

**MCMULLIN AREA GROUNDWATER  
SUSTAINABILITY AGENCY**

**REQUEST FOR PROPOSAL**

***GROUNDWATER CREDIT AND SURFACE WATER  
MARKETING STRATEGY***



**Proposals Due: January 29, 2020 by 6:00 P.M. PST**

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# **MCMULLIN AREA GROUNDWATER SUSTAINABILITY AGENCY**

## **REQUEST FOR PROPOSALS TO PROVIDE SERVICES FOR DEVELOPMENT OF A GROUNDWATER CREDIT AND SURFACE WATER STRATEGY**

### **1 . Introduction**

The McMullin Area Groundwater Sustainability Agency (MAGSA or Agency) has received a cost share Grant from the United States Bureau of Reclamation (USBR) and is requesting proposals from qualified contractors/firms to provide qualified professional services to develop a groundwater credit and surface water marketing strategy for the Agency. It is the intent of MAGSA to hire a single qualified consultant, or team of consultants, for this project. To be considered a qualified consultant, the firm or team must demonstrate experience with water transfers and water supply issues both statewide and, more specifically, within the Central and Southern San Joaquin Valley of the State of California.

MAGSA requests that any and all questions regarding the RFP be submitted in writing no later than January 15, 2020. MAGSA will review all questions submitted and, if necessary, prepare an addendum with appropriate responses which will be posted on the MAGSA website at [www.mcmullinarea.org](http://www.mcmullinarea.org).

Work on the project is expected to begin in mid-February, 2020. It is expected that all work, including the final report and Strategy document, will be completed by the end of September 2021.

### **2 . Background**

The McMullin Groundwater Sustainability Agency (MAGSA) is located in Fresno County in central California and encompasses approximately 120,635 acres. MAGSA was formed in response to the Sustainable Groundwater Management Act (Water Code §§ 10720 et seq.) passed into law in California in 2014. MAGSA is a Joint Powers Authority comprised of three member-agencies: Mid Valley Water District (MVWD), Raisin City Water District (RCWD), and the County of Fresno. MAGSA has significant water supply issues including groundwater overdraft (+/- 91,000 acre-foot/year), declining groundwater levels, and lack of permanent surface water supply. These conditions have mobilized the MAGSA to explore a water marketing strategy. The project includes two main components: 1) Development of a Groundwater Credit Program, and 2) Coordination with other agencies that could potentially market water to MAGSA. The Groundwater Credit Program is anticipated to allow landowners who do not use all of their groundwater allocation to sell or trade the remaining groundwater to other water users within MAGSA. The water marketing component will include outreach, coordination and studies with several water agencies to facilitate potential water import transfers into MAGSA. Both components will include significant outreach with landowners, residents, and local water agencies. The project is intended to benefit a multi-jurisdictional area with 12 major stakeholders representing agricultural, municipal, domestic, industrial and environmental water users. The project is located within the Bureau of Reclamation's Central Valley Project Service Area, and could potentially involve water transfers from the Friant Division (San Joaquin River) of the Central Valley Project. The anticipated project benefits include an increase in near-term water

supply, improved water reliability, incentives to conserve groundwater, improved coordination with other agencies, and creation of a longer-term sustainable water supply for the Agency.

**(A) Geographic Location**

MAGSA is located in north central Fresno County. The Agency is bounded to the north by the San Joaquin River. The remaining boundaries of the MAGSA are defined by political boundaries of water districts and other Kings Subbasin Groundwater Sustainability Agencies (GSAs). MAGSA encompasses approximately 120,635 acres (188 square miles). In addition to its three member-agencies, the MAGSA area also includes two Ecological Reserves managed by the California Department of Fish and Wildlife: the Kerman Ecological Reserve and the Alkali Sink Ecological Reserve. There are no tribal or federal lands in MAGSA. Refer to **Figure 1** for a map of MAGSA and other stakeholders.

**(B) Water Supply**

The Kings Groundwater Subbasin of the San Joaquin Groundwater Basin is the main source of water for MAGSA. The aquifer below MAGSA is used for irrigation, municipal, and minor industrial purposes. Groundwater pumping for municipal use occurs in the community of Raisin City. Other private domestic and industrial wells are scattered throughout MAGSA. Agriculture accounts for the largest groundwater demand.

