, reduce energy demands, benefit local aquatic species, and can potentially be made available to water market opportunities.

3. BACKGROUND AND OBJECTIVES

The mission of the Bureau of Reclamation is to manage, develop, and protect water and related resources in an environmentally and economically sound manner in the interest of the American public. Reclamation provides up to 50%/50% cost share funding under the WaterSMART Water and Energy Efficiency Grant (WEEG) Program for projects that increase water conservation or result in other improvements that address water supply sustainability in the West. Eligible projects must seek to conserve and use water more efficiently, increase the use of renewable energy and improve energy efficiency, benefit endangered and threatened species, facilitate water markets, or carry out activities to address climate-related impacts on water or prevent any water-related crisis or conflict.

The Sacramento Suburban Water District - Sacramento Regional Residential Water Meter Installation Project qualifies for cost share funding for water use efficiency and conservation activities under the WaterSMART WEEG Program since the project will result in water conserved. This project will conserve 518 acre-feet per year of water, and 10,360 acre-feet for the lifetime of the project.

SSWD led a similar successful collaborative effort in 2009 to install residential water meters. That project was funded by a USBR WaterSMART ARRA award. The project exceeded expectations. In total, 12,009 residential meters and 4 bulk water meter stations were installed with the combined local and grant shares. This compared to the original estimate of 9,743 residential meters and one bulk meter station as submitted in the original application. Additionally, we calculate that the grant funded portion of the project resulted in an average of 24.6 jobs created over the year of meter installations. This compared to our original estimate of 23 jobs created. The grant was managed by RWA on behalf of the recipients, with all reporting meeting Reclamation schedules.

SSWD was awarded an FY2012 USBR Bay-Delta Restoration Program Grant (Agreement R12AP20029) for a regional effort to install 4,021 meters in the Sacramento region. That effort is currently ongoing, with more than 2,290 meters installed through September 30, 2013. None of the meter projects in the current application are part of the past award.

SSWD was awarded an FY2012 WaterSMART: Water and Energy Efficiency Grant (Agreement R12AP20033) for the installation of an "in-conduit hydro" project for Sacramento Suburban Water District. That effort is currently ongoing with plans at the 50% level and discussions with the local utility, Sacramento Municipal Utilities District (SMUD) over purchase of the power generated from the project. The grant award is currently set to expire on September 30, 2014. SSWD is working with Reclamation to seek an extension due to delays caused by the power purchase negotiations with SMUD.

SSWD was awarded an FY2013 USBR Bay-Delta Restoration Program Grant (Agreement R13AP20052) for a regional effort to install 5,953 meters in the Sacramento region. That effort is currently ongoing. None of the meter projects in the current application are part of the past award.

OBJECTIVES

The project includes installation of 3,665 water meters on existing residential service connections. A current standard detail for a ¾-inch (in) or 1-in residential meter is shown in Attachment 2 of the proposal. The majority of residential customers have either a ¾-in or 1-in service, with some connections up to 2-inches. The feasibility of the project is well-established; the participants have extensive experience with planning and design on such projects having completed more than 50,000 residential meter installations since 2004.

BENEFITS

The project will result in savings of 518 ac-ft/yr. This is based on assuming an average of 126.1 gallons per day savings at each of the 3,665 households to receive meters with subsequent volumetric billing. $((126.1 \text{ gal/day} \times 365 \text{ days/yr} \times 3,665 \text{ units})/325,851 \text{ gal/ac-ft} = 518 \text{ ac-ft/yr})$.

The installation of a meter at a residence provides an opportunity for both the supplier and consumer to better manage supply. Therefore, it was assumed that the average annual water use by each of these customers is subject to better management. Assuming 3,665 customers to receive meters, an estimated 2,597 AF per year will be subject to being better managed by Reclamation and local utilities as a result of this project. The data used in making this calculation are shown in the table below broken down by each participating agency. Additionally, these efficiency improvements will have a direct benefit of assisting with maximizing operational flexibility in times of peak summer demands. For example, water savings will have the potential benefit of adding to storage to Folsom Reservoir and its cold water pool that can be optimized for releases to the Bay-Delta and downstream users.

4. PERIOD OF PERFORMANCE AND FUNDS AVAILABILITY

This Agreement becomes effective on the date shown in Block 17a of Form 7-2279, United States of America, Department of the Interior, Bureau of Reclamation, Assistance Agreement. The Agreement shall remain in effect until the date shown in Block 10 of Form 7-2279, United States of America, Department of the Interior, Bureau of Reclamation, Assistance Agreement. The period of performance for this Agreement may only be modified through written modification of the Agreement by a Reclamation Grants Officer (GO). **Agreements and modifications will not exceed a total of 5 years.**

No legal liability on the part of the Government for any payment may arise until funds are made available, in writing, to the Recipient by the Grants Officer. The total estimated amount of federal funding for this agreement is **\$298,500.00 (\$1,500.00 being held for NEPA)**, of which the initial amount of federal funds available is limited to **\$298,500.00 (\$1,500.00 being held for NEPA)** as indicated by "this obligation" within Block 12 of Form 7-2279, United States of America, Department of the Interior, Bureau of Reclamation, Assistance Agreement. Subject to the availability of Congressional appropriations, subsequent funds will be made available for payment through written modifications to this agreement by a Reclamation Grants Officer.

5. SCOPE OF WORK AND MILESTONES

The project includes the following objectives:

Objective 1. Project Management: The RWA project manager will oversee all aspects of the grant requirements on behalf of the participants to ensure they are in full compliance with funding terms. This will include coordination with Reclamation staff and ensuring that the participants complete their respective tasks as described below in compliance with applicable terms.

Objective 2. Environmental Documentation: A categorical exemption will be prepared per California Environmental Quality Act (CEQA) requirements by each of the participants prior to commencement of the construction element of the project. Each participant will provide a detailed plan map of their respective project areas to Reclamation for completion of the appropriate level of National Environmental Policy Act (NEPA) compliance prior to any ground disturbing activities.

Objective 3. Final Design: Each participating agency will utilize in-house staff to finalize the plans and details required for their respective project areas to go out to bid for the project. The standard meter installation detail specifications for the participating agencies are provided for reference in Attachment 2. Final design will include specifying the type of installation appropriate for a specific area (e.g., meters in sidewalk, landscaping, driveway, etc.).

Objective 4. Contractor Selection: Upon design completion, each participant will prepare bid documents, advertise the project, solicit bids to install meters, and identify a contractor through a competitive selection process consistent with funding agreement criteria.

Objective 5. Meter Installation: The selected contractor will install the meters on existing service connections as shown on the service area figures provided in Attachment 1 for each of the participants. Each participant will perform its own construction installation inspections.

Objective 6. Performance Reporting: RWA staff will compile information submitted by participating agencies and prepare consolidated reports for submission to Reclamation. Specific reporting includes:

- a. prepare semi-annual (or other frequency as specified by Reclamation) reports and reimbursement invoices of the combined participants for submission to Reclamation;
- b. preparation of the final project report at conclusion of the project;
- c. preparation of a minimum of two annual post-project reports to track expected versus actual water savings (described in Performance Measures and Project Monitoring section of the application below). Note that this is not included in the project schedule or budget, because it will extend beyond the project agreement deadline.

Milestones/Timeline/Schedule

Both participating agencies have been installing meter retrofits for more than a decade, so the implementation plan for the proposed project is well defined, including components related to working with grant fund requirements. The project is scheduled to be completed in two phases as described and depicted in the combined detailed graphical schedule included as Attachment 3 of the proposal.

| Objective | Title | Start | Finish |
|-------------|--------------------------------|--|----------------|
| Objective 1 | Project Management | September 2014 | September 2016 |
| Objective 2 | Environmental Documentation | September 2014 | October 2014 |
| Objective 3 | Final Design | | |
| | Phase 1 | September 2014 | October 2014 |
| | Phase 2 | September 2015 | October 2015 |
| Objective 4 | Contractor Selection | | |
| | Phase 1 | November 2014 | December 2014 |
| | Phase 2 | November 2015 | December 2015 |
| Objective 5 | Meter Installation | | |
| | a. Purchase and Install Meters | | |
| | Phase 1 | January 2015 | December 2015 |
| | Phase 2 | January 2016 | September 2016 |
| | b. Installation Inspection | | |
| | Phase 1 | January 2015 | December 2015 |
| | Phase 2 | January 2016 | September 2016 |
| Objective 6 | Performance Reporting | | |
| | a. Interim Reports/Invoices | February 2015, September 2015, February 2016, September 2016 | |
| | b. Final Report | | September 2016 |

6. RESPONSIBILITY OF THE PARTIES

6.1 Recipient Responsibilities

6.1.1 The Recipient shall be responsible for carrying out the Scope of Work. The Recipient shall adhere to Federal, state, and local laws, regulations, and codes, as applicable, and shall obtain all required approvals and permits. If applicable, the Recipient shall also coordinate and obtain approvals from site owners and operators. The recipient shall provide a plan on how project monitoring will be used to demonstrate, verify, and report project performance. Post-project verification of 518 AF of water better conserved is required.

6.1.2 The Recipient agrees to perform all tasks pursuant to and utilizing methods specified in the Recipient's proposal entitled, Sacramento Suburban Water District (Sacramento Regional Residential Water Meter Installation Project), dated January 2014. (Attachment 1)

6.2 Reclamation Responsibilities

6.2.1 Reclamation will monitor and provide Federal oversight of activities performed under this Agreement. Monitoring and oversight includes review and approval of financial status and performance reports, payment requests, and any other deliverables identified as part of the SOW. Additional monitoring activities may include site visits, conference calls, and other on-site and off-site monitoring activities. At the Recipient's request, Reclamation may also provide technical assistance to the Recipient in support of the SOW and objectives of this Agreement.

7. BUDGET

7.1 Budget Estimate. The following is the estimated budget for this Agreement. As Federal financial assistance agreements are cost-reimbursable, the budget provided is for estimation purposes only. Final costs incurred under the budget categories listed may be either higher or lower than the estimated costs. All costs incurred by the Recipient under this agreement must be in accordance with any pre-award clarifications conducted between the Recipient and Reclamation, as well as with the terms and conditions of this agreement. Final determination of the allowability, allocability, or reasonableness of costs incurred under this agreement is the responsibility of the Grants Officer. Recipients are encouraged to direct any questions regarding allowability, allocability or reasonableness of costs to the Grants Officer for review prior to incurrence of the costs in question.

| BUDGET ITEM DESCRIPTION | COMPUTATION | | RECIPIENT FUNDING | OTHER FUNDING | RECLAMATION FUNDING | TOTAL COST |
|--|-----------------------------|----------|-----------------------|---------------|---------------------|-----------------------|
| | \$/Unit and Unit | Quantity | | | | |
| 1. SALARIES AND WAGES --Position title x hourly wage/salary x est. hours for assisted activity. Describe this information for each position. | | | | | | |
| Project Manager | \$60/hr. | 128 | \$7,680.00 | | | \$7,680.00 |
| Project Engineer | \$50/hr. | 160 | \$8,000.00 | | | \$8,000.00 |
| Project Inspector | \$30/hr. @ 15 minutes/meter | 916 | \$27,488.00 | | | \$27,488.00 |
| 2. FRINGE BENEFITS – Explain the type of fringe benefits and how are they applied to various categories of personnel. | | | | | | |
| N/A | | | | | | |
| 3. TRAVEL —dates; location of travel; method of travel x estimated cost; who will travel | | | | | | |
| N/A | | | | | | |
| 4. EQUIPMENT —Leased Equipment use rate + hourly wage/salary x est. hours for assisted activity—Describe equipment to be purchased, unit price, # of units for all equipment to be purchased or leased for assisted activity: Do not list contractor supplied equipment here. | | | | | | |
| N/A | | | | | | |
| 5. SUPPLIES/MATERIALS --Describe all major types of supplies/materials, unit price, # of units, etc., to be used on this assisted activity. | | | | | | |
| Meters, meter boxes, meter lid, and meter setter. | \$452.93/unit | 3,665 | \$1,660,000.00 | | | \$1,660,000.00 |
| 6. CONTRACTUAL/ CONSTRUCTION —Explain any contracts or sub-Agreements that will be awarded, why needed. Explain contractor qualifications and how the contractor will be selected. | | | | | | |
| Contractor installation of meters | \$609.82/unit | 3,665 | \$1,936,500.00 | | \$298,500.00 | \$2,235,000.00 |
| 7. ENVIRONMENTAL and REGULATORY COMPLIANCE COSTS – Reference cost incurred by Reclamation or the applicant in complying with environmental regulations applicable to this Program, which include NEPA, ESA, NHPA etc. | | | | | | |
| NEPA | \$1,500/analysis | 1 | | | \$1,500.00 | \$1,500.00 |
| 8. OTHER –List any other cost elements necessary for your project; such as extra reporting, or contingencies in a construction contract. | | | | | | |
| None | | | | | | |
| TOTAL DIRECT COSTS-- | | | \$3,639,668.00 | | \$300,000.00 | \$3,939,668.00 |
| 9. INDIRECT COSTS - What is the percentage rate% . If you do not have a Federally-approved Indirect Cost Rate Agreement or if unapproved rates are used - Explain Why. | | | | | | |

| | | | | | | |
|-------------------------------|--|--|-----------------------|--|---------------------|-----------------------|
| N/A | | | | | | |
| TOTAL PROJECT/ACTIVITY | | | \$3,639,668.00 | | \$300,000.00 | \$3,939,668.00 |

| | | |
|-----------------------------|-----------------------|---------------------|
| RECIPIENT FUNDING | \$3,639,668.00 | \$0.00 |
| OTHER NON-FEDERAL FUNDING: | \$0.00 | \$0.00 |
| RECLAMATION FUNDING | \$0.00 | \$298,500.00 |
| OTHER FEDERAL FUNDING : N/A | \$0.00 | \$0.00 |
| TOTALS | \$3,639,668.00 | \$298,500.00 |

(Reclamation: \$1,500.00 Held for NEPA**)**

7.2 Cost Sharing Requirement

At least 92 % non-Federal cost-share is required for costs incurred under this Agreement. If pre-award costs are authorized, reimbursement of these costs is limited to federal cost share percentage identified in this agreement.

7.3 Pre-Award Incurrence of Costs

The Recipient shall be entitled to reimbursement for costs incurred on or after **July 1, 2013**, which if had been incurred after this Agreement was entered into, would have been allowable, allocable, and reasonable under the terms and conditions of this Agreement.

7.4 Allowable Costs (2 CFR Part §225)

Costs incurred for the performance of this Agreement must be allowable, allocable to the project, and reasonable. The following Office of Management and Budget (OMB) Circular, codified within the Code of Federal Regulations (CFR), governs the allowability of costs for Federal financial assistance:

2 CFR Part 225 (OMB Circular A-87), "Cost Principles for State, Local, and Indian Tribal Governments"

Expenditures for the performance of this Agreement must conform to the requirements within this Circular. The Recipient must maintain sufficient documentation to support these expenditures. Questions on the allowability of costs should be directed to the GO responsible for this Agreement.

The Recipient shall not incur costs or obligate funds for any purpose pertaining to operation of the program or activities beyond the expiration date stated in the Agreement. The only costs which are authorized for a period of up to 90 days following the project performance period are those strictly associated with closeout activities for preparation of the final report.

7.5 Changes (43 CFR §12.70)

(a) *General.* Grantees and subgrantees are permitted to rebudget within the approved direct cost budget to meet unanticipated requirements and may make limited program changes to the approved project. However, unless waived by the awarding agency, certain types of post-award changes in budgets and projects shall require the prior written approval of the awarding agency.

(b) *Relation to cost principles.* The applicable cost principles (see 43 §12.62) contain requirements for prior approval of certain types of costs. Except where waived, those requirements apply to all grants and subgrants even if paragraphs (c) through (f) of this section do not.

(c) *Budget changes.*

(1) *Nonconstruction projects.* Except as stated in other regulations or an award document, grantees or subgrantees shall obtain the prior approval of the awarding agency whenever any of the following changes is anticipated under a nonconstruction award:

(i) Any revision which would result in the need for additional funding.

(ii) Unless waived by the awarding agency, cumulative transfers among direct cost categories, or, if applicable, among separately budgeted programs, projects, functions, or activities which exceed or are expected to exceed ten percent of the current total approved budget, whenever the awarding agency's share exceeds \$100,000.

(iii) Transfer of funds allotted for training allowances (i.e., from direct payments to trainees to other expense categories).

(2) *Construction projects.* Grantees and subgrantees shall obtain prior written approval for any budget revision which would result in the need for additional funds.

(3) *Combined construction and nonconstruction projects.* When a grant or subgrant provides funding for both construction and nonconstruction activities, the grantee or subgrantee must obtain prior written approval from the awarding agency before making any fund or budget transfer from nonconstruction to construction or vice versa.

(d) *Programmatic changes.* Grantees or subgrantees must obtain the prior approval of the awarding agency whenever any of the following actions is anticipated:

(1) Any revision of the scope or objectives of the project (regardless of whether there is an associated budget revision requiring prior approval).

(2) Need to extend the period of availability of funds.

(3) Changes in key persons in cases where specified in an application or a grant award. In research projects, a change in the project director or principal investigator shall always require approval unless waived by the awarding agency.

(4) Under nonconstruction projects, contracting out, subgranting (if authorized by law) or otherwise obtaining the services of a third party to perform activities which are central to the purposes of the award, *unless included in the initial funding proposal*. This approval requirement is in addition to the approval requirements of 43 §12.76 but does not apply to the procurement of equipment, supplies, and general support services.

(e) *Additional prior approval requirements.* The awarding agency may not require prior approval for any budget revision which is not described in paragraph (c) of this section.

(f) *Requesting prior approval.*

(1) A request for prior approval of any budget revision will be in the same budget format the grantee used in its application and shall be accompanied by a narrative justification for the proposed revision.

(2) A request for a prior approval under the applicable Federal cost principles (see §12.62) may be made by letter.

(3) A request by a subgrantee for prior approval will be addressed in writing to the grantee. The grantee will promptly review such request and shall approve or disapprove the request in writing. A grantee will not approve any budget or project revision which is inconsistent with the purpose or terms and conditions of the Federal grant to the grantee. If the revision, requested by the subgrantee would result in a change to the grantee's

approved project which requires Federal prior approval, the grantee will obtain the Federal agency's approval before approving the subgrantee's request.

7.6 Modifications

Any changes to this Agreement shall be made by means of a written modification. Reclamation may make changes to the Agreement by means of a unilateral modification to address administrative matters, such as changes in address, no-cost time extensions, or the addition of previously agreed upon funding. Additionally, a unilateral modification may be utilized by Reclamation if it should become necessary to suspend or terminate the Agreement in accordance with 43 CFR 12.83.

All other changes shall be made by means of a bilateral modification to the Agreement. No oral statement made by any person, or written statement by any person other than the GO, shall be allowed in any manner or degree to modify or otherwise effect the terms of the Agreement.

All requests for modification of the Agreement shall be made in writing, provide a full description of the reason for the request, and be sent to the attention of the GO. Any request for project extension shall be made at least 45 days prior to the expiration date of the Agreement or the expiration date of any extension period that may have been previously granted. Any determination to extend the period of performance or to provide follow-on funding for continuation of a project is solely at the discretion of Reclamation.

8. KEY PERSONNEL

8.1 Recipient's Key Personnel

The Recipient's Project Manager for this Agreement shall be:

Mr. Rob Swartz, Project Manager
Regional Water Authority
5620 Birdcage Street, Suite #180
Citrus Heights, CA 95610
Email: rswartz@rwah2o.org
Phone: 916-967-7692
Fax: (916) 967-7322

Changes to Key Personnel require compliance with 43 CFR 12.70(d)(3).

8.2 Reclamation's Key Personnel

8.2.1 Grants Officer (GO):

Ms. Teresa E. Brown, MP-3839
Bureau of Reclamation, Mid-Pacific Region
2800 Cottage Way, Room E-1815
Sacramento, California 95825-1898
Email: tebrown@usbr.gov
Phone: (916) 978-5049
Fax: (916) 978-5175

- (a) The GO is the only official with legal delegated authority to represent Reclamation. The GO's responsibilities include, but are not limited to, the following:
- (1) Formally obligate Reclamation to expend funds or change the funding level of the Agreement;
 - (2) Approve through formal modification changes in the scope of work and/or budget;

- (3) Approve through formal modification any increase or decrease in the period of performance of the Agreement;
- (4) Approve through formal modification changes in any of the expressed terms, conditions, or specifications of the Agreement;
- (5) Be responsible for the overall administration, management, and other non-programmatic aspects of the Agreement including, but not limited to, interpretation of financial assistance statutes, regulations, circulars, policies, and terms of the Agreement;
- (6) Where applicable, ensures that Reclamation complies with the administrative requirements required by statutes, regulations, circulars, policies, and terms of the Agreement.

