

Cost Recovery Agreement
#16MJ-11060609-781

FS-2700-26(09/12)
OMB No. 0596-0082
City Agreement No. 30004977

EXHIBIT A

CATEGORY 6 MAJOR COST RECOVERY AGREEMENT

Between

USDA, FOREST SERVICE, MT. HOOD National Forest,
and CITY OF PORTLAND, PORTLAND WATER BUREAU

This agreement is entered into between the UNITED STATES DEPARTMENT OF AGRICULTURE, FOREST SERVICE, MT. HOOD National Forest (the Forest Service), and the CITY OF PORTLAND, PORTLAND WATER BUREAU (the applicant) under 36 CFR 251.58.

A. RECITALS

1. On 12/08/2015, the Forest Service accepted the applicant's application for use and occupancy of National Forest System lands (hereinafter "the application"), which is enumerated in Appendix A. The Forest Service shall assess the applicant a cost recovery fee for the agency's costs to process the application.
2. The Forest Service has determined that the fee for processing the application falls within category 6 under the applicable Forest Service processing fee schedule and/or that the fee for monitoring the applicant's special use authorization falls within category 6 under the applicable Forest Service monitoring fee schedule.
3. The geographic area to be covered by this agreement is Section 20 S1/2 SE1/4, Section 21 SW1/4, Section 27 SW1/4 NW1/4, SW1/4, Section 28 NE1/4, SE1/4, NW1/4, NE1/4 SW1/4, Section 29 NE1/4 NE1/4, Township 1S, Range 8E, WM. See Appendix B.
4. The application has been submitted or the applicant's special use authorization is being issued under the Mineral Leasing Act, or under other authorities and the applicant has waived payment of reasonable costs. Therefore, the Forest Service is entitled to recover its full actual costs incurred in processing the application or monitoring the authorization.
5. Payment of a processing fee by the applicant does not obligate the Forest Service to authorize the applicant's proposed use and occupancy. If the application is denied or withdrawn in writing, the applicant is responsible for costs incurred by the Forest Service in processing the application up to and including the date the agency denies the application or receives written notice of the applicant's withdrawal. If the applicant withdraws the application, the applicant also is responsible for any costs subsequently incurred by the Forest Service in terminating consideration of the application.
6. The Forest Service shall determine the appropriate level of environmental analysis for the application and inform the applicant prior to initiating the environmental analysis.
7. Information associated with this agreement may be released to the public in accordance with the provisions of the Freedom of Information Act and Privacy Act.

PART I - PROCESSING FEES

B. BASIS FOR PROCESSING FEES

Processing fees for the application are based upon the direct and indirect costs that the Forest Service incurs in reviewing the application, conducting environmental analyses of the effects of the proposed use, reviewing any applicant-generated environmental documents and studies, conducting site visits, evaluating the applicant's technical and financial qualifications, making a decision on whether to issue the authorization, and preparing documentation of analyses, decisions, and authorizations for the application. The processing fee for the application shall be based only on costs that are necessary for processing the application. "Necessary for" means that but for the application, the costs would not have been incurred. The processing fee shall not include costs for studies for programmatic planning or analysis or other agency management objectives, unless they are necessary for processing the application. Proportional costs for analyses, such as capacity studies, that are necessary for the application may be included in the processing fee.

C. AGREEMENT

In consideration of the foregoing, the parties agree as follows:

1. **Scope of Work.** The Forest Service shall develop a scope of work for processing the application and an estimate of the agency's costs to process the application, which will be incorporated into this agreement as Appendix C. This scope of work shall report direct costs in categories that correspond to those in the agency's accounting system, e.g., job code, personnel compensation based upon the cost to the government (salary and benefits), travel, and other direct services, materials, and supplies. In addition, the estimate of the agency's processing costs shall include the agency's indirect costs based upon the approved annual indirect cost rate. Classification of costs as direct or indirect shall be in accordance with the published Forest Service budget for the applicable fiscal year.
2. **Environmental Analysis.** The Forest Service shall supervise the preparation of the environmental analysis associated with the application in compliance with applicable legal requirements, including public review of the analysis, analysis of public comments, and decision documentation. In exercising this responsibility, the Forest Service shall endeavor to foster cooperation among other agencies involved in the process, and to integrate National Environmental Policy Act requirements and other environmental review and consultation requirements to avoid, to the fullest extent possible, duplication of efforts by those agencies. However, the Forest Service shall not delegate to any other agency its authority over the scope and content of the environmental analysis, or approval or denial of the application.
3. **Billing.** The Forest Service shall bill the applicant prior to commencement of work. The applicant agrees to pay the **processing fee of \$24,237**. City funds for each new City Fiscal Year shall be approved by the City's Budget Manager. The City's Fiscal Year is from July 1 to June 30. The bill for the processing fee will be sent by The Forest Service, Albuquerque Service Center (ASC).

Billings must be sent electronically to:

wbaps@portlandoregon.gov
City of Portland Water Bureau
1120 SW 5th Ave
Portland, OR 97204

The invoice shall list the Forest Service's Agreement Number and the City's Agreement Number along with the City's Project Manager.

4. Payment. The applicant shall pay the processing fee within 30 days of the date the bill for the fee is issued. The Forest Service shall not initiate processing the application until the estimated processing fee is paid. If the applicant fails to pay the estimated processing fee or the fee is late, the Forest Service shall cease processing the application until the fee is paid.

5. Statement of Costs. The Forest Service shall annually or upon completion of the project report costs incurred for processing the application by providing a financial statement from the agency's accounting system to the applicant.

6. Underpayment. When the estimated processing fee is lower than the full actual costs of processing an application submitted under the Mineral Leasing Act, or lower than the full reasonable costs (when the applicant has not waived payment of reasonable costs) of processing an application submitted under other authorities, the applicant shall pay the difference between the estimated and full actual or reasonable processing costs within 30 days of billing.

7. Overpayment. If payment of the processing fee exceeds the full actual costs of processing an application submitted under the Mineral Leasing Act, or the full reasonable costs (when the applicant has not waived payment of reasonable costs) of processing an application submitted under other authorities, the Forest Service shall either (a) refund the excess payment to the applicant or (b) at the applicant's request, credit it towards monitoring fees due.

8. Disputes

a. If the applicant disagrees with the estimated dollar amount of the processing costs, the applicant may submit a written request before the disputed fee is due for substitution of alternative estimated costs to the immediate supervisor of the authorized officer who determined the estimated costs. The written request must include supporting documentation.

b. If the applicant pays the full disputed processing fee, the Forest Service shall continue to process the application during the supervisory officer's review of the disputed fee, unless the applicant requests that the application processing cease.

c. If the applicant fails to pay the full disputed processing fee, the Forest Service shall suspend further processing of the application pending the supervisory officer's determination of an appropriate processing fee and the applicant's payment of that fee.

d. The authorized officer's immediate supervisor shall render a decision on a disputed processing fee within 30 calendar days of receipt of the written request from the applicant. The supervisory officer's decision is the final level of administrative review. The dispute shall be decided in favor of the applicant if the supervisory officer does not respond to the written request within 30 days of receipt.

9. Lack of Administrative Appeal. A decision by an authorized officer to assess a processing fee or to determine the estimated costs is not subject to administrative appeal. A decision by an authorized officer's immediate supervisor in response to a request for substitution of alternative estimated costs likewise is not subject to administrative appeal.

10. Amendment. Modifications to this agreement shall be made in writing and shall be signed and dated by both parties. Any no-cost modifications through an amendment to the agreement must be approved by the City Attorney's Office and City Procurement Officer. Any amendments that require an additional cost to the agreement will require an ordinance and require City Council approval.

11. Expiration and Termination. This cost recovery agreement expires on 12/31/2017. Either party, in writing, may terminate this agreement in whole or in part at any time before it expires. The applicant is responsible for all Forest Service costs covered by this agreement that are incurred up to the date of expiration or termination.