The MAGSA estimated average annual groundwater overdraft is approximately 91,000 AF (as determined via a coordinated estimated initial water balance for the Subbasin). The aquifer is subject to falling groundwater levels due to a semi-arid climate, limited recharge, and overdraft pumping. Annual rainfall varies considerably from year to year and averages about 10 inches, of which approximately 80% occurs from November through April.

MAGSA has not acted as a water distributor but has the authority to do so. MVWD, a member agency of MAGSA, has occasionally received small quantities of floodwater from the Kings River and San Joaquin River. Between 1986 and 2017, surface water was delivered 6 out of 32 years and averaged about 5,000 AF/year during each diversion period. Managed groundwater pumping and more frequent and larger water imports are needed for longer term sustainable farming and groundwater management, which are the impetus for this project.

**(C) Water Delivery System**

Water is primarily obtained through private wells and then delivered through private delivery systems. Production well depths range in depth from 75 feet to 800 feet. There are an estimated 1,200 active wells in MAGSA. MAGSA currently has limited facilities to deliver surface water. Some turnout and conveyance facilities, largely private owned, can be found in various parts of the GSA. These have been used historically to deliver floodwater from the Kings River and San Joaquin River. MAGSA members are in various stages of planning and design of new recharge ponds, turnouts, and delivery canals.

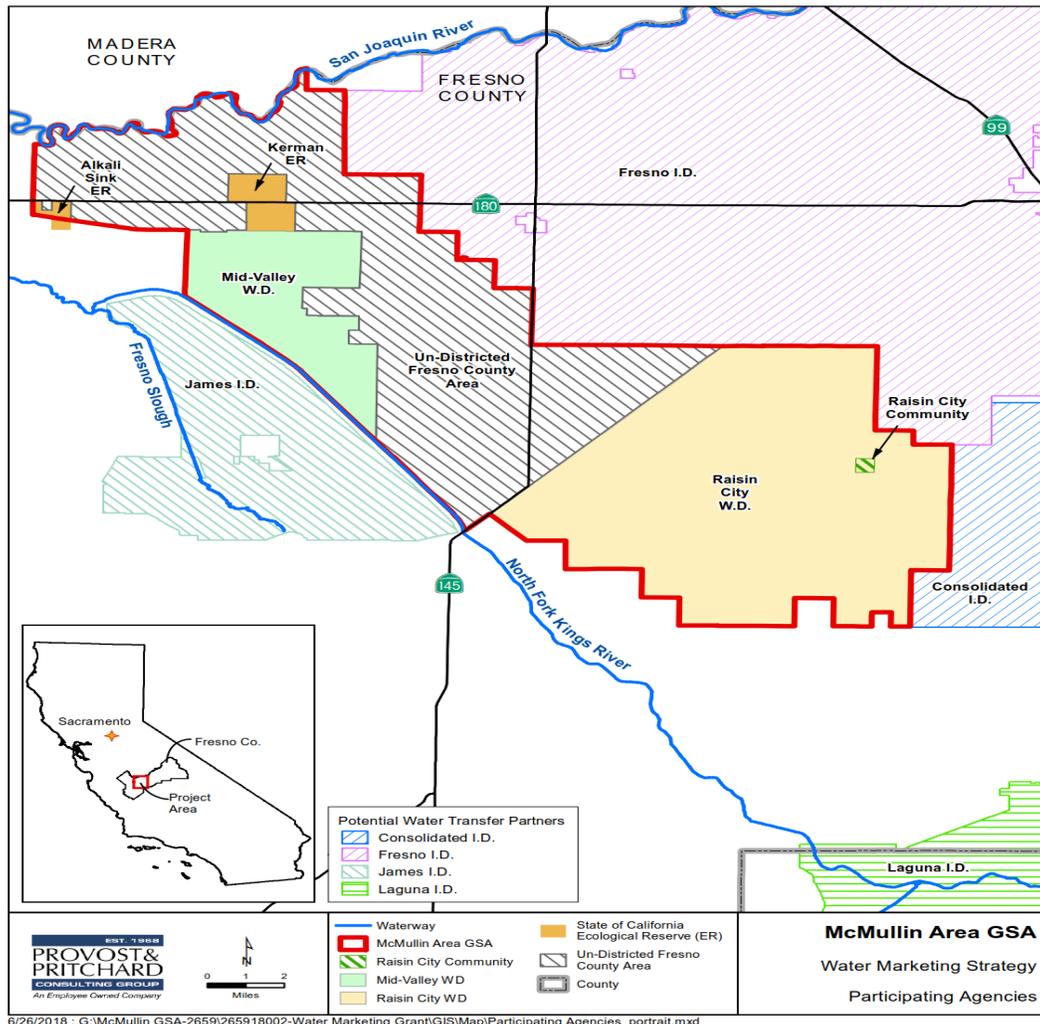
**(D) Water Demands**

MAGSA is overwhelmingly categorized as agricultural land. Water demands are generally