8.2.2 Grants Officer Technical Representative (GOTR):

Ms. Pauline Calvillo, CC-404
Bureau of Reclamation, Mid Pacific Region
7794 Folsom Dam Road
Folsom, CA 95630
pcalvillo@usbr.gov
Phone: 916-989-7275
Fax: (916) 989-7208

- (a) The GOTR's authority is limited to technical and programmatic aspects of the Agreement. The GOTR's responsibilities include, but are not limited to, the following:
 - (1) Assist the Recipient, as necessary, in interpreting and carrying out the scope of work in the Agreement;
 - (2) Review, and where required, approve Recipient reports and submittals as required by the Agreement;
 - (3) Where applicable, monitor the Recipient to ensure compliance with the technical requirements of the Agreement;
 - (4) Where applicable, ensure that Reclamation complies with the technical requirements of the Agreement;
- (b) The GOTR does not have the authority to and may not issue any technical assistance which:
 - (1) Constitutes an assignment of additional work outside the scope of work of the Agreement;
 - (2) In any manner causes an increase or decrease in the total estimated cost or the time required for performance; or
 - (3) Changes any of the expressed terms, conditions, or specifications of the Agreement.

8.2.3 Grants Management Specialist. The Grants Management Specialist is the primary administrative point of contact for this agreement and should be contacted regarding issues related to the day-to-day management of the agreement. Requests for approval regarding the terms and conditions of the agreement, including but not limited to modifications and prior approval, may only be granted, in writing, by a Reclamation Grants Officer. Please note that for some agreements, the Grants Officer and the Grants Management Specialist may be the same individual.

Ms. Teresa E. Brown, MP-3839
Bureau of Reclamation, Mid-Pacific Region
2800 Cottage Way, Room E-1815
Sacramento, California 95825-1898
Email: tebrown@usbr.gov
Phone: (916) 978-5049

Fax: (916) 978-5175

9. REPORTING REQUIREMENTS AND DISTRIBUTION

9.1 Noncompliance. Failure to comply with the reporting requirements contained in this Agreement may be considered a material non-compliance with the terms and conditions of the award. Non compliance may result in withholding of payments pending receipt of required reports, denying both the use of funds and matching credit for all or part of the cost of the activity or action not in compliance, whole or partial suspension or termination of the Agreement, recovery of funds paid under the Agreement, withholding of future awards, or other legal remedies in accordance with 43 CFR §12.83.

9.2 Financial Reports. Financial Status Reports shall be submitted by means of the SF-425 and shall be submitted according to the Report Frequency and Distribution schedule below. All financial reports shall be signed by an Authorized Certifying Official for the Recipient's organization.

9.3 Monitoring and reporting program performance (43 CFR §12.80)

(a) *Monitoring by grantees.* Grantees are responsible for managing the day-to-day operations of grant and subgrant supported activities. Grantees must monitor grant and subgrant supported activities to assure compliance with applicable Federal requirements and that performance goals are being achieved. Grantee monitoring must cover each program, function or activity.

(b) *Nonconstruction performance reports.* The Federal agency may, if it decides that performance information available from subsequent applications contains sufficient information to meet its programmatic needs, require the grantee to submit a performance report only upon expiration or termination of grant support. Unless waived by the Federal agency this report will be due on the same date as the final Financial Status Report.

(1) Grantees shall submit annual performance reports unless the awarding agency requires quarterly or semi-annual reports. However, performance reports will not be required more frequently than quarterly. Annual reports shall be due 90 days after the grant year, quarterly or semi-annual reports shall be due 30 days after the reporting period. The final performance report will be due 90 days after the expiration or termination of grant support. If a justified request is submitted by a grantee, the Federal agency may extend the due date for any performance report. Additionally, requirements for unnecessary performance reports may be waived by the Federal agency.

(2) Performance reports will contain, for each grant, brief information on the following:

(i) A comparison of actual accomplishments to the objectives established for the period. Where the output of the project can be quantified, a computation of the cost per unit of output may be required if that information will be useful.

(ii) The reasons for slippage if established objectives were not met.

(iii) Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

(3) Grantees will not be required to submit more than the original and two copies of performance reports.

(4) Grantees will adhere to the standards in this section in prescribing performance reporting requirements for subgrantees.

(c) *Construction performance reports.* For the most part, on-site technical inspections and certified percentage-of-completion data are relied on heavily by Federal agencies to monitor progress under construction grants and subgrants. The Federal agency will require additional formal performance reports only when considered necessary, and never more frequently than quarterly.

(d) *Significant developments.* Events may occur between the scheduled performance reporting dates which have significant impact upon the grant or subgrant supported activity. In such cases, the grantee must inform the Federal agency as soon as the following types of conditions become known:

(1) Problems, delays, or adverse conditions which will materially impair the ability to meet the objective of the award. This disclosure must include a statement of the action taken, or contemplated, and any assistance needed to resolve the situation.

(2) Favorable developments which enable meeting time schedules and objectives sooner or at less cost than anticipated or producing more beneficial results than originally planned.

(e) Federal agencies may make site visits as warranted by program needs.

(f) *Waivers, extensions.*

(1) Federal agencies may waive any performance report required by this part if not needed.

(2) The grantee may waive any performance report from a subgrantee when not needed. The grantee may extend the due date for any performance report from a subgrantee if the grantee will still be able to meet its performance reporting obligations to the Federal agency.

9.4 Report Frequency and Distribution. The following table sets forth the reporting requirements for this Agreement. Please note the first report due date listed for each type of report.

| Required Reports | Interim Reports | Final Report |
|---------------------------------|--|--|
| Performance Report | | |
| Format | No specific format required. See content requirements within Section 9.3 (43 CFR 12.80) above. | Summary of activities completed during the entire period of performance is required. See content requirements within Section 9.3 (43 CFR 12.80) above. |
| Reporting Frequency | Semi-Annual | Final Report due upon completion of Agreement's period of performance |
| Reporting Period | For Semi-Annual Reporting: October 1, 2014 through March 31, 2015 and April 1, 2015 through September 30, 2015. | Entire period of performance |
| Due Date* | Semi-Annual Reporting: Within 30 days after the end of the Reporting Period. | Within 90 days after the completion date of the Agreement |
| First Report Due Date | The first performance report is due for reporting period ending March 31, 2015. | N/A |
| Submit to: | Grants Management Specialist | Grants Management Specialist |
| Federal Financial Report | | |
| Format | SF-425 (all sections must be completed) | SF-425(all sections must be completed) |
| Reporting Frequency | Semi-Annual | Final Report due upon completion of Agreement's period of performance |
| Reporting Period | For Semi-Annual Reporting: October 1, 2014 through March 31, 2015 and April 1, 2015 through September 30, 2015. | Entire period of performance |
| Due Date* | Semi-Annual Reporting: Within 30 days after the end of the Reporting Period. | Within 90 days after the completion date of the Agreement |
| First Report Due Date | The first Federal financial report is due for reporting period ending March 31, 2015. | N/A |
| Submit to: | Grants Management Specialist | Grants Management Specialist |

* If the completion date is prior to the end of the next reporting period, then no interim report is due for that period. Instead, the Recipient is required only to submit the final financial and performance reports, which will cover the entire period of performance including the last abbreviated reporting period.

10. REGULATORY COMPLIANCE

The Recipient agrees to comply or assist Reclamation with all regulatory compliance requirements and all applicable state, Federal, and local environmental and cultural and paleontological resource protection laws and regulations as applicable to this project. These may include, but are not limited to, the National Environmental Policy Act (NEPA), including the Council on Environmental Quality and Department of the Interior regulations implementing NEPA, the Clean Water Act, the Endangered Species Act, consultation with potentially affected Tribes, and consultation with the State Historic Preservation Office.

Certain environmental and other associated compliance are Federal responsibilities, and will occur as appropriate. Reclamation will identify the need for and will complete any appropriate environmental compliance requirements, as identified above, pertinent to Reclamation pursuant to activities specific to this assisted activity. Environmental and other associated compliance shall be completed prior to the start of this project. As such, notwithstanding any other provision of this Agreement, Reclamation shall not provide any funds to the Recipient for Agreement purposes, and the Recipient shall not begin implementation of the assisted activity described in this Agreement, until Reclamation provides written notice to the Recipient that all applicable environmental and regulatory compliance analyses and clearances have been completed and that the Recipient may begin implementation of the assisted activity. If the Recipient begins project activities that require environmental and other regulatory compliance approval, such as construction activities, prior to receipt of written notice from Reclamation that all such clearances have been obtained, then Reclamation reserves the right to unilaterally terminate this agreement for cause.

11. AGRICULTURAL OPERATIONS [Public Law 111-11, Section 9504(a)(3)(B)]

The Recipient shall not use any associated water savings to increase the total irrigated acreage of the Recipient or otherwise increase the consumptive use of water in the operation of the Recipient, as determined pursuant to the law of the State in which the operation of Recipient is located.

12. TITLE TO IMPROVEMENTS [Public Law 111-11, Section 9504(a)(3)(D)]

If the activities funded under this Agreement result in an infrastructure improvement to a federally owned facility, the Federal Government shall continue to hold title to the facility and improvements to the facility.

13. OPERATION AND MAINTENANCE COSTS [Public Law 111-11, Section 9504(a)(3)(E)(iv.)]

The non-Federal share of the cost of operating and maintaining any infrastructure improvement funded through this Agreement shall be 100 percent.

14. LIABILITY [Public Law 111-11, Section 9504(a)(3)(F)]

(a) IN GENERAL.—Except as provided under chapter 171 of title 28, United States Code (commonly known as the “Federal Tort Claims Act”), the United States shall not be liable for monetary damages of any kind for any injury arising out of an act, omission, or occurrence that arises in relation to any facility created or improved under this Agreement, the title of which is not held by the United States.

(b) TORT CLAIMS ACT.—Nothing in this section increases the liability of the United States beyond that provided in chapter 171 of title 28, United States Code (commonly known as the “Federal Tort Claims Act”).

II. RECLAMATION STANDARD TERMS AND CONDITIONS - STATES, LOCAL GOVERNMENTS, AND FEDERALLY RECOGNIZED INDIAN TRIBAL GOVERNMENTS

1. REGULATIONS

The regulations at 43 CFR, Part 12, Subparts A, C, E, and F, are hereby incorporated by reference as though set forth in full text. The following Office of Management and Budget (OMB) Circulars, as applicable, and as implemented by 43 CFR Part 12, are also incorporated by reference and made a part of this Agreement. Failure of a Recipient to comply with any applicable regulation or circular may be the basis for withholding payments for proper charges made by the Recipient and/or for termination of support.

1.1 Colleges and Universities that are Recipients or sub-recipients shall use the following:

2 CFR Parts 215 and 220 (Circular A 21), "Cost Principles for Educational Institutions"

Circular A 110, as amended September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" (Codification by Department of Interior, 43 CFR 12, Subpart F)

Circular A-133, revised June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations"

1.2 State, Local and Tribal Governments that are Recipients or sub-recipients shall use the following:

2 CFR Part 225 (Circular A 87), "Cost Principles for State, Local, and Indian Tribal Governments"

Circular A 102, as amended August 29, 1997, "Grants and Cooperative Agreements with State and Local Governments" (Grants Management Common Rule, Codification by Department of Interior, 43 CFR 12, Subpart C)

Circular A-133, revised June 27, 2003, Audits of States, Local Governments, and Non-Profit Organizations"

1.3 Nonprofit Organizations that are Recipients or sub-recipients shall use the following:

2 CFR Part 230 (Circular A 122), "Cost Principles for Non-Profit Organizations"

Circular A 110, as amended September 30, 1999, "Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations" (Codification by Department of Interior, 43 CFR 12, Subpart F)

Circular A-133, revised June 27, 2003, "Audits of States, Local Governments, and Non-Profit Organizations"

1.4 Organizations other than those indicated above that are Recipients or sub-recipients shall use the basic principles of OMB Circular A-110 (Codification by Department of Interior, 43 CFR 12, Subpart F), and cost principles shall be in accordance with 48 CFR Subpart 31.2.

1.5 43 CFR 12.77 sets forth further regulations that govern the award and administration of subawards by State governments.

2. PAYMENT

2.1 Payment Standards. (43 CFR §12.61)

(a) *Scope.* This section prescribes the basic standard and the methods under which a Federal agency will make payments to grantees, and grantees will make payments to subgrantees and contractors.

(b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) *Advances.* Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee.

(d) *Reimbursement.* Reimbursement shall be the preferred method when the requirements in paragraph (c) of this section are not met. Grantees and subgrantees may also be paid by reimbursement for any construction grant. Except as otherwise specified in regulation, Federal agencies shall not use the percentage of completion method to pay construction grants. The grantee or subgrantee may use that method to pay its construction contractor, and if it does, the awarding agency's payments to the grantee or subgrantee will be based on the grantee's or subgrantee's actual rate of disbursement.

(e) *Working capital advances.* If a grantee cannot meet the criteria for advance payments described in paragraph (c) of this section, and the Federal agency has determined that reimbursement is not feasible because the grantee lacks sufficient working capital, the awarding agency may provide cash or a working capital advance basis. Under this procedure the awarding agency shall advance cash to the grantee to cover its estimated disbursement needs for an initial period generally geared to the grantee's disbursing cycle. Thereafter, the awarding agency shall reimburse the grantee for its actual cash disbursements. The working capital advance method of payment shall not be used by grantees or subgrantees if the reason for using such method is the unwillingness or inability of the grantee to provide timely advances to the subgrantee to meet the subgrantee's actual cash disbursements.

(f) *Effect of program income, refunds, and audit recoveries on payment.*

(1) Grantees and subgrantees shall disburse repayments to and interest earned on a revolving fund before requesting additional cash payments for the same activity.

(2) Except as provided in paragraph (f)(1) of this section, grantees and subgrantees shall disburse program income, rebates, refunds, contract settlements, audit recoveries and interest earned on such funds before requesting additional cash payments.

(g) *Withholding payments.*

(1) Unless otherwise required by Federal statute, awarding agencies shall not withhold payments for proper charges incurred by grantees or subgrantees unless—

(i) The grantee or subgrantee has failed to comply with grant award conditions, or

(ii) The grantee or subgrantee is indebted to the United States.

(2) Cash withheld for failure to comply with grant award condition, but without suspension of the grant, shall be released to the grantee upon subsequent compliance. When a grant is suspended, payment adjustments will be made in accordance with §12.83(c).

(3) A Federal agency shall not make payment to grantees for amounts that are withheld by grantees or subgrantees from payment to contractors to assure satisfactory completion of work. Payments shall be made by the Federal agency when the grantees or subgrantees actually disburse the withheld funds to the contractors or to escrow accounts established to assure satisfactory completion of work.

(h) *Cash depositories.*

(1) Consistent with the national goal of expanding the opportunities for minority business enterprises, grantees and subgrantees are encouraged to use minority banks (a bank which is owned at least 50 percent by minority group members). A list of minority owned banks can be obtained from the Minority Business Development Agency, Department of Commerce, Washington, DC 20230.

(2) A grantee or subgrantee shall maintain a separate bank account only when required by Federal-State Agreement.

(i) *Interest earned on advances.* Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-Determination Act (23 U.S.C. 450), grantees and subgrantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or subgrantee may keep interest amounts up to \$100 per year for administrative expenses.

2.2 Payment Method

Recipients must utilize the Department of Treasury Automated Standard Application for Payments (ASAP) payment system to request advance or reimbursement payments. ASAP is a Recipient-initiated payment and information system designed to provide a single point of contact for the request and delivery of Federal funds. ASAP is the only allowable method for request and receipt of payment. Recipient procedures must minimize the time elapsing between the drawdown of Federal funds and the disbursement for agreement purposes.

Recipients must complete enrollment in ASAP for all active financial assistance agreements with Reclamation. ASAP enrollment is specific to each Agency and Bureau; meaning, if a Recipient organization has an existing ASAP account with another Federal agency or Department of the Interior bureau, but not with Reclamation, then the Recipient must initiate and complete enrollment in ASAP under Reclamation's Agency Location Code (1425) through submission of an enrollment form found at www.usbr.gov/mso/aamd/asap.html. For information regarding ASAP enrollment, please visit www.usbr.gov/mso/aamd/asap.html, or contact the Reclamation ASAP Help Desk BOR_ASAP_Enroll@usbr.gov. Further information regarding ASAP may be obtained from the ASAP website at <http://www.fms.treas.gov/asap>.

3. PROCUREMENT STANDARDS (43 CFR §12.76)

(a) *States.* When procuring property and services under a grant, a state will follow the same policies and procedures it uses for procurements from its non-Federal funds. The state will ensure that every purchase order or other contract includes any clauses required by Federal statutes and executive orders and their implementing regulations. Other grantees and subgrantees will follow paragraphs (b) through (i) in this section.

(b) *Procurement standards.*

(1) Grantees and subgrantees will use their own procurement procedures which reflect applicable State and local laws and regulations, provided that the procurements conform to applicable Federal law and the standards identified in this section.

(2) Grantees and subgrantees will maintain a contract administration system which ensures that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders.

(3) Grantees and subgrantees will maintain a written code of standards of conduct governing the performance of their employees engaged in the award and administration of contracts. No employee, officer or agent of the grantee or subgrantee shall participate in selection, or in the award or administration of a contract supported by Federal funds if a conflict of interest, real or apparent, would be involved. Such a conflict would arise when:

(i) The employee, officer or agent,

(ii) Any member of his immediate family,

(iii) His or her partner, or

(iv) An organization which employs, or is about to employ, any of the above, has a financial or other interest in the firm selected for award. The grantee's or subgrantee's officers, employees or agents will neither solicit nor accept gratuities, favors or anything of monetary value from contractors, potential contractors, or parties to subagreements. Grantee and subgrantees may set minimum rules where the financial interest is not substantial or the gift is an unsolicited item of nominal intrinsic value. To the extent

permitted by State or local law or regulations, such standards or conduct will provide for penalties, sanctions, or other disciplinary actions for violations of such standards by the grantee's and subgrantee's officers, employees, or agents, or by contractors or their agents. The awarding agency may in regulation provide additional prohibitions relative to real, apparent, or potential conflicts of interest.

(4) Grantee and subgrantee procedures will provide for a review of proposed procurements to avoid purchase of unnecessary or duplicative items. Consideration should be given to consolidating or breaking out procurements to obtain a more economical purchase. Where appropriate, an analysis will be made of lease versus purchase alternatives, and any other appropriate analysis to determine the most economical approach.

(5) To foster greater economy and efficiency, grantees and subgrantees are encouraged to enter into State and local intergovernmental agreements for procurement or use of common goods and services.

(6) Grantees and subgrantees are encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

(7) Grantees and subgrantees are encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

(8) Grantees and subgrantees will make awards only to responsible contractors possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as contractor integrity, compliance with public policy, record of past performance, and financial and technical resources.

(9) Grantees and subgrantees will maintain records sufficient to detail the significant history of a procurement. These records will include, but are not necessarily limited to the following: rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(10) Grantees and subgrantees will use time and material type contracts only—

(i) After a determination that no other contract is suitable, and

(ii) If the contract includes a ceiling price that the contractor exceeds at its own risk.

(11) Grantees and subgrantees alone will be responsible, in accordance with good administrative practice and sound business judgment, for the settlement of all contractual and administrative issues arising out of procurements. These issues include, but are not limited to source evaluation, protests, disputes, and claims. These standards do not relieve the grantee or subgrantee of any contractual responsibilities under its contracts. Federal agencies will not substitute their judgment for that of the grantee or subgrantee unless the matter is primarily a Federal concern. Violations of law will be referred to the local, State, or Federal authority having proper jurisdiction.

