Yucaipa Valley Water District

Workshop Memorandum 12-070

Date: **March 27, 2012**

Subject: **Modification No. 5 to the Bureau of Reclamation Cooperative Agreement for Funding of the Regional Brineline Project**

In March 2010, the District received a funding grant in the amount of $2.286 million from the Bureau of Reclamation for Phases 1 and 2 of the Yucaipa Valley Regional Brineline Project [Director Memorandum No. 10-021]. This federal grant is in addition to the grant funding received from Proposition 50 for the three phases of the project (Phases 1, 2 and 3).

On September 8, 2010, the Yucaipa Valley Water District received notification from the Department of the Interior, Bureau of Reclamation of an additional $2 million grant from the American Recovery and Reinvestment Act for Phase 3 of the Yucaipa Valley Regional Brineline. This additional funding was documented as Modification No. 1 to the Agreement with the Bureau of Reclamation.

Since this time, the District has received additional modification requests to the grant Agreement to provide for administrative costs for the Bureau of Reclamation. Modification No. 2 was unilaterally executed by the Bureau of Reclamation on September 21, 2010. Modification No. 3 was approved by the Board on March 2, 2011 and Modification No. 4 was approved on May 18, 2011.

On March 19, 2012, the District received Modification No. 5 for the deobligation of an additional $20,000.

In order to maintain proper documentation for this project and financial audits, the District staff recommends that the Board approves Agreement Modification No. 5.

Summary of Administrative Funds for the U.S. Bureau of Reclamation

Original U.S. Bureau of Reclamation Grant	$ 2,137,000
Second U.S. Bureau of Reclamation Grant – Modification No. 1	$ 2,000,000
Administrative Fund Obligation – Modification No. 2	$ 75,000
Administrative Fund Deobligation - Modification No. 3	($ 16,000)
Administrative Fund Deobligation - Modification No. 4	($ 30,000)
Administrative Fund Deobligation - Modification No. 5	($ 20,000)