proportional to the land use. Permanent crops represent around 61% of the land use, followed by grains, pastures and field crops that occupy around 23%. Residential areas are dominated by rural, single-family homes that occupy 1.5% of the total area. Total water demands are estimated at 282,000 AF/year. MAGSA has prepared a detailed water budget as part of its Groundwater Sustainability Plan development that is available to assist in providing a more accurate breakdown of specific water demands.

**(E) Past Working Relationships with the Bureau of Reclamation**

MAGSA is a Joint Powers Authority comprised of MVWD, RCWD, and Fresno County. On several occasions, MVWD has obtained temporary contracts from the USBR for Section 215 flood water from the Friant System of the Central Valley Project (San Joaquin River). MVWD and RCWD were originally formed to execute a contract for surface water from the USBR’s then-proposed Mid-Valley Canal Unit of the Central Valley Project. In the 1970’s, MVWD and RCWD worked closely with USBR on studies for the Mid-Valley Canal. The Mid-Valley Canal was never constructed since most remaining CVP water supplies were dedicated to environmental flows.



**Figure 1 - Participating Agencies**

### 3 . Scope of Work

The project includes two main components: 1) Development of a Groundwater Credit Program, and 2) Coordination with other agencies that could potentially market water to MAGSA. The Groundwater Credit Program is expected to allow landowners who do not use all their groundwater allocation to sell or trade the groundwater to other water users within MAGSA. The water marketing component will include outreach, coordination and studies with several water agencies to assess the potential to facilitate potential water import transfers into MAGSA. Both components should and will include extensive public outreach to educate local water users on the proposed programs and solicit input and ideas.

#### (A) Project Tasks to be Included

**Table 1 - Project Tasks**

Presumed to be Primary Contractor Responsibility (w/Agency coordination) unless noted in red

Task 1 - Project Management and Administration		
Project Management & Grant Administration	1.1 - Project Work Plan	- Work with USBR to develop and refine the project work plan, define roles, tasks, deliverables, schedule and budget - <b>Agency</b>
	1.2 – Coordination	- Coordinate with USBR monthly - <b>Agency</b>
	1.3 - Invoicing	- Review and prepare invoices for submittal to USBR - <b>Agency</b>
	1.4 - Monitoring and Reporting	- Monitor Project progress and prepare Interim Performance Reports that track whether milestones, schedules, and costs are on track - <b>Agency</b>
	1.5 - Technical Reports	- Prepare Final Performance Report explaining the process and outcomes – <b>Contractor in coordination w/ Agency</b>
Task 2 - Outreach and Partnership Building		
Element 1 - Outreach	2.1 - Communication and Outreach Plan	- Develop a Communication and Outreach Plan to engage the public, residents/landowners, and other interested parties in project development
	2.2 - Identification and engagement of potential transfer partners	- Identify potential water transfer partners which may include CVP, SWP and Kings River water contractors
		- Contact potential water transfer partners to explore transfer interest, availability, pricing, etc.
	2.3 - Identification and engagement of GSA stakeholders	- Identify stakeholders and affected parties within and adjacent to MAGSA including but not limited to water districts, irrigation districts, municipal water agencies, other public agencies, environmental interests, individuals, etc.
	2.4 - Public Outreach	- Conduct targeted outreach to engage the public and interested parties
2.5 - Technical Workshops	- Organize two informational public workshops to explain the water market and groundwater credit program concepts, to explain the strategy development process, and to solicit feedback; and to present study results and to inform draft strategy for review.	