(12) Grantees and subgrantees will have protest procedures to handle and resolve disputes relating to their procurements and shall in all instances disclose information regarding the protest to the awarding agency. A protestor must exhaust all administrative remedies with the grantee and subgrantee before pursuing a protest with the Federal agency. Reviews of protests by the Federal agency will be limited to:

(i) Violations of Federal law or regulations and the standards of this section (violations of State or local law will be under the jurisdiction of State or local authorities) and

(ii) Violations of the grantee's or subgrantee's protest procedures for failure to review a complaint or protest. Protests received by the Federal agency other than those specified above will be referred to the grantee or subgrantee.

(c) *Competition.*

(1) All procurement transactions will be conducted in a manner providing full and open competition consistent with the standards of §12.76. Some of the situations considered to be restrictive of competition include but are not limited to:

- (i) Placing unreasonable requirements on firms in order for them to qualify to do business,
- (ii) Requiring unnecessary experience and excessive bonding,
- (iii) Noncompetitive pricing practices between firms or between affiliated companies,
- (iv) Noncompetitive awards to consultants that are on retainer contracts,
- (v) Organizational conflicts of interest,
- (vi) Specifying only a “brand name” product instead of allowing “an equal” product to be offered and describing the performance of other relevant requirements of the procurement, and
- (vii) Any arbitrary action in the procurement process.

(2) Grantees and subgrantees will conduct procurements in a manner that prohibits the use of statutorily or administratively imposed in-State or local geographical preferences in the evaluation of bids or proposals, except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Nothing in this section preempts State licensing laws. When contracting for architectural and engineering (A/E) services, geographic location may be a selection criteria provided its application leaves an appropriate number of qualified firms, given the nature and size of the project, to compete for the contract.

(3) Grantees will have written selection procedures for procurement transactions. These procedures will ensure that all solicitations:

- (i) Incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description shall not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product or service to be procured, and when necessary, shall set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. Detailed product specifications should be avoided if at all possible. When it is impractical or uneconomical to make a clear and accurate description of the technical requirements, a “brand name or equal” description may be used as a means to define the performance or other salient requirements of a procurement. The specific features of the named brand which must be met by offerors shall be clearly stated; and
- (ii) Identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

(4) Grantees and subgrantees will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, grantees and subgrantees will not preclude potential bidders from qualifying during the solicitation period.

(d) *Methods of procurement to be followed* —(1) *Procurement by small purchase procedures.* Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than the simplified acquisition threshold fixed at 41 U.S.C. 403(11) (currently set at \$150,000). If small purchase procedures are used, price or rate quotations shall be obtained from an adequate number of qualified sources.

(2) Procurement by *sealed bids* (formal advertising). Bids are publicly solicited and a firm-fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in §12.76(d)(2)(i) apply.

(i) In order for sealed bidding to be feasible, the following conditions should be present:

- (A) A complete, adequate, and realistic specification or purchase description is available;
- (B) Two or more responsible bidders are willing and able to compete effectively and for the business; and
- (C) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.

(ii) If sealed bids are used, the following requirements apply:

- (A) The invitation for bids will be publicly advertised and bids shall be solicited from an adequate number of known suppliers, providing them sufficient time prior to the date set for opening the bids;
- (B) The invitation for bids, which will include any specifications and pertinent attachments, shall define the items or services in order for the bidder to properly respond;
- (C) All bids will be publicly opened at the time and place prescribed in the invitation for bids;
- (D) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs shall be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
- (E) Any or all bids may be rejected if there is a sound documented reason.

(3) Procurement by *competitive proposals*. The technique of competitive proposals is normally conducted with more than one source submitting an offer, and either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

- (i) Requests for proposals will be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals shall be honored to the maximum extent practical;
- (ii) Proposals will be solicited from an adequate number of qualified sources;
- (iii) Grantees and subgrantees will have a method for conducting technical evaluations of the proposals received and for selecting awardees;
- (iv) Awards will be made to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
- (v) Grantees and subgrantees may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(4) Procurement by *noncompetitive proposals* is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate.

(i) Procurement by noncompetitive proposals may be used only when the award of a contract is infeasible under small purchase procedures, sealed bids or competitive proposals and one of the following circumstances applies:

(A) The item is available only from a single source;

(B) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(C) The awarding agency authorizes noncompetitive proposals; or

(D) After solicitation of a number of sources, competition is determined inadequate.

(ii) Cost analysis, i.e., verifying the proposed cost data, the projections of the data, and the evaluation of the specific elements of costs and profits, is required.

(iii) Grantees and subgrantees may be required to submit the proposed procurement to the awarding agency for pre-award review in accordance with paragraph (g) of this section.

(e) *Contracting with small and minority firms, women's business enterprise and labor surplus area firms.* (1) The grantee and subgrantee will take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are used when possible.

(2) Affirmative steps shall include:

(i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

(ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

(iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;

(iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;

(v) Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce; and

(vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (e)(2) (i) through (v) of this section.

(f) *Contract cost and price.*

(1) Grantees and subgrantees must perform a cost or price analysis in connection with every procurement action including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, grantees must make independent estimates before receiving bids or proposals. A cost analysis must be performed when the offeror is required to submit the elements of his estimated cost, e.g., under professional, consulting, and architectural engineering services contracts. A cost analysis will be necessary when adequate price competition is lacking, and for sole source procurements, including contract modifications or change orders, unless price reasonableness can be established on the basis of a catalog or market price of a commercial product sold in substantial quantities to the general

public or based on prices set by law or regulation. A price analysis will be used in all other instances to determine the reasonableness of the proposed contract price.

(2) Grantees and subgrantees will negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration will be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

(3) Costs or prices based on estimated costs for contracts under grants will be allowable only to the extent that costs incurred or cost estimates included in negotiated prices are consistent with Federal cost principles (see §12.62). Grantees may reference their own cost principles that comply with the applicable Federal cost principles.

(4) The cost plus a percentage of cost and percentage of construction cost methods of contracting shall not be used.

(g) *Awarding agency review.*

(1) Grantees and subgrantees must make available, upon request of the awarding agency, technical specifications on proposed procurements where the awarding agency believes such review is needed to ensure that the item and/or service specified is the one being proposed for purchase. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if the grantee or subgrantee desires to have the review accomplished after a solicitation has been developed, the awarding agency may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(2) Grantees and subgrantees must on request make available for awarding agency pre-award review procurement documents, such as requests for proposals or invitations for bids, independent cost estimates, etc. when:

(i) A grantee's or subgrantee's procurement procedures or operation fails to comply with the procurement standards in this section; or

(ii) The procurement is expected to exceed the simplified acquisition threshold and is to be awarded without competition or only one bid or offer is received in response to a solicitation; or

(iii) The procurement, which is expected to exceed the simplified acquisition threshold, specifies a "brand name" product; or

(iv) The proposed award is more than the simplified acquisition threshold and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(v) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the simplified acquisition threshold.

(3) A grantee or subgrantee will be exempt from the pre-award review in paragraph (g)(2) of this section if the awarding agency determines that its procurement systems comply with the standards of this section.

(i) A grantee or subgrantee may request that its procurement system be reviewed by the awarding agency to determine whether its system meets these standards in order for its system to be certified. Generally, these reviews shall occur where there is a continuous high-dollar funding, and third-party contracts are awarded on a regular basis.

(ii) A grantee or subgrantee may self-certify its procurement system. Such self-certification shall not limit the awarding agency's right to survey the system. Under a self-certification procedure, awarding agencies

may wish to rely on written assurances from the grantee or subgrantee that it is complying with these standards. A grantee or subgrantee will cite specific procedures, regulations, standards, etc., as being in compliance with these requirements and have its system available for review.

(h) *Bonding requirements.* For construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold, the awarding agency may accept the bonding policy and requirements of the grantee or subgrantee provided the awarding agency has made a determination that the awarding agency's interest is adequately protected. If such a determination has not been made, the minimum requirements shall be as follows:

(1) *A bid guarantee from each bidder equivalent to five percent of the bid price.* The "bid guarantee" shall consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of his bid, execute such contractual documents as may be required within the time specified.

(2) *A performance bond on the part of the contractor for 100 percent of the contract price.* A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(3) *A payment bond on the part of the contractor for 100 percent of the contract price.* A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

(i) *Contract provisions.* A grantee's and subgrantee's contracts must contain provisions in paragraph (i) of this section. Federal agencies are permitted to require changes, remedies, changed conditions, access and records retention, suspension of work, and other clauses approved by the Office of Federal Procurement Policy.

(1) Administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as may be appropriate. (Contracts more than the simplified acquisition threshold.)

(2) Termination for cause and for convenience by the grantee or subgrantee including the manner by which it will be effected and the basis for settlement. (All contracts in excess of \$10,000.)

(3) Compliance with Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60). (All construction contracts awarded in excess of \$10,000 by grantees and their contractors or subgrantees.)

(4) Compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR Part 3). (All contracts and subgrants for construction or repair.)

(5) Compliance with the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts in excess of \$2000 awarded by grantees and subgrantees when required by Federal grant program legislation.)

(6) Compliance with Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR Part 5). (Construction contracts awarded by grantees and subgrantees in excess of \$2000, and in excess of \$2500 for other contracts which involve the employment of mechanics or laborers.)

(7) Notice of awarding agency requirements and regulations pertaining to reporting.

(8) Notice of awarding agency requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course of or under such contract.

(9) Awarding agency requirements and regulations pertaining to copyrights and rights in data.

(10) Access by the grantee, the subgrantee, the Federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives to any books, documents, papers, and records of the contractor which are directly pertinent to that specific contract for the purpose of making audit, examination, excerpts, and transcriptions.

(11) Retention of all required records for three years after grantees or subgrantees make final payments and all other pending matters are closed.

(12) Compliance with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857(h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15). (Contracts, subcontracts, and subgrants of amounts in excess of \$100,000.)

(13) Mandatory standards and policies relating to energy efficiency which are contained in the State energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94-163, 89 Stat. 871).

4. EQUIPMENT (43 CFR §12.72)

(a) *Title.* Subject to the obligations and conditions set forth in this section, title to equipment acquired under a grant or subgrant will vest upon acquisition in the grantee or subgrantee respectively.

(b) *States.* A State will use, manage, and dispose of equipment acquired under a grant by the State in accordance with State laws and procedures. Other grantees and subgrantees will follow paragraphs (c) through (e) of this section.

(c) *Use.*

(1) Equipment shall be used by the grantee or subgrantee in the program or project for which it was acquired as long as needed, whether or not the project or program continues to be supported by Federal funds. When no longer needed for the original program or project, the equipment may be used in other activities currently or previously supported by a Federal agency.

(2) The grantee or subgrantee shall also make equipment available for use on other projects or programs currently or previously supported by the Federal Government, providing such use will not interfere with the work on the projects or program for which it was originally acquired. First preference for other use shall be given to other programs or projects supported by the awarding agency. User fees should be considered if appropriate.

(3) Notwithstanding the encouragement in §12.65(a) to earn program income, the grantee or subgrantee must not use equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services, unless specifically permitted or contemplated by Federal statute.

(4) When acquiring replacement equipment, the grantee or subgrantee may use the equipment to be replaced as a trade-in or sell the property and use the proceeds to offset the cost of the replacement property, subject to the approval of the awarding agency.

(d) *Management requirements.* Procedures for managing equipment (including replacement equipment), whether acquired in whole or in part with grant funds, until disposition takes place will, as a minimum, meet the following requirements:

(1) Property records must be maintained that include a description of the property, a serial number or other identification number, the source of property, who holds title, the acquisition date, and cost of the property, percentage of Federal participation in the cost of the property, the location, use and condition of the property, and any ultimate disposition data including the date of disposal and sale price of the property.

(2) A physical inventory of the property must be taken and the results reconciled with the property records at least once every two years.

(3) A control system must be developed to ensure adequate safeguards to prevent loss, damage, or theft of the property. Any loss, damage, or theft shall be investigated.

(4) Adequate maintenance procedures must be developed to keep the property in good condition.

(5) If the grantee or subgrantee is authorized or required to sell the property, proper sales procedures must be established to ensure the highest possible return.

(e) *Disposition.* When original or replacement equipment acquired under a grant or subgrant is no longer needed for the original project or program or for other activities currently or previously supported by a Federal agency, disposition of the equipment will be made as follows:

(1) Items of equipment with a current per-unit fair market value of less than \$5,000 may be retained, sold or otherwise disposed of with no further obligation to the awarding agency.

(2) Items of equipment with a current per unit fair market value in excess of \$5,000 may be retained or sold and the awarding agency shall have a right to an amount calculated by multiplying the current market value or proceeds from sale by the awarding agency's share of the equipment.

(3) In cases where a grantee or subgrantee fails to take appropriate disposition actions, the awarding agency may direct the grantee or subgrantee to take excess and disposition actions.

(f) *Federal equipment.* In the event a grantee or subgrantee is provided Federally-owned equipment:

(1) Title will remain vested in the Federal Government.

(2) Grantees or subgrantees will manage the equipment in accordance with Federal agency rules and procedures, and submit an annual inventory listing.

(3) When the equipment is no longer needed, the grantee or subgrantee will request disposition instructions from the Federal agency.

(g) *Right to transfer title.* The Federal awarding agency may reserve the right to transfer title to the Federal Government or a third part named by the awarding agency when such a third party is otherwise eligible under existing statutes. Such transfers shall be subject to the following standards:

(1) The property shall be identified in the grant or otherwise made known to the grantee in writing.

(2) The Federal awarding agency shall issue disposition instruction within 120 calendar days after the end of the Federal support of the project for which it was acquired. If the Federal awarding agency fails to issue disposition instructions within the 120 calendar-day period the grantee shall follow 12.72(e).

(3) When title to equipment is transferred, the grantee shall be paid an amount calculated by applying the percentage of participation in the purchase to the current fair market value of the property.

5. SUPPLIES (43 CFR §12.73)

(a) *Title.* Title to supplies acquired under a grant or subgrant will vest, upon acquisition, in the grantee or subgrantee respectively.

(b) *Disposition.* If there is a residual inventory of unused supplies exceeding \$5,000 in total aggregate fair market value upon termination or completion of the award, and if the supplies are not needed for any other Federally sponsored programs or projects, the grantee or subgrantee shall compensate the awarding agency for its share.

6. INSPECTION

Reclamation has the right to inspect and evaluate the work performed or being performed under this Agreement, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If Reclamation performs inspection or evaluation on the premises of the Recipient or a sub-Recipient, the Recipient shall furnish and shall require sub-recipients to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

7. AUDIT (31 U.S.C. 7501-7507)

Non-Federal entities that expend \$500,000 or more in a year in Federal awards shall have a single or program-specific audit conducted for that year in accordance with the Single Audit Act Amendments of 1996 (31 U.S.C. 7501-7507) and revised OMB Circular A-133. Federal awards are defined as Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. They do not include procurement contracts, under grants or contracts, used to buy goods or services from vendors. Non-Federal entities that expend less than \$500,000 a year in Federal awards are exempt from Federal audit requirements for that year, except as noted in A-133, § ___.215(a), but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and General Accounting Office (GAO).

8. ENFORCEMENT (43 CFR §12.83)

(a) *Remedies for noncompliance.* If a grantee or subgrantee materially fails to comply with any term of an award, whether stated in a Federal statute or regulation, an assurance, in a State plan or application, a notice of award, or elsewhere, the awarding agency may take one or more of the following actions, as appropriate in the circumstances:

- (1) Temporarily withhold cash payments pending correction of the deficiency by the grantee or subgrantee or more severe enforcement action by the awarding agency,
- (2) Disallow (that is, deny both use of funds and matching credit for) all or part of the cost of the activity or action not in compliance,
- (3) Wholly or partly suspend or terminate the current award for the grantee's or subgrantee's program,
- (4) Withhold further awards for the program, or
- (5) Take other remedies that may be legally available.

(b) *Hearings, appeals.* In taking an enforcement action, the awarding agency will provide the grantee or subgrantee an opportunity for such hearing, appeal, or other administrative proceeding to which the grantee or subgrantee is entitled under any statute or regulation applicable to the action involved.

(c) *Effects of suspension and termination.* Costs of grantee or subgrantee resulting from obligations incurred by the grantee or subgrantee during a suspension or after termination of an award are not allowable unless the awarding agency expressly authorizes them in the notice of suspension or termination or subsequently. Other grantee or subgrantee costs during suspension or after termination which are necessary and not reasonably avoidable are allowable if:

- (1) The costs result from obligations which were properly incurred by the grantee or subgrantee before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are noncancellable, and,

(2) The costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.

(d) *Relationship to Debarment and Suspension.* The enforcement remedies identified in this section, including suspension and termination, do not preclude grantee or subgrantee from being subject to “Debarment and Suspension” under E.O. 12549 (2 CFR 29.5.12 and 2 CFR 1400, Subpart C).

9. TERMINATION FOR CONVENIENCE (43 CFR §12.84)

Except as provided in 43 CFR §12.83 awards may be terminated in whole or in part only as follows:

(a) By the awarding agency with the consent of the grantee or subgrantee in which case the two parties shall agree upon the termination conditions, including the effective date and in the case of partial termination, the portion to be terminated, or

(b) By the grantee or subgrantee upon written notification to the awarding agency, setting forth the reasons for such termination, the effective date, and in the case of partial termination, the portion to be terminated. However, if, in the case of a partial termination, the awarding agency determines that the remaining portion of the award will not accomplish the purposes for which the award was made, the awarding agency may terminate the award in its entirety under either §12.83 or paragraph (a) of this section.

10. DEBARMENT AND SUSPENSION (2 CFR §1400)

The Department of the Interior regulations at 2 CFR 1400—Governmentwide Debarment and Suspension (Nonprocurement), which adopt the common rule for the governmentwide system of debarment and suspension for nonprocurement activities, are hereby incorporated by reference and made a part of this Agreement. By entering into this grant or cooperative Agreement with the Bureau of Reclamation, the Recipient agrees to comply with 2 CFR 1400, Subpart C, and agrees to include a similar term or condition in all lower-tier covered transactions. These regulations are available at <http://www.gpoaccess.gov/ecfr/>.

11. DRUG-FREE WORKPLACE (2 CFR §182 and §1401)

The Department of the Interior regulations at 2 CFR 1401—Governmentwide Requirements for Drug-Free Workplace (Financial Assistance), which adopt the portion of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq, as amended) applicable to grants and cooperative agreements, are hereby incorporated by reference and made a part of this agreement. By entering into this grant or cooperative agreement with the Bureau of Reclamation, the Recipient agrees to comply with 2 CFR 182.

12. ASSURANCES AND CERTIFICATIONS INCORPORATED BY REFERENCE

The provisions of the Assurances, SF 424B or SF 424D as applicable, executed by the Recipient in connection with this Agreement shall apply with full force and effect to this Agreement. All anti-discrimination and equal opportunity statutes, regulations, and Executive Orders that apply to the expenditure of funds under Federal contracts, grants, and cooperative Agreements, loans, and other forms of Federal assistance. The Recipient shall comply with Title VI or the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and any program-specific statutes with anti-discrimination requirements. The Recipient shall comply with civil rights laws including, but not limited to, the Fair Housing Act, the Fair Credit Reporting Act, the Americans with Disabilities Act, Title VII of the Civil Rights Act of 1964, the Equal Educational Opportunities Act, the Age Discrimination in Employment Act, and the Uniform Relocation Act.

Such Assurances also include, but are not limited to, the promise to comply with all applicable Federal statutes and orders relating to nondiscrimination in employment, assistance, and housing; the Hatch Act; Federal wage and hour laws and regulations and work place safety standards; Federal environmental laws and regulations and the

Endangered Species Act; and Federal protection of rivers and waterways and historic and archeological preservation.

13. COVENANT AGAINST CONTINGENT FEES

The Recipient warrants that no person or agency has been employed or retained to solicit or secure this Agreement upon an Agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide offices established and maintained by the Recipient for the purpose of securing Agreements or business. For breach or violation of this warranty, the Government shall have the right to annul this Agreement without liability or, in its discretion, to deduct from the Agreement amount, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

14. TRAFFICKING VICTIMS PROTECTION ACT OF 2000 (2 CFR §175.15)

Trafficking in persons.