12. Principal Point of Contact. The Forest Service and the applicant shall each establish a principal point of contact for purposes of this agreement.

U.S. Forest Service Program Manager Contact	U.S. Forest Service Administrative Contact
Greg Wanner 70220 E. Hwy 26 Zigzag, OR 97049 503-622-2002 gwanner@fs.fed.us	Mary Ellen Fitzgerald 16400 Champion Way Sandy, OR 97055 503-668-1429 mfitzgerald@fs.fed.us

City Program Manager Contact	City Administrative Contact
Liane Davis 1120 SW 5 th Ave, Suite 600 Portland, OR 97204 503-823-7487 Liane.davis@portlandoregon.gov	Corrina Rodriguez 1120 SW 5th Avenue, Suite 600 Portland, OR 97204 503-823-7550 Corrina.Rodriguez@portlandoregon.gov

City of Portland

Christine Moody, Chief Procurement Officer
City of Portland Water Bureau

Date

Approved as to Form:

City of Portland
City Attorney

Date

Certified Pursuant to City Charter 2-509(b)

Mary Hull Caballero, Auditor

USDA, FOREST SERVICE, MT. HOOD National Forest

LISA NORTHROP
Mt. Hood Forest Supervisor
USDA, Forest Service

Date

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082.. The time required to complete this information collection is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

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To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

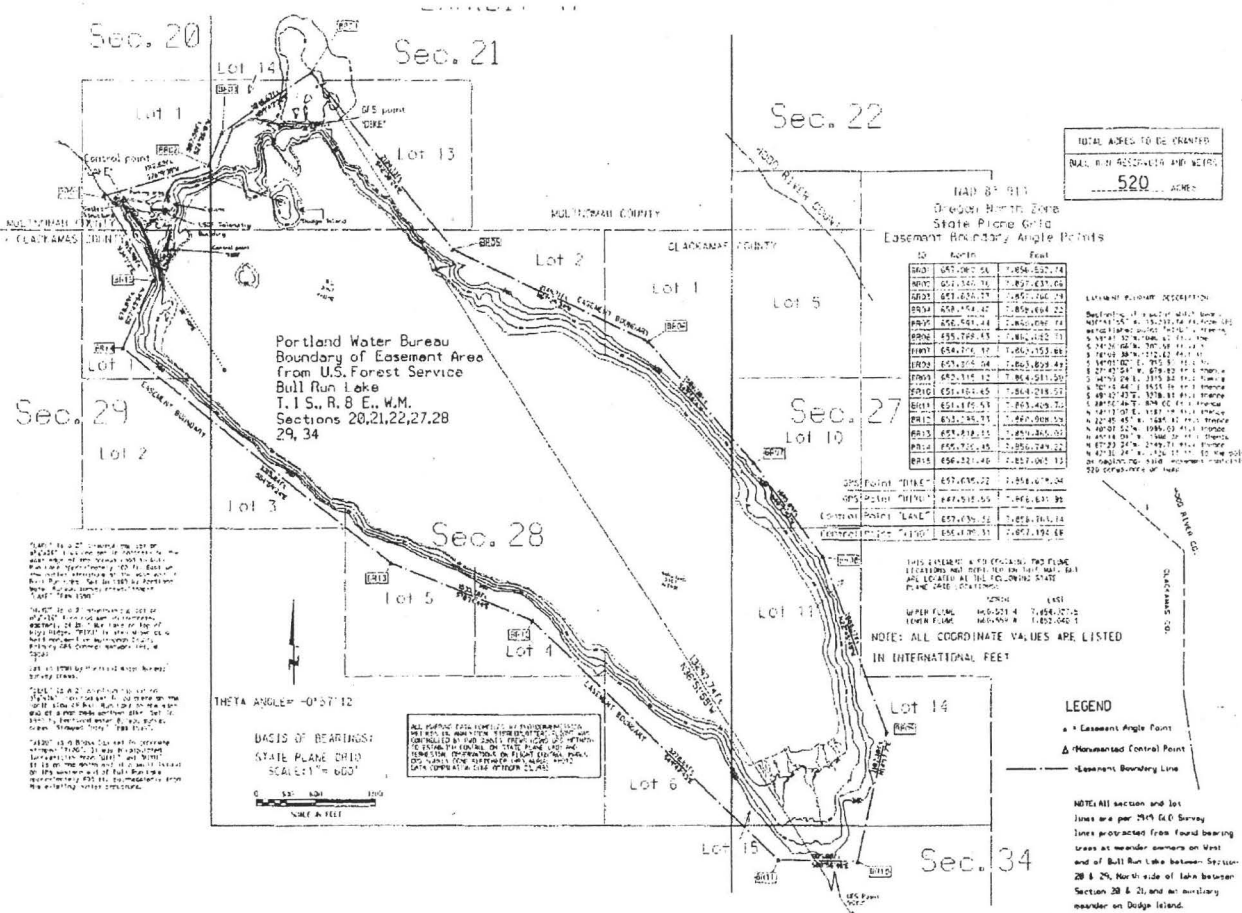
The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