Task 3 - Scoping and Planning Activities		
Element 2 - Scoping & Planning	3.1 - Surface Water Market Evaluation	<ul style="list-style-type: none"> <li>- Review market types such as one-time trading "spot markets," temporary contracts, and permanent contracts; list advantages and constraints of each</li> <li>- Identify potential partners for surface water transfers and sales (Task 2.2) and mechanisms for water exchanges</li> <li>- Quantify the interest and need of stakeholders including M&amp;I, agriculture, and environmental reserves</li> </ul>
	3.2 - Groundwater Credit and Trading program Evaluation	<ul style="list-style-type: none"> <li>- Review existing groundwater credit programs such as Pajaro Valley, North Platte Project, Fox Canyon, etc.</li> <li>- Identify interested groundwater buyers and sellers</li> </ul>
	3.3 - Evaluate Infrastructure Requirements	<ul style="list-style-type: none"> <li>- Evaluate existing infrastructure capacity and required infrastructure for delivery of surface water, banking, and groundwater transfers</li> </ul>
	3.4 - Legal/Water Rights Analysis	<ul style="list-style-type: none"> <li>- Evaluate any potential legal or institutional issues with water transfers and water rights such as type and place of use</li> <li>- Analyze legal issues with water use such as underground storage, in-lieu recharge, and non-contracted high flow water</li> <li>- Identify recommended agency policies and potential policy issues</li> <li>- Identify compliance needs and permit requirements – <b>In coordination with legal counsel.</b></li> </ul>
	3.5 - Analyze Quantity of Available Supplies	<ul style="list-style-type: none"> <li>- Analyze water availability for water year types and contractual scenarios</li> <li>- Analyze indirect limitations such as irrigated acreage, crop water uses, and potential localized impacts</li> <li>- Update current and future demands, sustainable yield, maximum allowable pumping, groundwater recharge capacity and rates (<b>to be done concurrently with Groundwater Sustainability Plan data management implementation</b>)</li> </ul>
	3.6 - Evaluate Socioeconomic and Environmental Impacts	<ul style="list-style-type: none"> <li>- Identify environmental compliance requirements and degree of impact on affected resources with regard to proposed water market and recommend necessary infrastructure upgrades</li> </ul>
		<ul style="list-style-type: none"> <li>- Evaluate impacts to agricultural economy from land fallowing versus importing surface water</li> <li>- Review hydrogeological analysis of the existing aquifer and current and historical evaluation of groundwater conditions and uses in the MAGSA GSP.</li> <li>- List potential impacts to the aquifer due to groundwater trading and movement including but not limited to: groundwater level declines, subsidence, reduction in groundwater storage, degradation of water quality, changes to groundwater/surface water interactions.</li> </ul>
3.7 - Economic Analysis	<ul style="list-style-type: none"> <li>- Determine the capital needed to proceed with infrastructure upgrades and annual maintenance costs</li> <li>- Identify operational, overhead, and administrative costs of two programs</li> <li>- Evaluate the cost of surface water exchanges and wheeling charges, and the economic impact of using surface water to supplement groundwater</li> </ul>	

		- Evaluate groundwater trading, purchasing, and banking practices for existing groundwater credit markets and the economic effects
Element 3 - Development of a Water Marketing Strategy	<b>Task 4 - Development of Water Marketing Strategy</b>	
	4.1 – Implementation Plan	<ul style="list-style-type: none"> <li>- Identify water market and credit system goals</li> <li>- Define limiting factors such as extraction rates and volumes, individual allocations, groundwater banking carryover limits, consumptive use limitations, trading zones and ratios</li> <li>- Identify participants (buyers, sellers, investors) in water marketing program, infrastructure to be used (wells, points of diversion, conveyance channels and pipes, and recharge basins)</li> <li>- Address potential need for assessments and fees for maintaining and administering the water marketing and groundwater credit program, analyze potential fees and/or rebates for transfers and conservation</li> <li>- Define roles, responsibilities and administrative structure for implementing marketing and credit program</li> <li>- Summarize rationale for pursuit of preferred surface water transfers, sales and alternatives considered and not selected, and issues to be resolved prior to implementation</li> </ul>
	4.2 – Legal Framework	<ul style="list-style-type: none"> <li>- Establish oversight and enforcement mechanisms</li> <li>- Discuss water rights laws that pertain to proposed programs</li> <li>- List internal rules and regulations that would govern water marketing and groundwater credit programs</li> <li>- Establish trading and transfer approval procedures</li> </ul>
	4.3 - Monitoring Plan	<ul style="list-style-type: none"> <li>- Identify/select programs and tools for tracking water transfers and payments, and impacts to groundwater conditions</li> </ul>
	4.4 - Decision Support Tools	<ul style="list-style-type: none"> <li>- Research commercial programs such as WaterFind (<a href="https://www.waterfind.com.au/">https://www.waterfind.com.au/</a>) and Mammoth Trading (<a href="http://www.mammothtrading.com">www.mammothtrading.com</a>) for water trading</li> </ul>
		<ul style="list-style-type: none"> <li>- Develop decision matrix for restricting groundwater transfers and purchasing water based on economic and environmental considerations</li> </ul>
4.5 - Identify Future Pilot Programs	<ul style="list-style-type: none"> <li>- Document details for potential future pilot programs</li> </ul>	