(a) *Provisions applicable to a recipient that is a private entity.*

(1) You as the recipient, your employees, subrecipients under this award, and subrecipients' employees may not

(i) Engage in severe forms of trafficking in persons during the period of time that the award is in effect;

(ii) Procure a commercial sex act during the period of time that the award is in effect; or

(iii) Use forced labor in the performance of the award or subawards under the award.

(2) We as the Federal awarding agency may unilaterally terminate this award, without penalty, if you or a subrecipient that is a private entity —

(i) Is determined to have violated a prohibition in paragraph a.1 of this award term; or

(ii) Has an employee who is determined by the agency official authorized to terminate the award to have violated a prohibition in paragraph a.1 of this award term through conduct that is either:

(A) Associated with performance under this award; or

(B) Imputed to you or the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 1400.

(b) *Provision applicable to a recipient other than a private entity.* We as the Federal awarding agency may unilaterally terminate this award, without penalty, if a subrecipient that is a private entity—

(1) Is determined to have violated an applicable prohibition in paragraph a.1 of this award term; or

(2) Has an employee who is determined by the agency official authorized to terminate the award to have violated an applicable prohibition in paragraph a.1 of this award term through conduct that is either:

(i) Associated with performance under this award; or

(ii) Imputed to the subrecipient using the standards and due process for imputing the conduct of an individual to an organization that are provided in 2 CFR part 180, "OMB Guidelines to Agencies on Governmentwide Debarment and Suspension (Nonprocurement)," as implemented by our agency at 2 CFR part 1400.

(c) *Provisions applicable to any recipient.*

(1) You must inform us immediately of any information you receive from any source alleging a violation of a prohibition in paragraph a.1 of this award term.

(2) Our right to terminate unilaterally that is described in paragraph a.2 or b of this section:

(i) Implements section 106(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

(ii) Is in addition to all other remedies for noncompliance that are available to us under this award.

(3) You must include the requirements of paragraph a.1 of this award term in any subaward you make to a private entity.

(d) *Definitions.* For purposes of this award term:

(1) "Employee" means either:

(i) An individual employed by you or a subrecipient who is engaged in the performance of the project or program under this award; or

(ii) Another person engaged in the performance of the project or program under this award and not compensated by you including, but not limited to, a volunteer or individual whose services are contributed by a third party as an in-kind contribution toward cost sharing or matching requirements.

(2) "Forced labor" means labor obtained by any of the following methods: the recruitment, harboring, transportation, provision, or obtaining of a person for labor or services, through the use of force, fraud, or coercion for the purpose of subjection to involuntary servitude, peonage, debt bondage, or slavery.

(3) "Private entity":

(i) Means any entity other than a state, local government, Indian tribe, or foreign public entity, as those terms are defined in 2 CFR 175.25.

(ii) Includes:

(A) A nonprofit organization, including any nonprofit institution of higher education, hospital, or tribal organization other than one included in the definition of Indian tribe at 2 CFR 175.25(b).

(B) A for-profit organization.

(4) "Severe forms of trafficking in persons," "commercial sex act," and "coercion" have the meanings given at section 103 of the TVPA, as amended (22 U.S.C. 7102).

15. NEW RESTRICTIONS ON LOBBYING (43 CFR §18)

The Recipient agrees to comply with 43 CFR 18, New Restrictions on Lobbying, including the following certification:

(a) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Recipient, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, and officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(b) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying" in accordance with its instructions.

(c) The Recipient shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify accordingly. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

16. UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITION POLICIES ACT OF 1970 (URA) (42 USC § 4601 *et seq.*)

(a) The Uniform Relocation Assistance Act (URA), 42 U.S.C. § 4601 *et seq.*, as amended, requires certain assurances for Reclamation funded land acquisition projects conducted by a Recipient that cause the displacement of persons, businesses, or farm operations. Because Reclamation funds only support acquisition of property or interests in property from willing sellers, it is not anticipated that Reclamation funds will result in any "displaced persons," as defined under the URA.

(b) However, if Reclamation funds are used for the acquisition of real property that results in displacement, the URA requires Recipients to ensure that reasonable relocation payments and other remedies will be provided to any displaced person. Further, when acquiring real property, Recipients must be guided, to the greatest extent practicable, by the land acquisition policies in 42 U.S.C. § 4651.

(c) Exemptions to the URA and 49 CFR Part 24

(1) The URA provides for an exemption to the appraisal, review and certification rules for those land acquisitions classified as "voluntary transactions." Such "voluntary transactions" are classified as those that do not involve an exercise of eminent domain authority on behalf of a Recipient, and must meet the conditions specified at 49 CFR § 24.101(b)(1)(i)-(iv).

(2) For any land acquisition undertaken by a Recipient that receives Reclamation funds, but does not have authority to acquire the real property by eminent domain, to be exempt from the requirements of 49 CFR Part 24 the Recipient must:

- (i) provide written notification to the owner that it will not acquire the property in the event negotiations fail to result in an amicable agreement, and;
- (ii) inform the owner in writing of what it believes to be the market value of the property

(d) **Review of Land Acquisition Appraisals.** Reclamation reserves the right to review any land appraisal whether or not such review is required under the URA or 49 CFR § 24.104. Such reviews may be conducted by the Department of the Interior's Appraisal Services Directorate or a Reclamation authorized designee. When Reclamation determines that a review of the original appraisal is necessary, Reclamation will notify the Recipient and provide an estimated completion date of the initial appraisal review.

17. CENTRAL CONTRACTOR REGISTRATION AND UNIVERSAL IDENTIFIER REQUIREMENTS (2 CFR 25, APPENDIX A)

The Central Contractor Registration (CCR) has been migrated to the System for Award Management (SAM). Recipients must continue to comply with the CCR requirements below by maintaining current registration within www.SAM.gov.

A. Requirement for Central Contractor Registration (CCR)

Unless you are exempted from this requirement under 2 CFR 25.110, you as the recipient must maintain the currency of your information in the CCR until you submit the final financial report required under this award or receive the final payment, whichever is later. This requires that you review and update the information at least annually after the initial registration, and more frequently if required by changes in your information or another award term.

B. Requirement for Data Universal Numbering System (DUNS) Numbers

If you are authorized to make subawards under this award, you:

1. Must notify potential subrecipients that no entity (*see* definition in paragraph C of this award term) may receive a subaward from you unless the entity has provided its DUNS number to you.
2. May not make a subaward to an entity unless the entity has provided its DUNS number to you.

C. Definitions

For purposes of this award term:

1. *Central Contractor Registration (CCR)* means the Federal repository into which an entity must provide information required for the conduct of business as a recipient. Additional information about registration procedures may be found at the CCR Internet site (currently at <http://www.ccr.gov>).
2. *Data Universal Numbering System (DUNS) number* means the nine-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone (currently 866-705-5711) or the Internet (currently at <http://fedgov.dnb.com/webform>).
3. *Entity*, as it is used in this award term, means all of the following, as defined at 2 CFR part 25, subpart C:
 - a. A Governmental organization, which is a state, local government, or Indian Tribe;
 - b. A foreign public entity;
 - c. A domestic or foreign nonprofit organization;
 - d. A domestic or foreign for-profit organization; and
 - e. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.
4. *Subaward*:
 - a. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
 - b. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, *see* Sec. 11.210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
 - c. A subaward may be provided through any legal agreement, including an agreement that you consider a contract.
5. *Subrecipient* means an entity that:

- a. Receives a subaward from you under this award; and
- b. Is accountable to you for the use of the Federal funds provided by the subaward.

18. PROHIBITION ON TEXT MESSAGING AND USING ELECTRONIC EQUIPMENT SUPPLIED BY THE GOVERNMENT WHILE DRIVING

Executive Order 13513, *Federal Leadership On Reducing Text Messaging While Driving*, was signed by President Barack Obama on October 1, 2009 (ref: <http://edocket.access.gpo.gov/2009/pdf/E9-24203.pdf>). This Executive Order introduces a Federal Government-wide prohibition on the use of text messaging while driving on official business or while using Government-supplied equipment. Additional guidance enforcing the ban will be issued at a later date. In the meantime, please adopt and enforce policies that immediately ban text messaging while driving company-owned or rented vehicles, government-owned or leased vehicles, or while driving privately owned vehicles when on official government business or when performing any work for or on behalf of the government.

19. REPORTING SUBAWARDS AND EXECUTIVE COMPENSATION (2 CFR 170 APPENDIX A)

I. Reporting Subawards and Executive Compensation.

a. Reporting of first-tier subawards.

1. *Applicability.* Unless you are exempt as provided in paragraph d. of this award term, you must report each action that obligates \$25,000 or more in Federal funds that does not include Recovery funds (as defined in section 1512(a)(2) of the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5) for a subaward to an entity (see definitions in paragraph e. of this award term).

2. *Where and when to report.*

i. You must report each obligating action described in paragraph a.1. of this award term to <http://www.fsrs.gov>.

ii. For subaward information, report no later than the end of the month following the month in which the obligation was made. (For example, if the obligation was made on November 7, 2010, the obligation must be reported by no later than December 31, 2010.)

3. *What to report.* You must report the information about each obligating action that the submission instructions posted at <http://www.fsrs.gov> specify.

b. Reporting Total Compensation of Recipient Executives.

1. *Applicability and what to report.* You must report total compensation for each of your five most highly compensated executives for the preceding completed fiscal year, if—

i. the total Federal funding authorized to date under this award is \$25,000 or more;

ii. in the preceding fiscal year, you received—

(A) 80 percent or more of your annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

(B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and

iii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities

Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report executive total compensation described in paragraph b.1. of this award term:

- i. As part of your registration profile at <http://www.ccr.gov>.
- ii. By the end of the month following the month in which this award is made, and annually thereafter.

c. Reporting of Total Compensation of Subrecipient Executives.

1. *Applicability and what to report.* Unless you are exempt as provided in paragraph d. of this award term, for each first-tier subrecipient under this award, you shall report the names and total compensation of each of the subrecipient's five most highly compensated executives for the subrecipient's preceding completed fiscal year, if—

- i. in the subrecipient's preceding fiscal year, the subrecipient received—
 - (A) 80 percent or more of its annual gross revenues from Federal procurement contracts (and subcontracts) and Federal financial assistance subject to the Transparency Act, as defined at 2 CFR 170.320 (and subawards); and
 - (B) \$25,000,000 or more in annual gross revenues from Federal procurement contracts (and subcontracts), and Federal financial assistance subject to the Transparency Act (and subawards); and
- ii. The public does not have access to information about the compensation of the executives through periodic reports filed under section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m(a), 78o(d)) or section 6104 of the Internal Revenue Code of 1986. (To determine if the public has access to the compensation information, see the U.S. Security and Exchange Commission total compensation filings at <http://www.sec.gov/answers/execomp.htm>.)

2. *Where and when to report.* You must report subrecipient executive total compensation described in paragraph c.1. of this award term:

- i. To the recipient.
- ii. By the end of the month following the month during which you make the subaward. For example, if a subaward is obligated on any date during the month of October of a given year (*i.e.*, between October 1 and 31), you must report any required compensation information of the subrecipient by November 30 of that year.

d. Exemptions

If, in the previous tax year, you had gross income, from all sources, under \$300,000, you are exempt from the requirements to report:

- i. Subawards,
- and

ii. The total compensation of the five most highly compensated executives of any subrecipient.

e. *Definitions.* For purposes of this award term:

1. *Entity* means all of the following, as defined in 2 CFR part 25:

- i. A Governmental organization, which is a State, local government, or Indian tribe;
- ii. A foreign public entity;
- iii. A domestic or foreign nonprofit organization;
- iv. A domestic or foreign for-profit organization;
- v. A Federal agency, but only as a subrecipient under an award or subaward to a non-Federal entity.

2. *Executive* means officers, managing partners, or any other employees in management positions.

3. *Subaward*:

- i. This term means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that you as the recipient award to an eligible subrecipient.
- ii. The term does not include your procurement of property and services needed to carry out the project or program (for further explanation, see Sec. __ .210 of the attachment to OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations").
- iii. A subaward may be provided through any legal agreement, including an agreement that you or a subrecipient considers a contract.

4. *Subrecipient* means an entity that:

- i. Receives a subaward from you (the recipient) under this award; and
- ii. Is accountable to you for the use of the Federal funds provided by the subaward.

5. *Total compensation* means the cash and noncash dollar value earned by the executive during the recipient's or subrecipient's preceding fiscal year and includes the following (for more information see 17 CFR 229.402(c)(2)):

- i. *Salary and bonus.*
- ii. *Awards of stock, stock options, and stock appreciation rights.* Use the dollar amount recognized for financial statement reporting purposes with respect to the fiscal year in accordance with the Statement of Financial Accounting Standards No. 123 (Revised 2004) (FAS 123R), Shared Based Payments.
- iii. *Earnings for services under non-equity incentive plans.* This does not include group life, health, hospitalization or medical reimbursement plans that do not discriminate in favor of executives, and are available generally to all salaried employees.

iv. *Change in pension value.* This is the change in present value of defined benefit and actuarial pension plans.

v. *Above-market earnings on deferred compensation which is not tax-qualified.*

vi. Other compensation, if the aggregate value of all such other compensation (e.g. severance, termination payments, value of life insurance paid on behalf of the employee, perquisites or property) for the executive exceeds \$10,000.

20. RECIPIENT EMPLOYEE WHISTLEBLOWER RIGHTS AND REQUIREMENT TO INFORM EMPLOYEES OF WHISTLEBLOWER RIGHTS (SEP 2013)

- (a) This award and employees working on this financial assistance agreement will be subject to the whistleblower rights and remedies in the pilot program on Award Recipient employee whistleblower protections established at 41 U.S.C. 4712 by section 828 of the National Defense Authorization Act for Fiscal Year 2013 (Pub.L. 112-239).
- (b) The Award Recipient shall inform its employees in writing, in the predominant language of the workforce, of employee whistleblower rights and protections under 41 U.S.C 4712.
- (c) The Award Recipient shall insert the substance of this clause, including this paragraph (c), in all subawards or subcontracts over the simplified acquisition threshold. 48 CFR § 52.203-17 (as referenced in 48 CFR § 3.908-9).

**WaterSMART: Water and Energy Efficiency
Grants for FY2014**

FOA R14AS00001

**SACRAMENTO REGIONAL RESIDENTIAL
WATER METER INSTALLATION PROJECT**

SACRAMENTO COUNTY, CA

Applicant

**Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821**

Project Manager

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Regional Water Authority

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January 2014

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Technical Proposal and Evaluation Criteria

Executive Summary

Date: January 23, 2014
Applicant: Sacramento Suburban Water District
City: Sacramento
County: Sacramento
State: California

This is a collaborative project between two large municipal water supply agencies in the Sacramento region, with the Sacramento Suburban Water District acting as the lead applicant. The City of Sacramento is a partner. The proposed project will install 3,665 residential water meters to achieve water savings estimated at 518 acre-feet per year or 10,360 acre-feet over the 20-year expected lifetime of the improvements. This municipal metering project will result in significant conservation of valuable water resources, which directly contribute to the goals of the WaterSMART Program. The project will improve water use efficiency, reduce energy demands, benefit local aquatic species, and can potentially be made available to water market opportunities. The cooperating agencies have committed \$3,643,168 in non-federal cost share to be matched with the \$300,000 from the WaterSMART Grant.

The project will continue for two years commencing by October 1, 2014 and concluding by September 30, 2016.

The project is not located on a Federal facility.

Background Data

The project locations are all in Sacramento County, California within the service areas of the project partners as shown in the figure on the following page. More detailed service area maps indicating the proposed meter retrofit projects for each of the participants are shown in **Attachment 1**.

Sources of Water Supply. The average annual water supply of the participating agencies is shown in the table below. For the past five years through 2012, the participants have supplied an average of 153,349 acre-feet to primarily urban users. Of this supply, 73% was surface water (SW in table) and 27% was groundwater (GW in table). The entire water supply is within the Sacramento-San Joaquin Bay-Delta watershed.

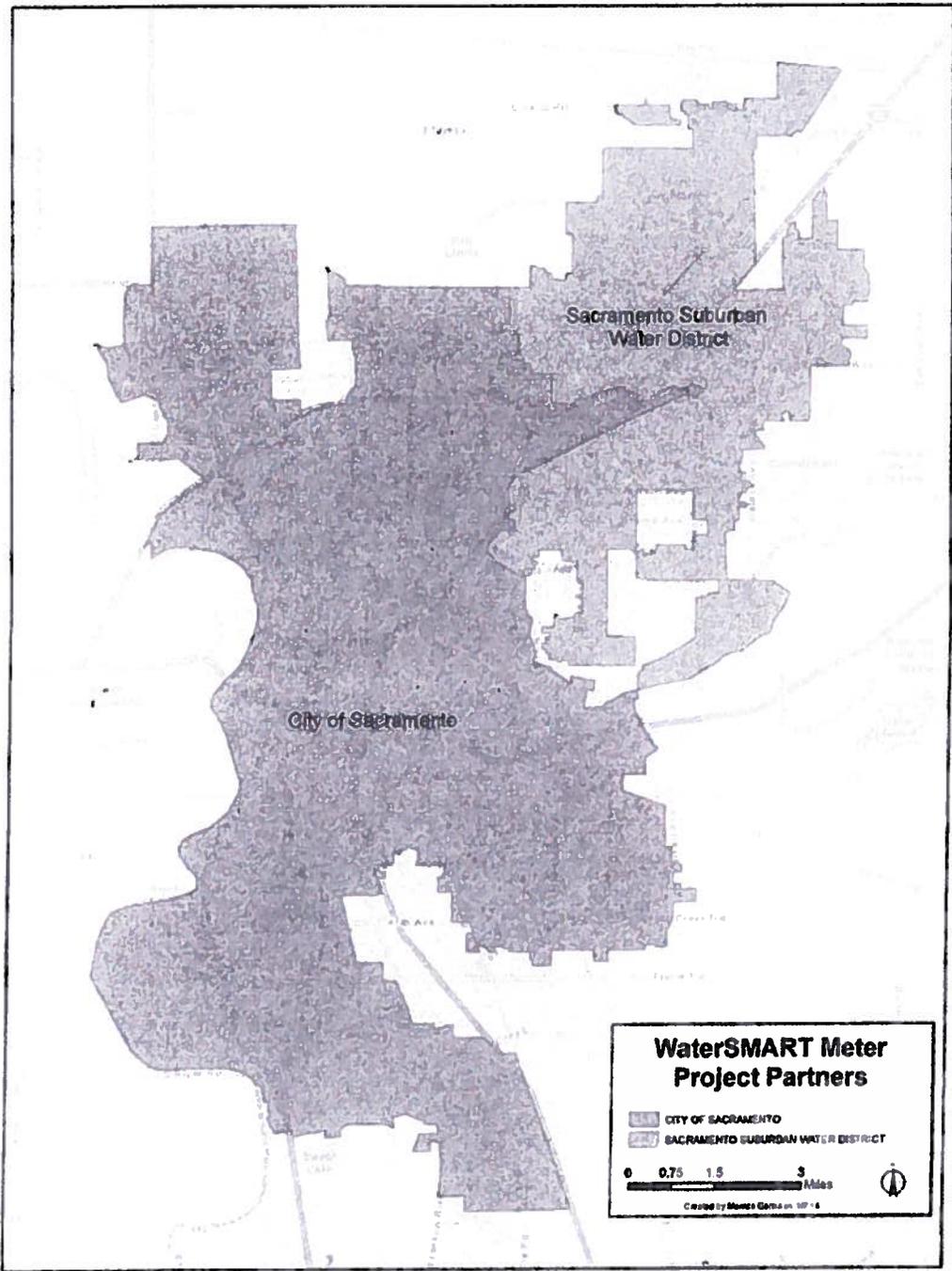
Five Year Average Water Production of Participants (acre-feet)

| | Sacramento Suburban WD | | City of Sacramento | |
|------|------------------------|--------|--------------------|--------|
| | SW | GW | SW | GW |
| 2008 | 14,982 | 23,516 | 108,880 | 20,391 |
| 2009 | 12,084 | 23,021 | 99,575 | 20,059 |
| 2010 | 16,208 | 20,178 | 92,254 | 18,387 |
| 2011 | 16,709 | 19,119 | 90,578 | 18,210 |
| 2012 | 10,559 | 27,530 | 99,890 | 14,617 |

Water Rights Involved. The sources of surface water supply for the participating agencies along with the nature of surface water rights are described below. Groundwater is an overlying and appropriative right, which does not require a permit in California.

