Arizona State Forestry Grant Agreement No. ABG 14-904
Arizona Biomass Enterprise Grant Program

This grant agreement ("Agreement") is entered into by and between the ("Grantee") Arizona State Forestry Division ("State Forestry" or "State") and ("Sub-grantee"), **Upper Verde River Watershed Protection Coalition (DUNS # 86-055-6435),** pursuant to the Cooperative Forestry Assistance Act of 1978, Public Law 95-313, as amended; Food, Agriculture, Conservation, and Trade Act of 1990, as amended, Public Law 101-624.

I. PURPOSE OF AGREEMENT

State Forestry is a primary recipient of grant funds provided by the USDA Forest Service to assist in the advancement of forest resources management; forest insect and disease management, urban and community forestry, development and transfer of new and improved fire control technologies, organization of shared fire suppression resources, forestry resources planning, conservation of forest land, and achievement of a number of other goals for the use and protection of forest lands. This agreement is a sub-award of those federal grant funds authorized under Arizona Revised Statute 37-622.

Subaward of Federal Award # **14CA-11031600-077,** dated **08/12/2014**
The Catalog of Federal Domestic Assistance (CDFA) Number is **10.664, Cooperative Forestry Assistance**, U.S. Department of Agriculture, Forest Service.

II. SCOPE OF WORK

Compensation is contingent upon Sub-grantee fulfilling the Scope of Work and project commitments as identified in the Grant Application (Attachment A) and as amended by the approved Detailed Project Plan (Attachment B).

III. PROGRAMATIC CHANGES

Sub-grantee shall obtain prior approval for any changes to the scope of objectives of the approved project, key personnel, or transfer of substantive programmatic work to another party.

IV. TERM OF AGREEMENT

This Agreement shall be effective immediately upon signature by all parties and will terminate on **March 31, 2017** unless otherwise terminated or modified pursuant to the terms herein.

V. COMPENSATION AND MATCHING INVESTMENT

Grant funds may be utilized for up to **50%** of the total cost of this program.
A contribution by the Sub-grantee for an additional **Cost Share Match of 50%** of the total cost of the program is required (including contributions of third parties). Support documentation outlining project costs including cost share match is required.

Compensation under this agreement shall be on a reimbursement basis, shall not exceed the total eligible costs of the project, and total compensation (federal portion) **shall not exceed $29,000.00.**

Only costs for those project activities approved in (1) the initial award, or (2) approved modifications thereto, are allowable. All payments are contingent upon the availability of funds and reimbursement by the United States Department of Agriculture, Forest Service.

Reimbursement payments will be made to the Sub-grantee after State Forestry receives reimbursement from the USDA Forest Service, normally within ninety days of receipt of the reimbursement request and required documentation.

VI. ELIGIBLE COSTS

Eligible costs must be incurred during the Term of the Agreement, conform with the General Provisions of this Grant Agreement (Attachment C) and all other provisions identified herein, and be submitted to State Forestry along with detailed supporting documentation. This is a reimbursable grant program. Support documentation must show dates and amounts of all expenses (See Attachment D).

Purchase of Capital Equipment (equipment costing more than $5,000 per unit price) is **NOT allowed** under this agreement.

This is an award of Federal financial assistance and is subject to the Office of Management and Budget (OMB) guidance in Subparts A through F of 2 CFR Part 200 as adopted and supplemented by the USDA in 2 CFR Part 400. All Federal and Sub-grantee matching/cost-share contributions are subject to applicable guidance. All project expenditures are subject to the Single Audit act of 1984 and payments shall adhere to the Federal Cash Management Improvement Act (CMIA).

VII. ADMINISTRATIVE AND ACCOUNTING REQUIREMENTS

It shall be the sole responsibility of the Sub-grantee to establish and document both accounting and administrative control procedures for their organization. Such procedures shall be followed to ensure grant funds are being tracked and spent in accordance with all applicable laws and with the terms of the grant agreement/award. Sub-grantee accepts full liability for resources administered through the grant.

VIII. AUDIT REQUIREMENTS

SINGLE AUDIT ACT OF 1984: All project expenditures are subject to the Single Audit act of 1984 and all relevant Office of Management and Budget (OMB) guidance including 2 CFR 200, Subpart F . Sub-grantees are subject to audit if their share of federal financial assistance is $750,000 or more for a single fiscal year. Federal financial assistance includes reimbursements under this award and all other financial assistance originating from any agency of the federal government during the Sub-grantee's fiscal year. Sub-grantee will be required annually to report compliance with this requirement.