**(B) Project Schedule**

Work is expected to begin upon finalization of contract/proposal. All work must be completed by the end of September 2021. A 30 day extension of time may be available in the case of unforeseen circumstances that may delay the project, at the discretion of the Agency.

**4 . Budget**

**Disclosure:** A Water Marketing Strategy Grant has been received from the Bureau of Reclamation in the amount of \$193,000 with a cost share of \$193,000 and an expected total project cost of \$386,000. Proposals should reflect specific actual anticipated costs of services and should be presented in a manner suitable for inclusion in a budget and critical path timeline for the project (see 5 (F) below).

It is the MAGSA's intention to comply with the Federal procurement standards as prescribed in Title 2 of the Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards in awarding and administering this RFP and subsequent Contract.

## **5 . Proposal Format**

The proposal shall be tabbed and labeled in the order below and include as a minimum the following information:

### **(A) Cover/Transmittal Letter**

### **(B) Introduction**

Provide an introductory description of the project, including a clearly stated overview of your understanding of the services to be provided.

### **(C) Scope of Work**

Provide a proposed Work Plan and Communication and Outreach Plan. The plans should fully describe each task and the schedule that you intend to use to complete the tasks listed. Quantify any support or services the consultant will expect from the MAGSA for each task. Note any changes or additions to the task descriptions that you feel may have been overlooked or which you feel may help clarify the work tasks. Note: The final report and Water Marketing Strategy Document will be required to substantially comply with the requirements set forth in Exhibit "B" hereto.

### **(D) Responsible Personnel**

List the principal-in-charge, project manager, and key project staff that will be assigned to the project along with their length of employment with your firm. Prepare a concise statement of qualifications and experience of each person committed to the project. Include all anticipated sub-consultants, listing their names, addresses, phone numbers, and their key staff personnel. A project organizational chart of the key personnel should be included.

### **(E) Related Experience**

Include all projects in progress or completed over the last 5 years that are comparable to this project. Include references with names, addresses and phone numbers for at least three of the reference projects listed in the proposal. Projects included in this section must demonstrate related past project experience with water marketing, public outreach, and coordination.

### **(F) Project Cost and Implementation Schedule**

Proposer's current rate scale and fee estimate, including a fixed, not-to exceed figure for performance of professional services outlined in each task, shall be submitted with the proposal. Break down the cost estimate by task, person hours per task, billing rates, different personnel classifications per person hour (i.e. Principal, Senior Engineer, Clerical, and others, etc.), provide a total fixed cost per task and a total fixed cost for the entire project. Fees shall include all markups, overhead, and profit. The

contract shall provide for payment of all of the scope of work on a fixed, not-to-exceed amount. Invoicing is expected to be on a percentage of completion basis for each task and shall be timely only if billed in increments of ten (10%) or greater for each such task identified.

**(G) Proposal Endorsement**

The proposal shall contain a statement certifying that the firm has the capacity and available staff to complete the project on time. The endorsement shall include a statement that the contractor/firm has insurance in the forms and in the amounts specified in Exhibit “A” hereto, which are the minimum requirements to perform work within or on behalf of MAGSA. The statement shall also indicate that the proposal is valid for at least thirty (30) days and shall be signed by an official authorized to bind the contractor/firm to the statement. Additional statements shall be signed by any additional firms if the proposal is submitted by a partnership or joint venture.