Sacramento Suburban Water District. SSWD obtains surface water through various purchase agreements. Surface water supplies include surface water from Placer County Water Agency (PCWA), the City of Sacramento, and occasional Section 215 Central Valley Project (CVP) water from the United States Bureau of Reclamation (Reclamation). The PCWA water supply ranges from 12,000 to 29,000 acre-feet per year (ac-ft/yr) and is available when the March through November unimpaired inflow into Folsom Reservoir is greater than 1,600,000 acre-feet (ac-ft). SSWD is eligible to purchase Section 215 Reclamation CVP water when it is available in average and wet water years. SSWD has an agreement with the City of Sacramento to receive up to 20 million gallons per day (mgd) of American River water.

City of Sacramento. Sacramento has a pre-1914 right to divert up to 75 cubic feet per second from the Sacramento River. Sacramento also has 245,000 ac-ft appropriative surface diversion from American River under Reclamation Settlement agreement; 81,000 ac-ft appropriative surface diversion from Sacramento River under Reclamation Settlement agreement.



Service Area Boundaries of Project Partners

Current Water Uses. Total 2010 water use of the project partners was 124,808 ac-ft. The classification of water use of the participating agencies is included in the table below. The data are from 2010 Urban Water Management Plan (UWMP) updates submitted to the California Department of Water Resources.

Annual Water Use by Customer Class (acre-feet)

| Customer Category | SSWD | City of Sacramento |
|---------------------------------------|--------|--------------------|
| Single Family Residential | 15,978 | 37,362 |
| Multi-Family Residential | 10,330 | 21,672 |
| Commercial, Industrial, Institutional | 5,421 | 26,178 |
| Landscape | 1,019 | 4,777 |
| Other | 0 | 2,071 |
| Total | 32,748 | 92,060 |

Number of Water Users Served. The number of connections by customer class and total population served of the participants is provided in the table below. All information is from 2010 UWMPs.

Current Customer Connections and Population Served

| | SSWD | City of Sacramento |
|--|---------|--------------------|
| Single Family Residential Accounts | 37,366 | 113,375 |
| Multi-Family Residential Accounts | 3,830 | 9,865 |
| Commercial, Industrial, Institutional Accounts | 2,610 | 9,079 |
| Landscape Accounts | 377 | 1,377 |
| Total Accounts | 44,183 | 133,696 |
| Population Served | 170,615 | 466,488 |

Current and Projected Water Demand. The current and projected demand of each of the participants is listed in the table below. All information is from 2010 UWMPs.

Current and Projected Water Demand (acre-feet)

| Year | SSWD | City of Sacramento |
|------|--------|--------------------|
| 2010 | 32,748 | 92,060 |
| 2020 | 34,833 | 138,303 |
| 2030 | 36,363 | 160,101 |

Potential Shortfalls in Water Supply. The participants do not project shortfalls of water supply. Each of the participants have developed programs to ensure local supplies result in regional self-sufficiency under nearly all conditions. These include conjunctive use programs to match supply with hydrologic conditions and conservation measures to further reduce demands during severe drought conditions.

Water Delivery System. The water delivery facilities of the participating agencies are described further below.

Sacramento Suburban Water District. Water supply for SSWD is currently derived from active groundwater wells and surface water from Folsom Reservoir via the Peterson Water Treatment Plant (WTP) operated by San Juan Water District. SSWD's water supply also includes surface water from the American River from the City of Sacramento's Fairbairn WTP. SSWD has a total of 89 active wells with a combined capacity of 98,390 gallons per minute (gpm). All of the wells pump directly into the distribution system.

SSWD has three pump stations, seven storage tanks with a total storage capacity of more than 15 million gallons, and 45 interconnections for emergency purposes with neighboring districts. The entire distribution system consists of approximately 682 miles of pipeline ranging from 48-inch mains down to 4-inch laterals.

City of Sacramento. Sac City's existing distribution system consists of water supply and treatment facilities, two pressure zones, groundwater wells, storage tanks, pumping facilities, and distribution/transmission pipelines. Sac City treats surface water diverted from the Sacramento and American Rivers with two water treatment facilities: the Sacramento River Water Treatment Plant (SRWTP) and the Fairbairn Water Treatment Plant (FWTP).

High capacity pumps at each of the treatment plants pump water directly into the distribution system creating a pressure zone that encompasses the majority of the City. The Bell Avenue Booster Pump Station is an in-system booster pump station that creates a small pressure zone in the northeastern part of Sac City. Sac City currently operates thirty-two municipal groundwater supply wells; thirty wells are located in the northern portion of the City, north of the American River, while the remaining two are located south of the American River. Fourteen additional wells are operated separately from the drinking water system and are used to meet irrigation demands of City parks. The total pumping capacity of the City's municipal supply wells is approximately 33 million gallons per day (mgd), or about 30 mgd assuming that only 90 percent are available at any given time.

The City currently has fifteen storage facilities: ten storage tanks are located throughout the City, while five clearwells are located at the WTPs (two at FWTP and three at SRWTP). The total pumping capacity of the City's system is 647 mgd (firm capacity of 533 mgd). The City maintains just over 1,400 miles of transmission and distribution system mains ranging in size from 4 to 60 inches in diameter; only 130 miles consists of pipe that are 12 inches in diameter or larger.

Past Working Relationships with Reclamation.

- SSWD led a similar successful collaborative effort in 2009 to install residential water meters. That project was funded by a USBR WaterSMART ARRA award. The project exceeded expectations. In total, 12,009 residential meters and 4 bulk water meter stations were installed with the combined local and grant shares. This compared to the original estimate of 9,743 residential meters and one bulk meter station as submitted in the original application. Additionally, we calculate that the grant funded portion of the project resulted in an average of 24.6 jobs created over the year of meter installations. This compared to our original

estimate of 23 jobs created. The grant was managed by RWA on behalf of the recipients, with all reporting meeting Reclamation schedules.

- SSWD was awarded an FY2012 USBR Bay-Delta Restoration Program Grant (Agreement R12AP20029) for a regional effort to install 4,021 meters in the Sacramento region. That effort is currently ongoing, with more than 2,290 meters installed through September 30, 2013. None of the meter projects in the current application are part of the past award.
- SSWD was awarded an FY2012 WaterSMART: Water and Energy Efficiency Grant (Agreement R12AP20033) for the installation of an “in-conduit hydro” project for Sacramento Suburban Water District. That effort is currently ongoing with plans at the 50% level and discussions with the local utility, Sacramento Municipal Utilities District (SMUD) over purchase of the power generated from the project. The grant award is currently set to expire on September 30, 2014. SSWD is working with Reclamation to seek an extension due to delays caused by the power purchase negotiations with SMUD.
- SSWD was awarded an FY2013 USBR Bay-Delta Restoration Program Grant (Agreement R13AP20052) for a regional effort to install 5,953 meters in the Sacramento region. That effort is currently ongoing. None of the meter projects in the current application are part of the past award.

Technical Project Description

The project includes installation of 3,665 water meters on existing residential service connections. A current standard detail for a ¾-inch (in) or 1-in residential meter is shown in **Attachment 2**. The majority of residential customers have either a ¾-in or 1-in service, with some connections up to 2-inches. The feasibility of the project is well-established; the participants have extensive experience with planning and design on such projects having completed more than 50,000 residential meter installations since 2004. The project includes the following tasks:

Task 1. Project Management: The RWA project manager will oversee all aspects of the grant requirements on behalf of the participants to ensure they are in full compliance with funding terms. This will include coordination with Reclamation staff and ensuring that the participants complete their respective tasks as described below in compliance with applicable terms.

Task 2. Environmental Documentation: A categorical exemption will be prepared per California Environmental Quality Act (CEQA) requirements by each of the participants prior to commencement of the construction element of the project. Each participant will provide a detailed plan map of their respective project areas to Reclamation for completion of the appropriate level of National Environmental Policy Act (NEPA) compliance prior to any ground disturbing activities.

Task 3. Final Design: Each participating agency will utilize in-house staff to finalize the plans and details required for their respective project areas to go out to bid for the project. The standard meter installation detail specifications for the participating agencies are provided for reference in Attachment 2. Final design will include specifying the type of installation appropriate for a specific area (e.g., meters in sidewalk, landscaping, driveway, etc.).

Task 4. Contractor Selection: Upon design completion, each participant will prepare bid documents, advertise the project, solicit bids to install meters, and identify a contractor through a competitive selection process consistent with funding agreement criteria.

Task 5. Meter Installation: The selected contractor will install the meters on existing service connections as shown on the service area figures provided in Attachment 1 for each of the participants. Each participant will perform its own construction installation inspections.

Task 6. Performance Reporting: RWA staff will compile information submitted by participating agencies and prepare consolidated reports for submission to Reclamation. Specific reporting includes:

- a. prepare semi-annual (or other frequency as specified by Reclamation) reports and reimbursement invoices of the combined participants for submission to Reclamation;
- b. preparation of the final project report at conclusion of the project;
- c. preparation of a minimum of two annual post-project reports to track expected versus actual water savings (described in Performance Measures and Project Monitoring section of the application below). Note that this is not included in the project schedule or budget, because it will extend beyond the project agreement deadline.

Evaluation Criteria

Evaluation Criterion A: Water Conservation

Subcriterion No. A.1.—Water Conservation

Subcriterion No. A.1(a)—Quantifiable Water Savings

Describe the amount of water saved. The project will result in savings of 518 ac-ft/yr. This is based on assuming an average of 126.1 gallons per day savings at each of the 3,665 households to receive meters with subsequent volumetric billing. $((126.1 \text{ gal/day} \times 365 \text{ days/yr} \times 3,665 \text{ units})/325,851 \text{ gal/ac-ft} = 518 \text{ ac-ft/yr})$. A detailed discussion of the basis for each of these assumptions is provided in the "How has the estimated average annual water savings that will result from the project been determined?" and the "For individual water user meters installation, refer to studies in the region or in the applicant's service area that are relevant to water use patterns and the potential for reducing such use." See sections below.

What is the applicant's average annual acre-feet of water supply? Total 2010 estimated water supply of the project partners was 147,027 ac-ft. Total 2010 water use of the project partner customers was 124,808 ac-ft. Most of the difference between the supply and demand can be attributed to water distribution system losses.

Where is that water currently going? Water that is not consumptively used is primarily returned back to local streams and rivers. Some portion seeps into the groundwater basin.

Where will the conserved water go? The majority of the water conserved by the project remains in Folsom Reservoir, which is managed by Reclamation for water supply deliveries

through the Central Valley Project. With Folsom Reservoir being the nearest upstream reservoir to the California Bay-Delta, this optimizes Reclamation's ability to make the water available for other critical needs (e.g., urban, agriculture, environment, Delta salinity management) in a short period of time. The remaining conserved water remains in the regional groundwater basin, which benefits regional supply reliability. This further benefits Reclamation by allowing local agencies to rely on groundwater during dry periods, which improves operational flexibility.

How has the estimated average annual water savings that will result from the project been determined? The estimated savings resulting from the project are based on a large amount of recent data reported by participating agencies in their 2010 UWMP updates. The data are shown in the two tables below with accompanying discussion.

For 2010 UWMP updates, each participant calculated a five year average (2003 through 2007) of gross per person water usage. This is derived by dividing the population served by the total water produced. While this method gives a barometer of relative water usage of a given supplier, it may overstate the savings potential of a conservation measure. For example, not all of the water produced makes its way directly to the consumer. To correct for this, we assumed that 10% of the water produced was lost through system leaks. Therefore, we reduced the assumed per person usage by 10%. Next, we relied on U.S. Census Bureau data to determine the average persons per household, which is 2.7 for Sacramento County (www.quickfacts.census.gov). By multiplying the corrected per person usage by the persons per household, we were able to calculate the total daily usage per household in gallons for baseline usage.

Calculation of Project Baseline Usage

| Agency | 2003-2007 Gross Per Person Usage (gallons) | Per Person Usage with 10% System Loss Assumed (gallons) | Persons Per Household | Daily Use Per Household (gallons) |
|--------------------|---|--|--------------------------|--|
| SSWD | 235 | 212 | 2.7 | 571 |
| City of Sacramento | 267 | 240 | 2.7 | 649 |

With the baseline usage established, we were able to calculate the savings potential of the project. We assumed that we could achieve a 20% average annual savings from installing a meter. This is supported by a CUWCC 2004 BMP Costs and Savings Study. By applying the 20% savings, we were able to determine the daily savings per household in gallons. We then multiplied this by the number of meters to be installed in each of the participating agencies and converted the result to annual water savings in acre-feet (multiplied daily result by 365 days/year and divided result by 325,851 gallons per acre-foot). We then assumed a reasonable life expectancy of the meters of 20 years. This assumption is supported by American Water Works Association Manual M6, which indicates that the accuracy for old water service meters is expected to be between 15 and 25 years. We assumed an average in the middle of this range.

Calculation of Project Savings Potential

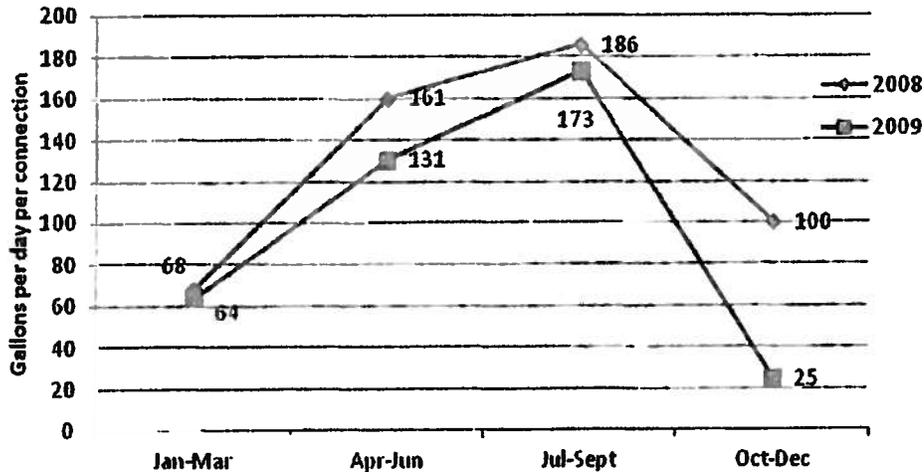
| Agency | Daily Savings Per Household (gallons) | Number of Meters to be Installed | Total Annual Water Savings (acre-feet) | Total 20-year Lifetime Savings (acre-feet) |
|--------------------|---------------------------------------|----------------------------------|--|--|
| SSWD | 114 | 866 | 111 | 2,220 |
| City of Sacramento | 130 | 2,799 | 407 | 8,140 |
| Totals | | 3,665 | 518 | 10,360 |

The project will demonstrably improve water management through direct measurement of consumption using meters. In 2004, the California Urban Water Conservation Council (CUWCC) published the BMP Cost and Savings Study confirming that meters combined with commodity based water rates (or volumetric pricing on amount used by the customer) are effective in driving consumer behavior to improved water management by reducing their water consumption. The CUWCC estimated 20 percent savings associated installing meters, which is the basis for the savings calculation in this application.

How have current distribution system losses and/or the potential for reductions in water use by individual users been determined? The detailed calculations for the potential water savings are described in the above section and confirmation of the appropriateness of these estimates is described in the section below.

For individual water user meters installation, refer to studies in the region or in the applicant's service area that are relevant to water use patterns and the potential for reducing such use. Water savings from meters is estimated to be a 20 percent reduction of each customer's pre-metered usage. This is based on California Urban Water Conservation Council 2004 Cost and Savings Study Report. SSWD has verified that this estimate is accurate by analyzing the pre and post meter water use results for over 2,300 SSWD connections. SSWD recorded water use from these customers that recently received meters in 2008 and 2009. An analysis of the pre (metered water use while still on flat rate) and post (metered water use on a metered inclining block rate) meter monthly water use data for these connections indicates that metered customers (on a metered rate) used 24% less water following receiving meters the previous year. This data is presented in the graphic below.

SSWD Quarterly Per Connection Water Use: Pre and Post Billed by Metered Rate



Note: Data based on 2008 and 2009 water use from 2,361 newly metered SSWD connections.

If installing distribution main meters will result in conserved water, please provide support for this determination (including, but not limited to leakage studies, previous leakage reduction projects, etc.). This is not part of the proposed project.

What types (manufacturer and model) of devices will be installed and what quantity of each? The project includes installation of 3,665 residential water meters on existing service connections. Standard details for a residential meter retrofits for each of the participants is shown in Attachment 2. The precise manufacturer and model would be determined as part of the competitive selection process to procure an installation contractor. All meters are subject to performance criteria established by the American Water Works Association.

How will actual water savings be verified upon completion of the project? Actual water savings will be verified using the following procedure:

1. After a meter is installed, the customer will begin receiving water usage data while still being billed on a flat-rate basis for one year as required by California law. In some cases, the customer will receive the data in excess of one year as entire service areas are converted to volumetric data at one time.
2. The participants will generate reports of monthly customer usage data for the service areas included in this project and will provide the data to RWA, which will compile the data in a spreadsheet for a minimum of two years post-installation.
3. When volumetric data commences, the data will be compared on a month over month basis (e.g., January 2016 to January 2017) for savings. This will occur for an entire annual cycle to observe not only annual water savings, but savings during higher use periods (e.g., July).

4. When comparisons of flat-rate to volumetric rate savings are made, we will examine monthly temperature and precipitation data for deviations from average conditions to correct for weather conditions that could influence savings.

Subcriterion No. A.1(b)—Improved Water Management

Describe the amount of water better managed. The installation of a meter at a residence provides an opportunity for both the supplier and consumer to better manage supply. Therefore, it was assumed that the average annual water use by each of these customers is subject to better management. Assuming 3,665 customers to receive meters, an estimated 2,597 AF per year will be subject to being better managed by Reclamation and local utilities as a result of this project. The data used in making this calculation are shown in the table below broken down by each participating agency. Additionally, these efficiency improvements will have a direct benefit of assisting with maximizing operational flexibility in times of peak summer demands. For example, water savings will have the potential benefit of adding to storage to Folsom Reservoir and its cold water pool that can be optimized for releases to the Bay-Delta and downstream users.

Summary of Water Better Managed

| Agency | Daily Use Per Household (gal) | Annual Use Per Household (ac-ft) | # of Households | Total Water Better Managed (ac-ft/year) |
|--------------------|-------------------------------|----------------------------------|-----------------|---|
| SSWD | 571 | 0.64 | 866 | 554 |
| City of Sacramento | 649 | 0.73 | 2,799 | 2,043 |
| Total | | | 3,665 | 2,597 |

The percent of average annual supply to be better managed is 2.1 (2,597 ac-ft better managed/124,808 ac-ft 2010 annual demand).

Subcriterion No. A.2.—Percentage of Total Supply

Provide the percentage of total water supply conserved: The percent of average annual water supply to be conserved is 0.4 (518 ac-ft annual conserved/124,808 ac-ft 2010 annual demand).

Subcriterion No. A.3.—Reasonableness of Costs

Total Project Cost = \$3,943,168
 Acre-Feet Conserved = 518
 Water Better Managed = 2,597
 Improvement Life = 20

From a water conservation perspective, the cost to benefit of the project is \$381 per ac-ft. From a water better managed perspective, the cost to benefit is \$76 per ac-ft. From either perspective, these are reasonable costs relative to the cost of new potable water supply.

We assumed a reasonable life expectancy of the meters of 20 years. This assumption is supported by American Water Works Association Manual M6, which indicates that the accuracy for old water service meters is expected to be between 15 and 25 years. We assumed an average in the middle of this range.

Evaluation Criterion B: Energy-Water Nexus

Subcriterion No. B.1.—Implementing Renewable Energy Projects Related to Water Management and Delivery

This subcriterion is not applicable to the proposed project.

Subcriterion No. B.2.—Increasing Energy Efficiency in Water Management

Describe any energy efficiencies that are expected to result from implementation of the water conservation or water management project. The project is expected to reduce annual energy demand by 240,950 KWh resulting in an estimated reduction in greenhouse gas emissions of 172,000 lbs, as described further in the section below. Energy/greenhouse gas emission benefits are significant from this project given irrigation demands peak in July and August when electricity loads in the region also peak. Electric utilities are forced to import less clean alternative fuels to meet maximum peak demands. For example, Sacramento Municipal Utilities District (SMUD) imports power from natural gas field in New Mexico rather than rely on its wind, solar or hydroelectric sources of power. The participating agencies are in the top 20-consuming customers list for SMUD.