APPENDIX A**Applications and Authorizations Subject to this Agreement****Applications**

An application was received to reauthorize the City of Portland use of Bull Run Lake dam and reservoir. The current special use authorization ZIG120722 expires on December 31, 2017.

Authorizations

If the environmental analysis for the proposed action shows that this project is authorized, the facilities will be authorized under new authorization ZIG258, to expire after a 30 year period on 12/31/2047.



APPENDIX C

Scope of Work

The scope of work covered by the agreement is for the Mt. Hood National Forest interdisciplinary team to analyze the environmental effects of reauthorizing a special use authorization to the City of Portland for utilizing Bull Run Lake dam and reservoir as a water supply source. An initial estimate of each specialist's time and their area of expertise for the analysis is provided below. The current authorization is set to expire on December 31, 2017. A new special use authorization would be issued under Special Use Authorization ZIG258, expiring after a 30 year period on 12/31/2047.

Processing	Amendment# :	Type of NEPA : CE		
Item	Item Description	Est. Hours	Category : 6	
HYDROLOGIST	Todd Parker	120		
BOTANIST	David Lebo	40		
ARCHAEOLOGIST/CULTURAL RESOURCES	Debbie Ortiz	40		
WILDLIFE BIOLOGIST	Jeff Goldberg	40		
ENGINEER/ENGINEERING TECH	Josh Marxen	16		
FISHERIES BIOLOGIST	Kat Arendt	160		
OTHER SPECIALIST	IDT Lead - Greg Wanner	80		
NEPA COORDINATOR	Michelle Lombardo	16		
PERMIT ADMINISTRATOR	Leanne Veldhuis	16		
Total Hours :		528		

For Categories 5 or 6 Determine Estimated and Actual Costs:

Item	Item Description	Hourly Rate	Estimated Hours	Estimated Cost	Actual Hours	Actual Cost
ARCHAEOLOGIST/CULTURAL RESOURCES	Debbie Ortiz	\$39.16	40	\$1,566.40		
BOTANIST	David Lebo	\$48.65	40	\$1,954.00		
ENGINEER/ENGINEERING TECH	Josh Marxen	\$37.23	16	\$595.68		
FISHERIES BIOLOGIST	Kat Arendt	\$40.49	160	\$6,478.40		
HYDROLOGIST	Todd Parker	\$41.87	120	\$5,024.40		
NEPA COORDINATOR	Michelle Lombardo	\$52.15	16	\$834.40		
OTHER SPECIALIST	IDT Lead - Greg Wanner	\$43.47	80	\$3,477.60		
PERMIT ADMINISTRATOR	Leanne Veldhuis	\$44.97	16	\$719.52		
WILDLIFE BIOLOGIST	Jeff Goldberg	\$44.79	40	\$1,791.60		
Sub - Totals :			528	\$22,442.00		
Totals :				\$22,442.00		
Add Burden Rate : 8 %				\$1,795.36		
Grand Totals :				\$24,237.36		