**6 . Request for Proposal (RFP) Schedule**

<u>SCHEDULE</u>	<u>DATE</u>
Release RFP to consultants/distribution	December 27, 2019
Cutoff Date for Questions	January 15, 2020
Response to Questions	January 17, 2020
RFP’s due to MAGSA	January 29, 2020
Notification to consultants for oral interview (if necessary)	January 30, 2020
Interviews and selection of consultant	February 3, 2020
Recommendation for award of contract to Board	February 5, 2020
Finalize Contract and Begin contract scope of services	February 10, 2020

**7 . Proposal Submittals**

Pages in the proposal shall be typed (font size 12 or larger) and single sided with the maximum number of pages of proposal information (excepting cover sheet, index sheets, blank pages, and table of contents) to be limited to forty (40) pages. Only the specifically requested information shall be submitted. Promotional or other unsolicited material may not be submitted. If a consultant recognizes a more efficient method of accomplishing a specific task or item, the consultant’s cost shall reflect in their cost estimate the cost for services for what the MAGSA requested, and any additional non-requested information shall be specifically identified as such and costs stated separately from the requested items.

The contractor/firm shall submit an original and three (3) hard copies of the proposal and one electronic copy on a thumb drive, both clearly marked with the consultant’s name and description “MAGSA Groundwater Credit and Surface Water Marketing Strategy” in a sealed box or envelope.

The cost for services for the tasks required in this proposal shall be submitted in a separate section at the end of the proposal. The proposals shall be delivered to the office of the MAGSA at the address and no later than the time noted on the cover sheet. Proposals received incomplete or late, for any reason, will not be reviewed or considered.

Any questions or comments may be directed to the General Manager, Matt Hurley at (559) 515-3339 or, preferably, via email at [mhurley@mcmullinarea.org](mailto:mhurley@mcmullinarea.org) within the time period specified.

## **8 . Evaluation Criteria**

The MAGSA will evaluate proposals according to the evaluation criteria below. The result of this step will be the identification of the selection of a proposal for negotiation of a contract. Points will be awarded, as noted in the table below, based on the relative merit of the information provided in the response to the solicitation. Selection shall be based upon the total number of points awarded by the evaluation committee.

<u>Scoring component</u>	<u>Percentage of score</u>
Understanding of the overall project and scope	25
Experience with similar kinds of work	25
Experience and qualifications of the project manager and project team (including the inclusion of Small and Minority Firms and Women’s Business Enterprises)	25
Cost and implementation schedule	25
Total score	100

MAGSA may elect to conduct interviews with selected respondents to ask questions or to garner more clarifying detail on the submitted proposal. The MAGSA reserves the right to seek supplemental information from any respondent at any time after official proposal opening and before award. This will be limited to clarification or additional detail on information included in the original proposal. Proposals shall be kept confidential until a contract is awarded. MAGSA shall retain all proposals or return the same within its sole discretion. The selected vendor/contractor will be notified in writing and via email. Upon acceptance of a proposal and intent to award, the successful respondent will be required to fully execute and return all required project documents and certifications of insurance within ten (10) days from the Notice of Award. Any award is contingent upon the successful negotiation of the final Contract terms. Should the selected firm fail or refuse to execute the project documents, the MAGSA reserves the right to accept the proposal of the firm offering the next best value to the MAGSA, in its sole discretion.

## Exhibit “A”

### Insurance Requirements

As excerpted from MAGSA Procurement Policy:

#### **SECTION 15.0**      **INSURANCE AND BONDS**

##### 15.1 Insurance Requirements and Approval

- 15.1.1 Unless authorized by MAGSA’s General Manager, Certificates of Insurance and Endorsement forms are required for all quotes, bids, RFPs, and Contracts awarded by MAGSA, as well as all services procured through the use of a Purchase Order. The General Manager shall be consulted to recommend insurance limits and coverage required prior to the release of a solicitation or Purchase Order. MAGSA staff should consult with the General Manager prior to releasing solicitations.
- 15.1.2 MAGSA’s General Manager determines the minimum insurance requirements for work performed by contractors. The determination is based on project specific risk factors and MAGSA’s liability exposure. MAGSA requires insurance in all instances in which contractors:
- A. Repair, install, service, maintain, or construct MAGSA property or facilities.
  - B. Provide certain consulting services.
  - C. Deliver certain goods and supplies to MAGSA. Examples include but are not limited to equipment, pipe, fuel, building supplies, and other products used in MAGSA business.
  - D. Hauling of waste or other items from MAGSA property or facilities. MAGSA contract administrators should consult with the General Manager prior to requesting quotes/bids/RFP.
  - E. MAGSA staff shall not authorize work/services prior to written authorization from the General Manager that the contractor’s insurance certificate and endorsement forms have been reviewed and conform to MAGSA requirements. Under no circumstance should a Purchase Order, agreement, or contract be issued or executed in the absence of written authorization from the General Manager or designated representatives and that the appropriate Certificates of Insurance and Endorsement forms are on file and satisfactory to MAGSA.
  - F. Contractors are required to maintain all requisite insurance for the duration required by the Contract or Purchase Order and must ensure that current, satisfactory Certificates of Insurance and Endorsement

forms are on file with MAGSA. Failure to furnish such evidence may be considered contractor default.