Please provide sufficient detail supporting the calculation of any energy savings expected to result from water conservation improvements. If quantifiable energy savings are expected to result from water conservation improvements, please provide sufficient details and supporting calculations. If quantifying energy savings, please state the estimated amount in kilowatt hours per year. SMUD estimates that on average 1 kWh is saved for every 700 gallons of water delivered within its service area. As a result, this project is estimated to save more 168 million gallons of water each year, which equates to an annual savings of over 240,950 KWh for the 3,665 site improvements. SMUD electricity has an annual average of 714 lbs of CO2 emissions per MWh (Climate Action Registry Report, SMUD, 2007). As a result, this project can save more than an estimated 172,000 lbs of CO2 emissions per year and over the lifetime of 20 years can save on the order of 3.4 million lbs of CO2 emissions associated with the 3,665 sites receiving meters.

Please describe the current pumping requirements and the types of pumps (e.g., size) currently being used. How would the proposed project impact the current pumping requirements? The participants have a combined more than 150 municipal groundwater wells in the basin with capacities commonly in the 1,000 gallon per minute (gpm) to 2,000 gpm range. Conservation resulting from the proposed project would directly contribute to reduced pumping demands. The amount of reduction would vary by year (wet vs. dry), but the savings estimate of 1 KWh reduction for every 700 gallons saved represents an average of this variability in the region.

Please indicate whether your energy savings estimate originates from the point of diversion, or whether the estimate is based upon an alternate site of origin. The savings estimates are assumed from the point of diversion.

Does the calculation include the energy required to treat the water? The calculation includes the energy required to treat the water.

Will the project result in reduced vehicle miles driven, in turn reducing carbon emissions? Please provide supporting details and calculations. The project is not expected to reduce the vehicle miles driven.

Describe any renewable energy components that will result in minimal energy savings/production (e.g., installing small-scale solar as part of a SCADA system). This is not applicable to the proposed project.

Evaluation Criterion C: Benefits to Endangered Species

For projects that will directly accelerate the recovery of *threatened or endangered species* or *address designated critical habitats*.

(1) How is the species adversely affected by a Reclamation project? Reclamation projects on the American and Sacramento rivers have modified flow regimes and increased exports of water from the region. Fish species relying on the American River and lower Sacramento River include the endangered winter-run Chinook Salmon, the threatened spring-run Chinook Salmon, and the threatened Steelhead Trout. Approximately 20 miles of the lower American River to the confluence with the Sacramento River and an approximate 40 mile stretch of the lower Sacramento River have been identified under the Endangered Species Act as being critical habitat would be positively impacted by this project.

(2) Is the species subject to a recovery plan or conservation plan under the Endangered Species Act? We are uncertain of the status of recovery or conservation plans for these species.

(3) What is the extent to which the proposed project would reduce the likelihood of listing or would otherwise improve the status of the species? This project will improve the volume or flow regimes of water through the habitat area during dry years because this project expands the ability to implement conjunctive use of groundwater and surface water. In particular, this will result in sustaining flows in the lower American River during dry years by providing groundwater to the surface water users thereby reducing their demand on the American River. Conserved water can be maintained in Folsom Reservoir later into the season. This could also improve the temperature of water being released, which benefits these species.

Evaluation Criterion D: Water Marketing

Briefly describe any water marketing elements included in the proposed project. Because each of the collaborating agencies has adequate supplies for their existing and future planned customers, the water conserved by the project could be made available to water markets. Each of

the agencies is participating in Reclamation's Mid-Pacific Region's effort to create a Long Term Water Transfers Program (LTWT), which is still under development. Local agencies have already demonstrated the feasibility of making banked water available for exchange, including more than 7,000 ac-ft that was available to the Reclamation/California Department of Water Resources' (DWR) Environmental Water Account in 2002. The City of Sacramento and SSWD participated in this project and provided water to the 2002 exchange. Additionally, these agencies worked with Reclamation and DWR to provide more than 10,000 ac-ft of water to the 2009 California Drought Water Bank and SSWD provided nearly 5,000 ac-ft to a 2010 Banking Program managed under DWR.

(1) Estimated amount of water to be marketed. The entire annual conserved water of 518 ac-ft could be made available for marketing.

(2) A detailed description of the mechanism through which water will be marketed (e.g., individual sale, contribution to an existing market, the creation of a new water market, or construction of a recharge facility). Each of the participants would be responsible for their own marketing efforts. The mechanisms would include individual year markets that typically arise under dry conditions and participation in the LTWT as managed by Reclamation.

(3) Number of users, types of water use, etc. in the water market. Water made available by local agencies to these bank programs typically remains in Folsom Reservoir, which is managed by Reclamation for water supply deliveries through the Central Valley Project. With Folsom being the nearest upstream reservoir to the California Bay-Delta, this optimizes Reclamation's ability to make the water available for other critical needs (e.g., urban, agriculture, environment, Delta salinity management) in a short period of time.

(4) A description of any legal issues pertaining to water marketing (e.g., restrictions under Reclamation law or contracts, individual project authorities, or State water laws). As evidenced by the ability to participate in the programs listed above, legal issues are not a significant impediment to providing water to a regional or state-managed market. Depending on the nature of the water right (most often a Reclamation Settlement Agreement or a State Board permit), transfers are usually subject to the Warren Act or to approval of the State Water Resources Control Board.

(5) Estimated duration of the water market. The estimated length of savings of the conserved water from this project is 20 years, so individual year transfers could be made throughout that period. The LTWT program is intended to be in place for 10 years.

Evaluation Criterion E: Other Contributions to Water Supply Sustainability

For projects that include other benefits to water supply sustainability.

(a) Will the project make water available to address a specific concern? Yes, the water conserved from this project will be available to address several of the specific concerns listed in this application as described below.

(i) Will the project address water supply shortages due to climate variability and/or heightened competition for finite water supplies (e.g., population growth or drought)? Is the river, aquifer or other source of supply over-allocated? Climatologists predict that climatic warming trends will result in a decline of up to 40 percent of the Sierra snowpack, earlier runoff in the January to March flood season, more frequent and severe droughts. Combined with population growth projections, the climatic warming trends will further exacerbate the conflicts for adequate urban and agricultural water supplies in California. Reducing demands immediately through the proposed project will help mitigate against those impacts. Additionally, both the lower American River and Folsom Reservoir have been significantly over-allocated among competing resources. Part of the solution to the conflict created by this is the Sacramento area Water Forum Agreement, which is described in the collaboration among parties question below. This project is a needed component to help implement the Water Forum Agreement.

(ii) Will the project market water to other users? If so, what is the significance of this (e.g., does this help stretch water supplies in a water-short basin)? While this is not specifically a project to market water, the conserved water would be available for transfer. This has already been demonstrated through SSWD's and the City of Sacramento's participation in past state and federal environmental and drought banking programs as described in the Water Marketing criterion above.

(iii) Will the project make additional water available for Indian tribes? This criteria is not applicable. There are no tribes in the service areas of the participants.

(iv) Will the project help to address an issue that could potentially result in an interruption to the water supply if unresolved? (e.g., will the project benefit an endangered species by maintaining an adequate water supply)? Are there endangered species within the basin or other factors that may lead to heightened competition for available water supplies among multiple water uses? As described in the Benefits to Endangered Species criterion above, there are endangered species that will benefit from the conserved water. The project itself is a result of the Sacramento area Water Forum Agreement, which seeks to provide for an uninterrupted water supply while protecting the lower American River and its inhabitants. The project is an essential component of achieving these results.

(v) Will the project generally make more water available in the water basin where the proposed work is located? Yes, more water will be available in the basin. The conserved water is not needed to accommodate future growth in the region, so it will benefit the broader water basin.

(b) Does the project promote and encourage collaboration among parties? The project is one of many actions being taken as a direct result of a significant collaborative effort in the greater Sacramento region. Though the Sacramento region is proximate to more plentiful water resources than other regions of the state, conflicts still occur. In recognition of over-appropriation of water rights on the American River and future growth pressures, the Sacramento Water Forum began negotiations starting in 1993 to develop a plan for balancing long-term demand growth with the need to protect the lower American River. The Water Forum Agreement was signed in April 2000 by 40 diverse stakeholder interest groups including 19 local water purveyors, and addresses foreseen issues in water management to meet the region's needs through 2030. Among several other key elements, the Water Forum Agreement signatories committed to both conserving water and reducing American River diversions in dry years for the

protection of critical species and habitat. Reclamation has been an important partner in implementation of this Agreement. The Water Forum Agreement was recognized in 2000 the United States Environmental Protection Agency for Outstanding Environmental Achievement.

(i) Is there widespread support for the project? The Water Forum, as a representative of the 40 diverse stakeholder groups signing the Water Forum Agreement, has provided a letter of support for the project. In general, implementation of conservation measures enjoys broad stakeholder support.

(ii) What is the significance of the collaboration/support? Both the Water Forum process and the partnering of the agencies into this regional project represent significant collaboration among parties in the region.

(iii) Will the project help to prevent a water-related crisis or conflict? The project directly implements one of the components of the Water Forum Agreement to improve water use efficiency. Implementation of the Agreement prevents water-related crisis from emerging again in the region.

(iv) Is there frequently tension or litigation over water in the basin? Historically, there was much litigation and tension in the region. Again, the Water Forum Agreement was negotiated over a seven year period to resolve these issues. The project is a necessary component for implementing the Agreement.

(v) Is the possibility of future water conservation improvements by other water users enhanced by completion of this project? Yes, future conservation improvements will be enhanced by implementing this project. In particular, the expense of installing meters is particularly high. Because these projects are not locally cost-effective (i.e., the value of the water conserved is less than the cost of the infrastructure improvements), the funds help incentivize continued investments in water conservation measures.

(c) Will the project increase awareness of water and/or energy conservation and efficiency efforts? The project results in greater customer awareness of their water use and creates cost signals for customers to improve their water efficiency.

(i) Will the project serve as an example of water and/or energy conservation and efficiency within a community? During implementation of the project, each customer receives outreach materials, which help increase community awareness of water efficiency. Subsequent to installation, customers receive use information and volumetric water billing that will also help increase water conservation in the community.

(ii) Will the project increase the capability of future water conservation or energy efficiency efforts for use by others? The project greatly improves capability for future water conservation by customers. It is necessary to provide customers information on their water use through meters and volumetric pricing in order to promote and encourage greater efficiency.

(iii) Does the project integrate water and energy components? While the project does not directly integrate water and energy components, it does reduce energy demand as described in the Energy-Water Nexus section in the application above.

Evaluation Criterion F: Implementation and Results

Subcriterion No. F.1.—Project Planning

Does the project have a Water Conservation Plan, System Optimization Review (SOR), and/or district or geographic area drought contingency plans in place? Each participant has a Conservation Plan and Water Shortage Contingency Plan as part of their 2010 updates to their respective Urban Water Management Plans (UWMPs). Each UWMP of the participants has been determined as complete by the California Department of Water Resources. Each agency participated in a regional System Optimization Review (SOR) completed in December 2012. The SOR grant was awarded to the San Juan Water District (Agreement R10AP20125) to evaluate the lower American River Basin region.

(1) Identify any district-wide, or system-wide, planning that provides support for the proposed project. The regional SOR identified increasing water use efficiency as a key objective. Each of the proposed projects is identified as a high priority for implementation in the SOR. At the district level, each project has been prioritized in the capital improvement plans of the respective agencies over the next two years.

(2) Identify and describe any engineering or design work performed specifically in support of the proposed project. Sample specifications for residential meter installations of each of the participants are included in Attachment 2 of this application. The participants have extensive experience with planning and design on such projects having completed more than 50,000 residential meter installations since 2004. Preliminary design work for each of the projects is nearly complete, with the specific meter retrofit areas being identified. Maps of the specific service areas to be improved as part of this project are included as Attachment 1 of this application.

(3) Describe how the project conforms to and meets the goals of any applicable planning efforts, and identify any aspect of the project that implements a feature of an existing water plan(s). The project conforms to the Sacramento area Water Forum Agreement. Implementation of water conservation best management practices, including installation of water meters, is one of the seven foundational elements of the Agreement. The project conforms to the Lower American River Basin Integrated Regional Water Management Plan (IRWMP) adopted by the Regional Water Authority in July 2013. The IRWMP identifies increasing water efficiency as a key objective and meeting 20% per capita reduction in water use in the region by the year 2020. The installation of water meters is one of the highest priority measures to help meet that goal.

Subcriterion No. F.2.—Readiness to Proceed

Describe the implementation plan of the proposed project. Both participating agencies have been installing meter retrofits for more than a decade, so the implementation plan for the proposed project is well defined, including components related to working with grant fund requirements. The project is scheduled to be completed in two phases as described and depicted in the tables below and as shown in the combined detailed graphical schedule included as Attachment 3. Project management tasks would commence immediately upon award notification and continue throughout the duration of the two-year project schedule. Upon award,

all participants will provide information necessary for Reclamation to prepare a NEPA analysis and each participant will complete CEQA by October 2014.

Because of differences in when the participants will commence their installations, the final design, contractor selection and installation tasks are shown as two phases. The City of Sacramento will commence its installations in 2014. To do this, they will complete final design by December 2013 and select a contractor by November 2014. Installations will occur between December 2014 through December 2015. SSWD will complete its installations in 2016. To do this, they will complete final design by October 2015 and select a contractor by December 2015. Installations will occur between January 2016 and September 2016.

Semi-annual reports and invoices would begin in March 2015 and continue every six months for the duration of the project. A final project report would be prepared upon project completion in September 2016, unless otherwise specified in the funding agreement. Finally, as noted below under Performance Measures, the participants will continue post-project monitoring beyond the project schedule, but this task was not depicted on the schedule.

Phase 1 - Project Schedule

| Task/Subtask | 2014 | | | | 2015 | | | | | | | | | | | |
|---------------------------------------|---------|-----|---------|-----|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
| 1. Project Management | | | | | | | | | | | | | | | | |
| 2. Environmental Documentation | | | | | | | | | | | | | | | | |
| a. CEQA | | | | | | | | | | | | | | | | |
| b. NEPA | | | | | | | | | | | | | | | | |
| 3. Final Design | Phase 1 | | | | | | | | | | | | | | | |
| 4. Contractor Selection | | | Phase 1 | | | | | | | | | | | | | |
| 5. Meter Installation | | | | | | | | | | | | | | | | |
| a. Purchase/Install Meters | | | | | Phase 1 | | | | | | | | | | | |
| b. Installation Inspection | | | | | Phase 1 | | | | | | | | | | | |
| 6. Performance Reporting | | | | | | | | | | | | | | | | |
| a. Interim Reports/Invoices | | | | | | | | | | | | | | | | |
| b. Final Report | | | | | | | | | | | | | | | | |

Phase 2 - Project Schedule

| Task/Subtask | 2015 | | | | 2016 | | | | | | | | | |
|--------------------------------|---------|-----|---------|-----|---------|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
| 1. Project Management | | | | | | | | | | | | | | |
| 2. Environmental Documentation | | | | | | | | | | | | | | |
| a. CEQA | | | | | | | | | | | | | | |
| b. NEPA | | | | | | | | | | | | | | |
| 3. Final Design | Phase 2 | | | | | | | | | | | | | |
| 4. Contractor Selection | | | Phase 2 | | | | | | | | | | | |
| 5. Meter Installation | | | | | | | | | | | | | | |
| a. Purchase/Install Meters | | | | | Phase 2 | | | | | | | | | |
| b. Installation Inspection | | | | | Phase 2 | | | | | | | | | |
| 6. Performance Reporting | | | | | | | | | | | | | | |
| a. Interim Reports/Invoices | | | | | | | | | | | | | | |
| b. Final Report | | | | | | | | | | | | | | |

The schedule assumes that NEPA will be completed by the end of October 2014. This estimate is based on our experience with Reclamation on the 2009 WaterSMART ARRA Grant, the FY 2012 USBR Bay-Delta Restoration CalFed Water Use Efficiency Grant, and the FY 2013 USBR Bay-Delta Restoration CalFed Water Use Efficiency Grant awarded to SSWD. The previous projects are all very similar in nature to the current proposed project. However, sufficient flexibility exists in the project to ensure that construction activities will be completed within the 24-month project duration, even in the event that NEPA compliance were to take up to 6 months as was indicated in the funding opportunity announcement.

Please explain any permits that will be required, along with the process for obtaining such permits. Both participating agencies have been installing meter retrofits for more than a decade, so the permit requirements and process for securing them is well understood. SSWD will require an encroachment permit to access and excavate within the County right-of-way. The City of Sacramento will not require encroachment permits within its own right of way inside the City. SSWD secures an annual encroachment permit through Sacramento County. The only other likely requirements are for contractors to have traffic control and stormwater pollution prevention plans. These permits and activities are routinely acquired as part of ongoing implementation of the meter programs of the participants.

Subcriterion No. F.3.—Performance Measures

Provide a brief summary describing the performance measure that will be used to quantify actual benefits upon completion of the project. The primary performance measurement for the meter installation project will be water actually conserved. Prior to the project, customers do not have meters and are billed on a flat rate. After installation, customers stay on the flat rate for

one-year and are provided a comparison of their bill when volumetric rates will be applied following this period.

Despite not having pre-project water usage data due to a lack of metered connections in a specific service area, the measurement of project success is a relatively straightforward exercise, including the following:

1. After a meter is installed, the customer will begin receiving water usage data while still being billed on a flat-rate basis for one year as required by California law. In some cases the customer will receive the data in excess of one year as entire service areas are converted to volumetric data at one time.
2. The participants will generate reports of monthly customer usage data for the service areas included in this project and will provide the data to RWA, which will compile the data in a spreadsheet for a minimum of two years post-installation.
3. When volumetric data commences, the data will be compared on a month over month basis (e.g., January 2014 to January 2015) for savings. This will occur for an entire annual cycle to observe not only annual water savings, but savings during higher use periods (e.g., July).
4. When comparisons of flat-rate to volumetric rate savings area made, we will examine monthly temperature and precipitation data for deviations from average conditions to correct for weather conditions that could influence savings.

Evaluation Criterion G: Additional Non-Federal Funding

The non-Federal funding share is 92%
Non-Federal Funding = \$3,643,168
Total Project Cost = \$3,943,168

Evaluation Criterion H: Connection to Reclamation Project Activities

(1) How is the proposed project connected to Reclamation project activities? This project is integrally linked to Reclamation Mid-Pacific Region facilities and activities, based on water supply sources and potentially reduced diversions of Reclamation project water. All surface water diversions of the collaborative partners in this application are taken primarily from the American River with additional diversions from the Sacramento River.

(2) Does the applicant receive Reclamation project water? The applicant (SSWD) does not directly receive Reclamation project water. However, surface water supplies include surface water from Placer County Water Agency (PCWA), the City of Sacramento, and occasional Section 215 Central Valley Project (CVP) water from Reclamation. The PCWA water supply ranges from 12,000 to 29,000 acre-feet per year (ac-ft/yr) and is available when the March through November unimpaired inflow into Folsom Reservoir is greater than 1,600,000 acre-feet (ac-ft). SSWD is eligible to purchase Section 215 Reclamation CVP water when it is available in average and wet water years. SSWD has an agreement with the City of Sacramento to receive up to 20 million gallons per day (mgd) of American River water.

The City of Sacramento has a 245,000 ac-ft appropriative surface diversion from American River under Reclamation Settlement agreement; 81,000 ac-ft appropriative surface diversion from Sacramento River under Reclamation Settlement agreement.

(3) Is the project on Reclamation project lands or involving Reclamation facilities? The project is not located on Reclamation project lands, but the surface water diversions for the collaborative partners in this application are integrally linked to operations at Folsom Reservoir, Shasta Lake, and the California Bay-Delta. Conservation achieved through the project will help reduce diversions related to these facilities, which is particularly helpful during dry conditions. Additionally, the potential to bank and market conserved water will create even greater supply benefits during dry times to Reclamation and add operational flexibility to manage for supply and quality upstream of the critical Bay-Delta during these drier periods.

(4) Is the project in the same basin as a Reclamation project or activity? The project is located entirely within the lower American River Basin, which is a integrally linked to Reclamation Mid-Pacific Region facilities and activities.