- G. The Procurement Staff is responsible for obtaining all required Certificates of Insurance and Endorsement forms.

## 15.2 Insurance Requirements

15.2.1 The minimum insurance policy and endorsement requirements are:

- A. Commercial General Liability. Insurance written on a per occurrence basis with limits not less than \$1,000,000, for bodily injury and property damage including coverage for contractual liability, personal injury, independent contractors, property in the Vendor's care, custody, or control, ongoing and products and completed operations.
- B. Commercial Automobile Liability. Insurance written on a per accident/occurrence basis with a single limit of liability in the amount of \$1,000,000 for bodily injury and property damage. Said policy shall include coverage for any auto, owned, non-owned, leased and hired cars.
- C. Workers' Compensation. Insurance policy as required by the Labor Code or legally self-insured pursuant to Labor Code section 3700 et seq. along with employer's liability limits of \$1,000,000.

15.2.2 Each of a vendor's insurance policies shall contain the following:

- A. A provision or endorsement that the insurer names MAGSA, its officers, directors, members, partners, employees, agents, consultants, and subcontractors as additional insured's (except Workers' Compensation and Professional Liability).
- B. Along with the vendor waiving its right to subrogation, a provision or endorsement whereby the insurer waives all right of subrogation, against MAGSA, it's representatives, officers, directors, members, partners, employees, agents, consultants, and subcontractors (except Professional Liability).
- C. Vendor is required to provide notice of cancellation or material coverage change to MAGSA within ten (10) days of receipt, along with an endorsement from the insurer providing that written notice shall be given to MAGSA at least thirty (30) days prior to termination, cancellation, or reduction of coverage in the policy.
- D. A provision or endorsement that such insurance is primary and non-contributory with respect to the interests of the additional insured's and that any other insurance maintained by the additional insured's is excess and not contributing insurance with the insurance required.

- E. A provision or endorsement with a “cross liability” or “severability of interest” clause.

15.2.3 These specific insurance requirements are mandated should the work involve any of the following activities:

- A. Professional Liability/Errors and Omissions Insurance is required in the amount of \$1,000,000 for non-public works related professional services. For public works related professional services, Professional Liability/Errors and Omissions Insurance is required in the amount of \$5,000,000, unless otherwise authorized by the General Manager.
- B. Pollution Liability is required in the amount of \$1,000,000, should any of the work involve pollutants. Liability coverage shall include coverage for the environmental risks associated with the project and expenses related to such, including bodily injury, property damage, on and off site clean-up, transporting, carrying or storing pollutants, and coverage for non-owned disposal site.

15.2.4 Pollutants include, but are not limited to, asbestos, mold, microbial matter, solid, liquid, gaseous or thermal irritants or contaminants, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.

- A. Should any of the work be upon or contiguous to navigable bodies of water, Vendor shall carry insurance covering its employees for benefits available under the Federal Longshoremen’s and Harbor Worker’s Act to the extent required by law.
- B. Should any of the work involve aircraft (fixed wing or helicopter) owned or operated by Vendor, liability insurance with limits of not less than \$5,000,000 per occurrence for bodily injury and property damage is required.
- C. Should any of the work involve watercraft owned or operated by Vendor, liability insurance with limits of not less than \$5,000,000 per occurrence for bodily injury and property damage is required.
- D. Excess/Umbrella Liability Policy may be provided to insure the total limits required for Commercial General Liability and Automobile Liability and must apply to all primary coverage afforded, including but not limited to general liability, owned and non-owned automobiles, leased and hired cars.