(5) Will the proposed work contribute water to a basin where a Reclamation project is located? The proposed project will contribute water benefits both within the lower American River Basin and to the California Bay-Delta, which provides benefit to Reclamation.

Performance Measures

Performance Measure No. A.2 - Measuring Devices. The primary performance measurement for the residential meter installation project will be water actually conserved. Prior to the project, customers do not have meters and are billed on a flat rate. After installation, customers stay on the flat rate for one-year and are provided a comparison of their bill when volumetric rates will be applied following this period.

Despite not having pre-project water usage data due to a lack of metered connections in a specific service area, the measurement of project success can be achieved using the following process:

1. After a meter is installed, the customer will begin receiving water usage data while still being billed on a flat-rate basis for one year as required by California law. In some cases the customer will receive the data in excess of one year as entire service areas are converted to volumetric data at one time.
2. The participants will generate reports of monthly customer usage data for the service areas included in this project and will provide the data to RWA, which will compile the data in a spreadsheet for a minimum of two years post-installation.
3. When volumetric data commences, the data will be compared on a month over month basis (e.g., January 2014 to January 2015) for savings. This will occur for an entire annual cycle to observe not only annual water savings, but savings during higher use periods (e.g., July).
4. When comparisons of flat-rate to volumetric rate savings are made, we will examine monthly temperature and precipitation data for deviations from average conditions to correct for weather conditions that could influence savings.

Note that this comparison cannot be prepared immediately at the end of construction, because of the one-year transition period. This comparison will be provided to Reclamation after conclusion of the grant, so it is not shown as a project task in the schedule and budget.

Environmental and Cultural Resources Compliance

(1) Will the project impact the surrounding environment (e.g., soil [dust], air, water [quality and quantity], animal habitat)? Please briefly describe all earth-disturbing work and any work that will affect the air, water, or animal habitat in the project area. Please also explain the impacts of such work on the surrounding environment and any steps that could be taken to minimize the impacts. The proposed work will involve minor excavation at the location where the water meter will be installed. All work will be performed in compliance with local and state stormwater pollution prevention requirements to ensure required erosion control measures are implemented.

(2) Are you aware of any species listed or proposed to be listed as a Federal threatened or endangered species, or designated critical habitat in the project area? If so, would they be affected by any activities associated with the proposed project? There are none known in the project area.

(3) Are there wetlands or other surface waters inside the project boundaries that potentially fall under CWA jurisdiction as “waters of the United States?” If so, please describe and estimate any impacts the project may have. There are no wetlands or other surface waters inside the project boundaries that fall under CWA jurisdiction.

(4) When was the water delivery system constructed? SSWD’s water distribution system is comprised of two former water district systems that were consolidated in 2002 when SSWD was formed (Arcade Water District, established in 1954, and Northridge Water District, established in 1956). The City of Sacramento’s water delivery system was constructed beginning in the 1850’s, with public water becoming available in 1854.

(5) Will the project result in any modification of or effects to, individual features of an irrigation system (e.g., headgates, canals, or flumes)? If so, state when those features were constructed and describe the nature and timing of any extensive alterations or modifications to those features completed previously. The project will not modify any features of an irrigation system.

(6) Are any buildings, structures, or features in the irrigation district listed or eligible for listing on the National Register of Historic Places? A cultural resources specialist at your local Reclamation office or the State Historic Preservation Office can assist in answering this question. No listed or eligible structures are associated with the project.

(7) Are there any known archeological sites in the proposed project area? There are no known archeological sites in the project area.

(8) Will the project have a disproportionately high and adverse effect on low income or minority populations? The project will not adversely impact low income or minority populations.

(9) Will the project limit access to and ceremonial use of Indian sacred sites or result in other impacts on tribal lands? The project will have no impacts on tribes or tribal lands.

(10) Will the project contribute to the introduction, continued existence, or spread of noxious weeds or non-native invasive species known to occur in the area? The project will have no impacts related to invasive species.

Required Permits or Approvals

The likely permits required are encroachment permits where disturbances in county or city rights of way will occur. SSWD will require an encroachment permit to access and excavate within the County right-of-way. The City of Sacramento will not require encroachment permits within its own right of way inside the City. SSWD secures an annual encroachment permit through Sacramento County. The only other likely requirements are for contractors to have traffic control and stormwater pollution prevention plans. These permits and activities are routinely acquired as part of ongoing implementation of the meter programs of the participants.

Letters of Project Support

A letter of support from the Sacramento area Water Forum is included on the following page.

Official Resolution

A resolution is scheduled for adoption by the SSWD Board of Directors at its regular meeting on January 27, 2014 and will be submitted to Reclamation the following day. A draft of the resolution as it is being presented to the SSWD is included on the following pages.

January 15, 2014

Mr. Rob Roscoe
3701 Marconi Ave, Suite 100
Sacramento, CA 95821



Subject: Support for proposed project under WaterSMART: Water and Energy Efficiency Grants for Fiscal Year 2014

Dear Mr. Roscoe:

I am writing in support of the Sacramento Suburban Water District's regionally-coordinated grant proposal for the WaterSMART: Water and Energy Efficiency Grant Program.

The Water Forum is a stakeholder organization representing over 40 business, environmental, public, and water interests in the Sacramento region. Through execution of the Water Forum Agreement in April 2000, members agreed to a series of actions to achieve the Water Forum's two co-equal objectives:

- Provide a reliable and safe water supply for the region's economic health and planned development to the year 2030; and
- Preserve the fishery, wildlife, recreational, and aesthetic values of the Lower American River.

Water use efficiency is an integral element of the Water Forum Agreement. Each water supplier in the region committed to implementing a comprehensive water conservation plan. We appreciate your efforts to accelerate meter installations as they are a critical element in achieving our water conservation goals for the region and the Water Forum Agreement. We also appreciate your leadership role in coordinating multiple water suppliers in the region on the application.

The Water Forum hopes the Bureau of Reclamation recognizes the value to the Sacramento region and to the broader California Bay-Delta as a result of implementing meter installation programs.

Sincerely,

A handwritten signature in black ink, appearing to read "Tom Gohring".

Tom Gohring
Executive Director

DRAFT RESOLUTION NO. 14-XX

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE
SACRAMENTO SUBURBAN WATER DISTRICT
AUTHORIZING AN APPLICATION FOR FUNDING ASSISTANCE
THROUGH THE BUREAU OF RECLAMATION'S WATERSMART
AND ENERGY EFFICIENCY GRANT PROGRAM**

WHEREAS, the United States Bureau of Reclamation ("Reclamation") has implemented the WaterSMART Program to provide eligible agencies and organizations with grants to encourage water conservation and water use efficiency, increase the use of renewable energy and improve energy efficiency, benefit endangered and threatened species, facilitate water markets, and carry out activities to address climate-related impacts on water or prevent any water-related crisis or conflict;

WHEREAS, Reclamation has solicited proposals from public water suppliers and other water users for a new round of grant funding under the WaterSMART Program, which proposals are due on or before January 23, 2014;

WHEREAS, the Board of Directors of the Sacramento Suburban Water District ("SSWD") has identified itself as an eligible applicant under Reclamation's WaterSMART Water and Energy Efficiency Grant Program; and

WHEREAS, SSWD is interested in pursuing grant funding assistance under the WaterSMART Program in the amount of \$300,000 for a regionally-collaborated effort to implement a water meter retrofit program.

NOW, THEREFORE, be it resolved by the Board of Directors as follows:

1. The Board has reviewed the scope and purpose of SSWD's grant funding application, finds that the Project will serve both the needs of the District's ratepayers and satisfy the goals of the WaterSMART Program, and, on that basis, supports staff's submittal of the grant funding application to Reclamation.
2. SSWD is capable of funding the minimum 50-percent cost share required to obtain grant funding under the WaterSMART Water and Energy Efficiency Grant Program. Collaborating agencies will verify their funding capabilities through letters of commitment to be included with the application.
3. The General Manager of SSWD is hereby authorized to apply for grant funding from Reclamation's WaterSMART Program as part of a regional collaborative effort and to execute any related documents, including entering into a grant funding agreement with Reclamation and any regional partners.

4. The General Manager and staff are directed to take all other actions necessary to secure funding for the Projects under the WaterSMART Water and Energy Efficiency Grant Program.

PASSED AND ADOPTED by the Board of Directors of the Sacramento Suburban Water District on the 27th day of January 2014, by the following vote:

AYES:
NOES:
ABSENT:

By: _____
Kevin M. Thomas
President, Board of Directors
Sacramento Suburban Water District

I hereby certify that the foregoing resolution was duly and regularly adopted and passed by the Board of Directors of Sacramento Suburban Water District at a meeting hereof held on the 27th day of January 2014.

By: _____
Robert S. Roscoe
General Manager/Secretary
Sacramento Suburban Water District

Project Budget

Funding Plan and Letters of Commitment

(1) How you will make your contribution to the cost share requirement, such as monetary and/or in-kind contributions and source funds contributed by the applicant. SSWD will acquire its cost share from its CIP budget approved by its Board of Directors and funded by customer water rates. The cost-share funds will be expended on the purchase and installation of the meters that are planned for installation as part of this project. Nearly all of the cost share is direct monetary contribution with a small amount of in-kind sources for project design and inspection as noted in the summary of funding sources table below.

(2) Describe any in-kind costs incurred before the anticipated project start date that you seek to include as project costs. There are no costs included before the project start date.

(3) Provide the identity and amount of funding to be provided by funding partners, as well as the required letters of commitment. The City of Sacramento is a funding partner, and its direct and in-kind contributions are noted in the summary of funding sources below. The required letter of commitment is included in this application as Attachment 4.

(4) Describe any funding requested or received from other Federal partners. There is no funding requested or received from other Federal partners for the proposed project.

(5) Describe any pending funding requests that have not yet been approved, and explain how the project will be affected if such funding is denied. There are no pending funding requests for the proposed project.

Summary of Non-Federal and Federal Funding Sources.

| Funding Sources | Funding Amount |
|--|-----------------------|
| Non-Federal Entities | |
| 1. SSWD | \$1,051,340.00 |
| 2. City of Sacramento | \$2,556,340.00 |
| 3. SSWD (In-Kind Contributions)* | \$10,495.00 |
| 4. City of Sacramento (In-Kind Contributions)* | \$24,993.00 |
| Non-Federal Subtotal: | \$3,643,168.00 |
| Other Federal Entities | |
| Other Federal Subtotal: | \$0.00 |
| Requested Reclamation Funding: | \$300,000.00 |
| Total Project Funding: | \$3,943,168.00 |

Budget Proposal

| BUDGET ITEM DESCRIPTION | COMPUTATION | | TOTAL COST |
|---|--------------------------------|----------|-----------------------|
| | \$/Unit and Unit | Quantity | |
| 1. SALARIES AND WAGES --Position title x hourly wage/salary x est. hours for assisted activity. Describe is information for each position. | | | |
| Project Manager | \$60/hr. | 128 | \$7,680.00 |
| Project Engineer | \$50/hr. | 160 | \$8,000.00 |
| Project Inspector | \$30/hr. @ 15 minutes/meter | 7,213 | \$27,488.00 |
| 2. FRINGE BENEFITS Explain the type of fringe benefits and how are they applied to various categories of personnel. | | | |
| N/A | | | \$0.00 |
| 3. TRAVEL —dates; location of travel; method of travel estimated cost; who el | | | |
| N/A | | | \$0.00 |
| 4. EQUIPMENT —Leased Equipment use rate + hourly wage/salary x est. hours for assisted activity—Describe equipment to be purchase unit price, # of units for all equipment to be purchased or leased or assisted activity; Do not list contractor supplied equipment here. | | | |
| N/A | | | \$0.00 |
| 5. SUPPLIES/MATERIALS —Describe all major types of supplies/materials, unit price, # of units, etc., to be used on this assisted activity. | | | |
| Meters, meter boxes, meter lid, and meter sciter. | \$452.93/unit | 3,665 | \$1,660,000.00 |
| 6. CONTRACTUAL/CONSTRUCTION —Explain any contracts or sub-Agreements that will be awarded, why needed. Explain contract r qualifications and how the contractor will be selected. | | | |
| Contractor installation of meters | \$609.82/unit | 3,665 | \$2,235,000.00 |
| 7. ENVIRONMENTAL and REGULATORY COMPLIANCE COSTS — eference cos incurred by Reclamation or the applicant in complying with environmental regulations applicable to this Program, which include PA, SA, NHEA etc. | | | |
| NEPA | \$5,000/analysis | 1 | \$5,000.00 |
| 8. OTHER List any other cost elements necessary for your project, such as extra reporting, or contingencies in a construction contract. | | | |
| None | | 1 | \$0.00 |
| TOTAL DIRECT COSTS-- | | | \$3,943,168.00 |
| 9. INDIRECT COSTS - What is the percentage rate %. If you do not have a Federally approved Indirect Cost Rate Agreement or if approved rates are used explain Why | | | |
| N/A | | | \$0.00 |
| TOTAL PROJECT/ACTIVITY COSTS | | | \$3,943,168.00 |

Budget Narrative

Salaries and Wages. RWA staff will act as the overall project manager coordinating the participants and Reclamation, and preparing interim reports, reimbursement invoices, and final project reporting (project Tasks 1 and 6). Project participating agencies will provide in-house project engineers to prepare CEQA categorical exemptions, complete final design, and bid and select contractors (project Tasks 2 – subtask 1, 3, and 4) assuming 16 hours, 40 hours, and 24 hours per agency, respectively for those tasks. Project participating agencies will provide in-house field inspectors to ensure proper installation of meters assuming an average of 15 minutes per inspection for each meter installed (project Task 5 – subtask 2). Attachment 5 includes documentation to substantiate the labor rates in the proposal. This includes a paystub for the RWA project manager, which shows a bi-weekly pay of \$4,903.85 (or just over \$60 per hour). Also included are the salary bands for SSWD. The Engineering Services Manager and Senior Inspector are the two positions that will work on the project. These ranges are consistent with the estimates of \$50 and \$30 per hour for the respective positions.

Fringe Benefits. No Fringe Benefits were assumed. The rates shown above are for the base hourly wage. Fringe Benefits were not included as we are not seeking grant reimbursement for these expenses.

Travel. No travel is required for the project.

Equipment. No equipment will be purchased for the project. Costs for meters and associated parts are identified in the supplies/materials category. However, note that the meters and associated parts are identified as equipment on Standard Form 424, because that was the closest expense category on that form.

Supplies/Materials. Supplies include a minimum of a meter, meter box, meter lid, and meter setter. Examples of these supplies can be seen in Attachment 2 of this application, which includes standard specifications of each of the participants. Based on preliminary cost estimates developed by each participant, an average cost of supplies was assumed at \$452.93 per residential meter retrofit.

Contractual/Construction. The participants will contract out meter installation following a selection process in compliance with funding agreement terms. Based on preliminary cost estimates developed by each of the participants, an average cost of installation was assumed at \$609.82 per residential meter retrofit. This estimate is based on extensive experience in implementing meter retrofits over the past decade. Typical expenses include; mobilization, signage, erosion control, construction photos, installing meters in a landscaped or non-landscaped area. Routinely, the projects encounter the need for additional excavation, locating, concrete, abandonment of services, installing additional service line or relocation of meters.

Environmental and Regulatory Compliance. As discussed under the project tasks, regulatory compliance is typically limited to the annual rights-of-way in some cases, and stormwater mitigation plans. Those costs were included in the salaries and wages above. Environmental compliance will include preparing a CEQA categorical exemption by each participant. Again,

those costs are captured in salaries and wages above. The final assumed environmental cost is for NEPA compliance. NEPA costs were estimated at \$5,000 for Reclamation expenses acting as the lead agency. This is consistent with costs from a previous award from Reclamation under an American Recovery and Reinvestment Act grant in 2009, the FY12 Bay-Delta Restoration Program Grant, and the FY13 Bay-Delta Restoration Program Grant.

Other. There are no other assumed costs for the project.

Indirect Cost. There are no assumed indirect costs for the project.

Budget Form

OMB Approval No. 0348-0047

BUDGET INFORMATION - Construction Programs

NOTE: Certain Federal assistance programs require additional computations to arrive at the Federal share of project costs eligible for participation. If such is the case, you will be notified.

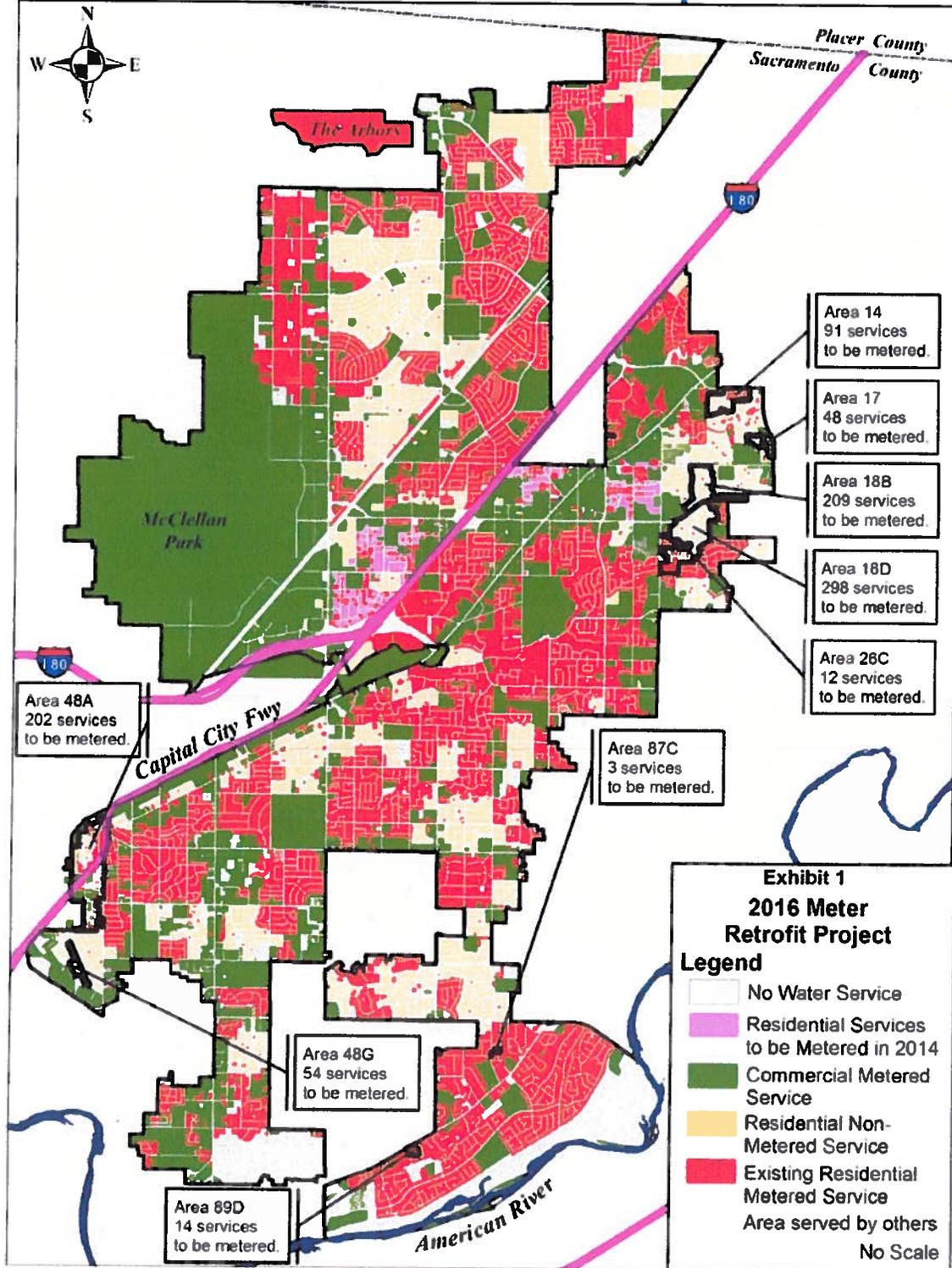
| COST CLASSIFICATION | a. Total Cost | b. Costs Not Allowable for Participation | c. Total Allowable Costs (Columns a-b) |
|---|---|--|--|
| 1. Administrative and legal expenses | \$ 7,680.00 | .00 | \$ 7,680.00 |
| 2. Land, structures, rights-of-way, appraisals, etc. | \$.00 | .00 | \$ 0.00 |
| 3. Relocation expenses and payments | \$.00 | .00 | \$ 0.00 |
| 4. Architectural and engineering fees | \$ 6,400.00 | .00 | \$ 6,400.00 |
| 5. Other architectural and engineering fees | \$.00 | .00 | \$ 0.00 |
| 6. Project inspection fees | \$ 27,488.00 | .00 | \$ 27,488.00 |
| 7. Site work | \$.00 | .00 | \$ 0.00 |
| 8. Demolition and removal | \$.00 | .00 | \$ 0.00 |
| 9. Construction | \$ 2,235,000.00 | .00 | \$ 2,235,000.00 |
| 10. Equipment | \$ 1,660,000.00 | .00 | \$ 1,660,000.00 |
| 11. Miscellaneous | \$ 6,600.00 | .00 | \$ 6,600.00 |
| 12. SUBTOTAL (sum of lines 1-11) | \$ 3,943,168.00 | 0.00 | \$ 3,943,168.00 |
| 13. Contingencies | \$.00 | .00 | \$ 0.00 |
| 14. SUBTOTAL | \$ 3,943,168.00 | 0.00 | \$ 3,943,168.00 |
| 15. Project (program) income | \$.00 | .00 | \$ 0.00 |
| 16. TOTAL PROJECT COSTS (subtotal #15 from #14) | \$ 3,943,168.00 | 0.00 | \$ 3,943,168.00 |
| FEDERAL FUNDING | | | |
| 17. Federal assistance requested, calculate as follows: (Consult Federal agency for Federal percentage share.) Enter the resulting Federal share. | Enter eligible costs from line 16c Multiply X <u>7.00</u> % | | \$ 300,000 |