### 15.3 Payment and Performance Bonds

15.3.1 Payment Bonds are required by law on all public works projects in excess of \$25,000.

15.3.2 The Procurement Staff shall determine whether payment and/or performance bonds are required.

## **Exhibit “B”**

### **Water Marketing Strategy Minimum Requirements**

#### **Water Marketing Strategy Document**

A water marketing strategy is a written document that describes a proposed approach to establish or expand a new water market or water marketing activities based on the results of the outreach, scoping, and planning activities that are performed. The Water Marketing Strategy document should include, but is not limited to:

- Description of how the water market/water marketing activities will be implemented following completion of the strategy, addressing long-term project management and financial sustainability, and describing the potential administrative structure and institutional components, the participants, water rights, and infrastructure involved, and how transactions will be tracked, to the extent known. The Strategy will also describe the issues to be resolved and the steps to be taken before these aspects can be addressed and before an implementation plan can be developed.
- Description of the potential legal framework for the water market/marketing activities, including a description of potential rules and requirements for the water market/marketing activities, to the extent known. The Strategy will also describe the issues to be resolved and the steps to be taken before a legal framework can be developed.
- Description of how stakeholder support and input was incorporated in the water market/water marketing activities including who was involved in the planning process; who expressed their support for the planning process; and if the project was supported by entities representing environmental, agricultural, municipal, tribal, or recreation uses.
- Description of how water marketing activities will be monitored, to the extent known. The Strategy will also describe the issues to be resolved and the steps to be taken before a monitoring plan can be developed.

The level of detail in addressing the strategy requirements may vary depending on how much prior planning has occurred, the level of complexity of the issues being addressed, and how close the Project is to implementation. If planning has not yet progressed to the point where these aspects are known, planning efforts in beginning stages may include a general description of the above-described required elements, for example, describing potential administrative structures under consideration, potential plans for long-term operations and financing. More advanced planning efforts should be fully developed with more detailed information regarding each strategy element described above, for example, a description of the actual administrative structure, institutional components, the rules, and requirements. Recipients of Water Marketing Strategy Grants may propose additional strategy elements that are not described above, and these will be considered so long as they are consistent with program requirements.

The requirements that apply to the development of the water marketing strategy are shown in Table 1.

**Table 1.**

Requirement	Description
Implementation Plan	<p>Describe how the water market/water marketing activities will be implemented following completion of the strategy including:</p> <ul style="list-style-type: none"> <li>• How the water market will operate or how marketing activities will be conducted, including a discussion of any alternatives that were considered and support for why the recommended approach was selected;</li> <li>• Addressing long-term project management and financial sustainability;</li> <li>• The actual or potential administrative structure and institutional components;</li> <li>• The participants, water rights, and infrastructure involved;</li> <li>• How transactions will be tracked; and</li> <li>• The issues to be resolved and the steps to be taken prior to implementation.</li> </ul>
Legal Framework	<p>Describe the legal framework for the water market/marketing activities, including:</p> <ul style="list-style-type: none"> <li>• How the water marketing activity fits within state water law requirements;</li> <li>• Any contracts, interstate-compacts treaties, or other legal requirements that may impact the water market or marketing activities;</li> <li>• The actual or potential rules and requirements that will govern the implementation of the water market/marketing activities;</li> <li>• The actual or potential contracts, agreements that are being drafted or would need to be drafted, and any legal actions that would need to be taken (e.g., change of water rights) to support the water market/marketing activities; and</li> <li>• The strategy will also describe any legal issues to be resolved prior to implementation.</li> </ul>
Monitoring	<p>How water marketing activities will be monitored, including:</p> <ul style="list-style-type: none"> <li>• The process by which market participants will track the physical movement of water from seller to buyer,</li> <li>• How the purchasers will recognize the receipt of water, and</li> </ul>

	<ul style="list-style-type: none"> <li>• How transactions will be monitored to avoid harm to other water users.</li> </ul>
Requirement	Description
Decision Support Tools (if applicable)	<p>Development of decision support tools, including:</p> <ul style="list-style-type: none"> <li>• A description of any decision support tools, software databases, registries, dashboards, or models that were developed as part of the strategy or which are needed to facilitate implementation of the water marketing strategy.</li> </ul>
Pilot Activities (if applicable)	<p>To the extent that the Project included pilot activities, describe those activities and their outcome, including:</p> <ul style="list-style-type: none"> <li>• A description of the types of pilot activities undertaken, how the activities were implemented and their duration; and</li> <li>• The outcome of all pilot activities including what was learned, and how this information informed and was incorporated into the strategy.</li> </ul>