Standard Form 424C (Rev. 7-97)
Prescribed by OMB Circular A-102

Authorized for Local Reproduction

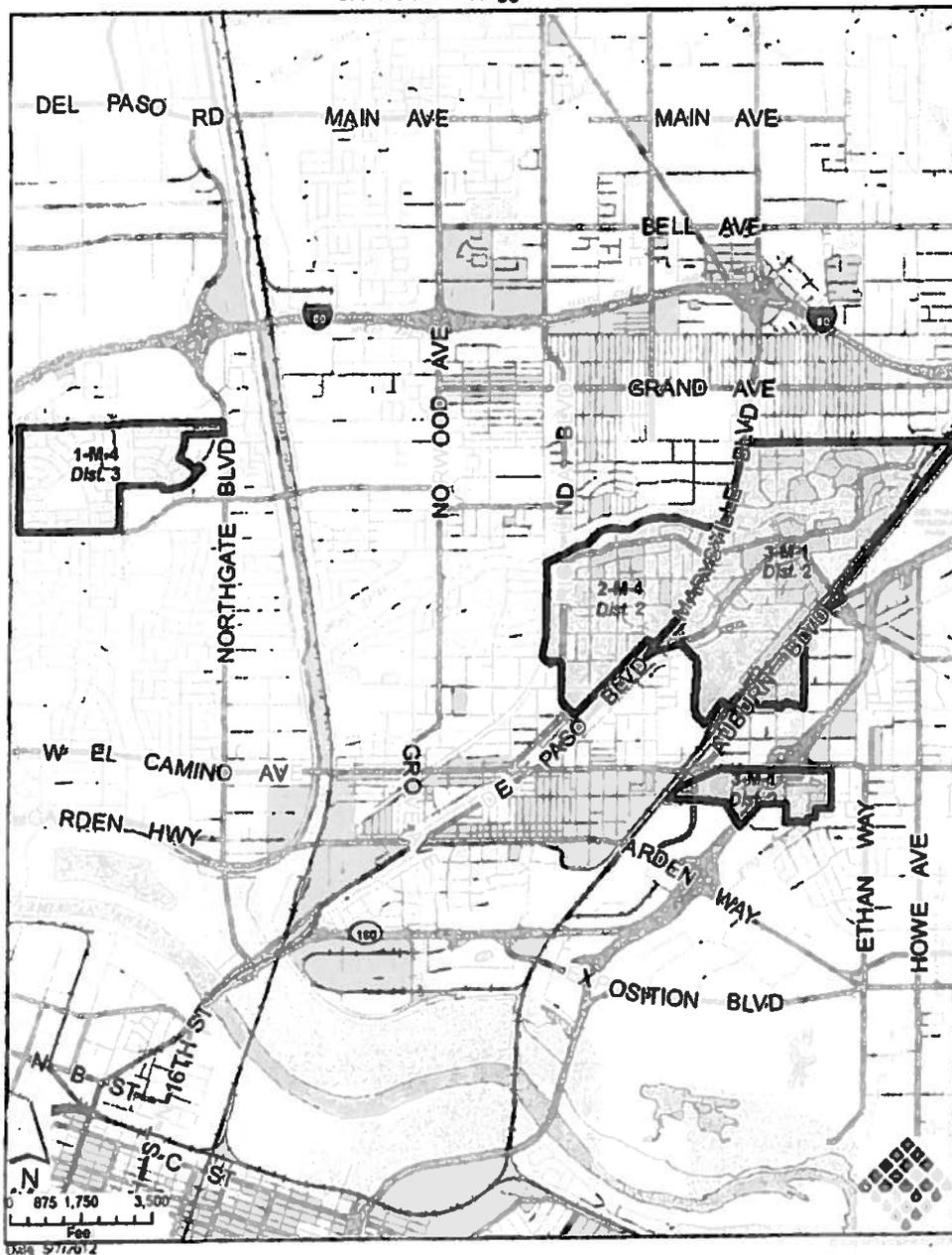
Previous Edition Usable

Attachment 1 - Meter Installation Area Detail Maps



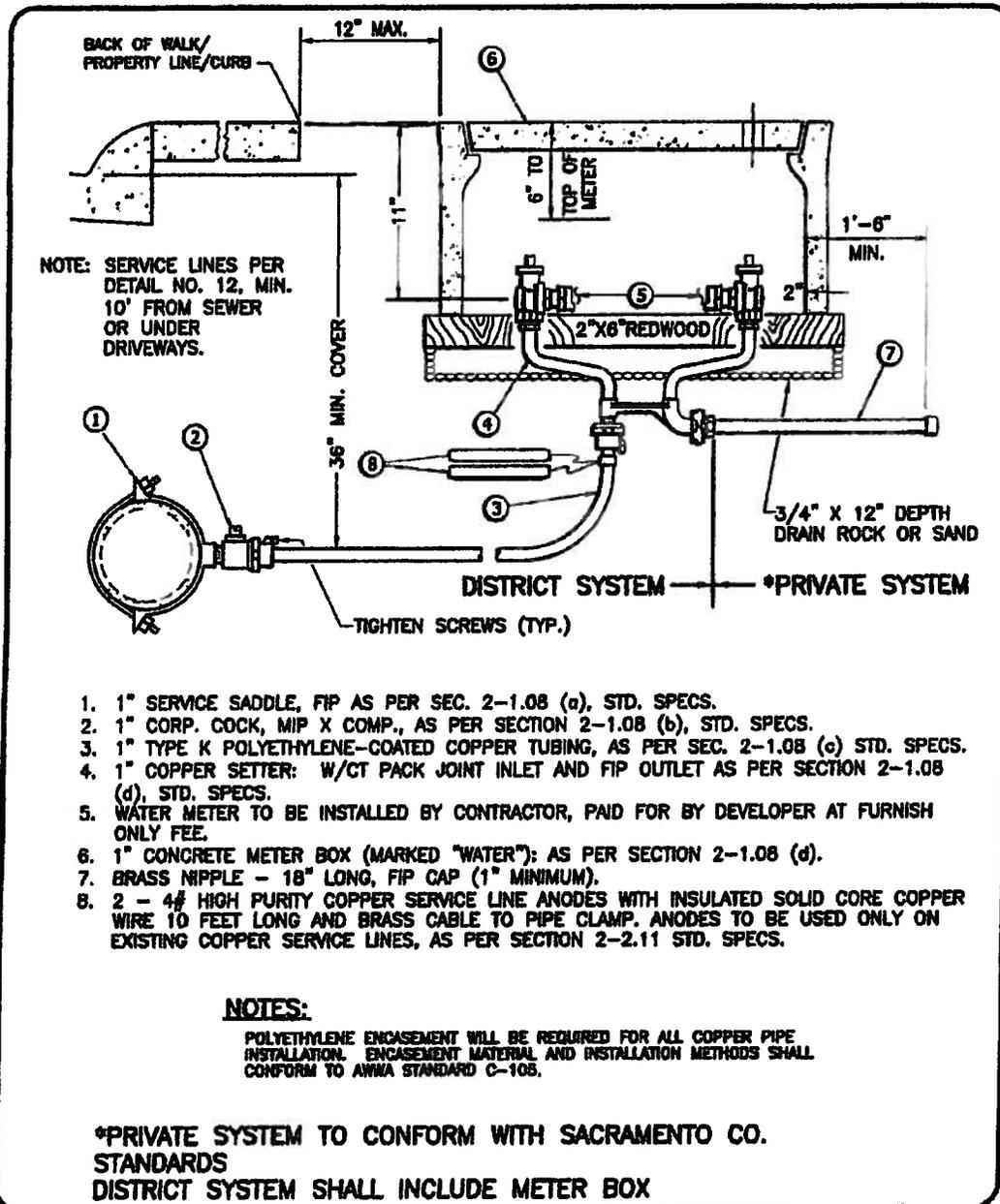
SSWD Service Areas for Meter Installation Project

LOCATION MAP
S. Natomas & Hagginwood VMR



City of Sacramento Service Areas for Water Meter Installation Project

Attachment 2 - Meter Retrofit Sample Specifications



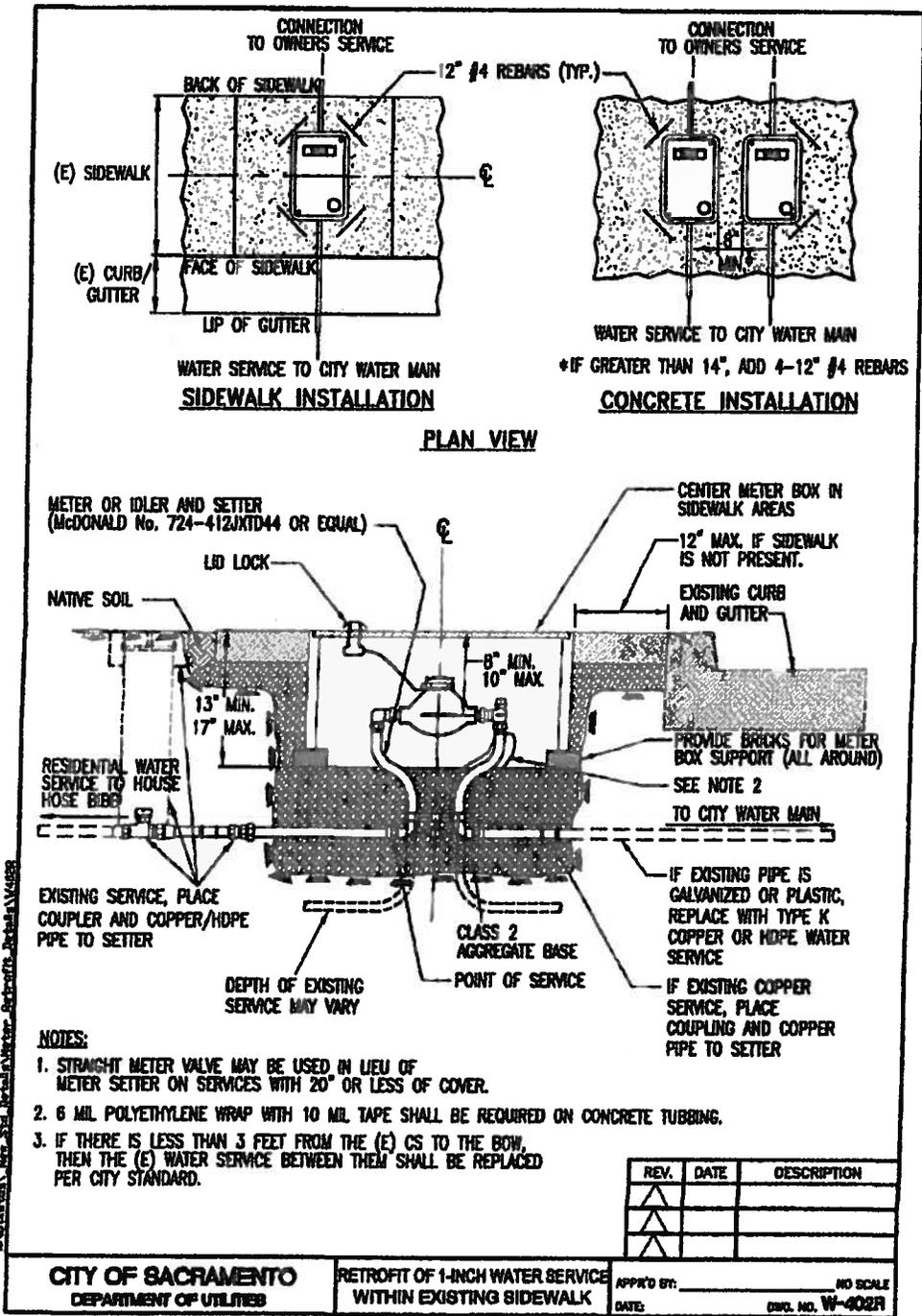
SACRAMENTO SUBURBAN WATER DISTRICT

PHONE (916) 872-7171
3701 MARCONI AVENUE
SUITE 100
SACRAMENTO, CA
95821-8348

STANDARD DETAIL

TYPICAL 3/4" & 1" METERED
RESIDENTIAL WATER SERVICE

DATE: DECEMBER 2008 | STD. DET. NO. 13



Attachment 4 - Funding Letter of Commitment



Department of Utilities
Office of the Director

CITY OF SACRAMENTO
CALIFORNIA

1395 35th Avenue
Sacramento, CA 95822-2911
phone (916) 808-1400
fax (916) 808-1497/1498

January 21, 2014

Rob Roscoe
Sacramento Suburban Water District
3701 Marconi Avenue, Suite 100
Sacramento, CA 95821

**Subject: Funding Commitment for the Sacramento Regional Residential Water
Meter Installation Project: Funding Opportunity Announcement No.
R14AS00001**

Dear Mr. Roscoe:

I am writing on behalf of the City of Sacramento to confirm our commitment and support of the regional water meter installation project. We understand that Sacramento Suburban Water District (SSWD) is acting as the lead grant applicant in our collaborative effort in seeking assistance for the metering programs in the Sacramento region, which will help us meet our water use efficiency goals.

To show our commitment to the metering project, our agency has budgeted more than \$2.7 million toward the installation of 2,799 residential water meters in our capital improvement program budget in the current fiscal year. This funding will be available to meet the cost-share requirements for the City of Sacramento's portion of the project.

We encourage Reclamation to recognize the value of awarding a grant to increase the number of meters installed to assist the region in our water use efficiency goals, which will provide benefit to Reclamation's operations in the California's Central Valley.

Sincerely,

Dave Brent
Utilities Director



CITY OF SACRAMENTO
DEPARTMENT
OF UTILITIES

Making a Difference in Your Neighborhood

Attachment 5 - Documentation of Hourly Rates

1012 MH5
 Regional Water Authority
 5820 BIRDCAGE ST.,
 SUITE 180
 SACRAMENTO, CA 95610

Earnings Statement

Pay Period: 12/21/2013 to 1/03/2014
 Pay Date: 1/03/2014



Employee Number: 1012
 Department Number:
 Social Security Number: XXX-XX-3711
 Marital Status: MARRIED
 Number Of Allowances: 04
 Rate:

ROBERT J SWARTZ

| Hours and Earnings | | | | Taxes and Deductions | | |
|--------------------|-------|-------------|--------------|----------------------|-------------|--------------|
| Description | Hours | This Period | Year-To-Date | Description | This Period | Year-To-Date |
| SALARY | | 4903.85 | 4903.85 | 45782 | 50.00 | 50.00 |
| | | | | FICA | 375.14 | 375.14 |
| | | | | FED WT | 661.54 | 661.54 |
| | | | | CA ST | 316.62 | 316.62 |
| | | | | VACBAL | | 303.70 |
| | | | | SCRBAL | | 480.00 |

| Gross Pay Year To Date | Gross Pay This Period | Total Deductions This Period | Net Pay This Period |
|------------------------|-----------------------|------------------------------|---------------------|
| \$4,903.85 | \$4,903.85 | \$1,403.30 | \$3,500.55 |

SSWD PAY/SALARY BANDS - CY 2013 (effective 3/4/13)

| NON-EXEMPT POSITIONS | | | | |
|---|----------|-----------|-----------------|------------|
| Title | Minimum | Maximum | Annual Range | |
| Customer Service Representative I | 2,858.00 | 3,492.57 | 34,296.00 | 41,912.04 |
| Administrative Assistant I | 3,001.00 | 3,666.00 | 36,012.00 | 43,992.00 |
| Distribution Operator I | 3,149.00 | 3,848.00 | 37,788.00 | 46,176.00 |
| Water Conservation Technician I | | | | |
| Production Operator I | 3,307.00 | | 39,684.00 | 48,464.60 |
| Customer Service Representative II | 3,470.00 | 4,239.73 | 41,640.00 | 50,878.76 |
| Engineering Drafter | | | | |
| Administrative Assistant II | 3,642.00 | 4,452.93 | 43,040.00 | 53,435.16 |
| Distribution Operator II | 3,829.00 | 4,678.27 | 45,948.00 | 56,139.24 |
| Water Conservation Technician II | | | | |
| Facilities & Fleet Specialist | | | | |
| Production Operator II | 4,017.00 | 4,908.80 | 48,204.00 | 58,905.60 |
| Purchasing Specialist | | | | |
| Senior Engineering Technician | | | | |
| Accountant | | | | |
| Field Operations Coordinator | 4,216.00 | 5,159.20 | 50,592.00 | 61,838.40 |
| GIS/IT Technician | | | | |
| Environmental Compliance Technician | | | | |
| Senior Inspector | 4,427.00 | 5,409.73 | 53,124.00 | 64,916.76 |
| Distribution Foreman | 4,649.00 | 5,681.87 | 55,788.00 | 68,182.44 |
| GIS Coordinator | | | | |
| Electrical & Instrumentation Technician | 4,860.00 | 5,962.67 | 58,360.00 | 71,552.04 |
| Production Foreman | | | | |
| Environmental Compliance Coordinator | 5,127.00 | 6,266.00 | 61,524.00 | 75,192.00 |
| Assistant Controller | 5,386.00 | 6,581.47 | 64,632.00 | 78,977.84 |
| Assistant Engineer | | | | |
| EXEMPT POSITIONS | | | | |
| Title | Minimum | Maximum | Annual Range | |
| Executive Assistant | | | | |
| Human Resources Coordinator | 5,086.00 | 6,381.33 | 61,032.00 | 82,575.96 |
| Water Conservation Supervisor | | | | |
| Administrative Services Manager | 5,940.00 | 7,224.53 | 64,080.00 | 86,694.36 |
| Superintendent (Distribution, Field Services, Production) | | | | |
| Associate Engineer | 5,600.00 | 7,388.53 | 67,200.00 | 91,062.36 |
| Information Technology Manager | | | | |
| Operations Manager | 7,160.00 | 9,685.87 | 85,920.00 | 116,230.44 |
| Engineering Manager (CIP, Engineering Services) | 7,517.00 | 10,171.20 | 90,204.00 | 122,064.40 |
| Finance Director | 7,897.00 | 10,680.80 | 94,764.00 | 127,169.60 |
| Assistant General Manager | 8,708.00 | 11,779.73 | 104,496.00 | 141,356.76 |
| General Manager | | | Contract Salary | |

SSWD Administrative Office
 3701 Marconi Avenue, Suite 100 | Sacramento, CA 95821-3348 | Ph: 916.972.7171 | Fax: 916.972.7619
 Business Hours: Monday-Friday 8:00 a.m. to 4:30 p.m. | sswd.org

(Rev. 1/08/14)