ARS 35-181.03. Sub-grantee must also comply with applicable ARS 35-181.03 provisions for financial and compliance audits.

In the event that an audit determines that unallowable costs have been charged to the grant and funds have been disbursed to the Sub-grantee, then the Sub-grantee accepts full liability and must pay back all costs incurred and deemed unallowable. Any audit involving a Federally-funded grant shall provide a copy of the audit report to the Federal Audit Clearinghouse managed by the Census Bureau within 30 days after receipt from auditor or nine months from the close of their fiscal year, whichever is earlier.

IX. PROCUREMENT REQUIREMENTS

All procurement activities shall be in compliance with State, Federal, and local laws including Office of Management and Budget (OMB) guidance in subparts A through F of 2 CFR Part 200, Subpart D as adopted and supplemented by the USDA in 2 CFR Part 400. All Sub-grantees are responsible for developing, documenting, and adhering to their own established procurement activities that include both administrative and accounting controls.

X. REPORTING REQUIREMENTS

Sub-grantee shall monitor the performance of the grant activities to ensure that performance goals are being achieved. Sub-grantee shall provide detailed grant/project accomplishments in quarterly reports to State Forestry no later than 30 days after the end of each calendar quarter, or as requested by State Forestry. Performance reports shall follow the format identified in Attachment E or as may be revised by State Forestry. Reports will contain information on the following:

- A comparison of actual accomplishments to the goals established for the period and for the entire program or project.
- Output of the project that can be readily expressed in numbers, such as acres of forest treatment, number of citizens served, or other similar activities. A computation of cost per unit of output may be required where applicable.
- Reason(s) for delay if established goals were not met.
- Additional pertinent information including, when appropriate, analysis and explanation of cost overruns or high unit costs.

Financial/Reimbursement requests may be submitted quarterly or more often if necessary. Reimbursement requests shall follow the format as identified in Attachment E or as may be revised by State Forestry.

Financial/Reimbursement requests may be held for processing until quarterly accomplishment/performance reports are current.

A final accomplishment report with mapping, if required, and all financial/reimbursement requests and required documentation shall be provided at completion of the grant project, but no later than 30 days after end of grant term.

All accomplishment and financial reports shall be submitted to the State Forestry contact as identified below in Section XII (NOTICES)

Sub-grantee shall immediately notify State Forestry of developments that have a significant impact on the activities supported under this grant. Also, notification shall be given in case of problems, delays or adverse conditions that materially impair the ability to meet the objectives of the agreement. This notification shall include a statement of the action taken or contemplated, and any assistance needed to resolve the situation.

Any change to the original grant application scope of work or approved detailed project plan must have prior written State approval. Incurring costs without prior written approval may result in loss of funds reimbursed.

XI. PRINCIPAL CONTACTS.

NOTE: Principal contact should be one contact person responsible for overseeing all elements of the grant project including but not limited to accounting, administrative and field portions of the project.

Each party certifies that the individuals listed below are authorized to act in their respective areas for matters related to this instrument.

Principal Sub-grantee Fiscal Contact:

Melody Reifsnyder
Sage Consulting
3421 Sunflower Drive
Prescott, AZ 86305
(928) 778-6759
melody_reif@msn.com

Principal Arizona State Forestry Contact:

Willie Sommers, Grants Specialist
Arizona State Forestry
1110 W. Washington, Suite 100
Phoenix, AZ 85007
(602) 771-1405
williesommers@azsf.gov

XII. NOTICES

Any and all reports, notices, requests or demands given or made upon the parties hereto, pursuant to or in connection with this Agreement, unless otherwise noted, shall be delivered in person or sent by United States Mail, postage prepaid, to the parties at their respective addresses as set forth immediately below:

STATE FORESTRY	SUB-GRANTEE
Glen Buettner Program Coordinator Arizona State Forestry 1110 West Washington, Suite 100 Phoenix, AZ 85007 (602) 771-1410 glenbuettner@azsf.gov	**John Munderloh** Water Resources Manager Town of Prescott Valley 7501 E. Civic Circle Prescott Valley, AZ 86314 (928) 759-3105 jmunderloh@pvaz.net

XIII. AWARD CLOSEOUT

Sub-grantee shall close out the grant within 30 days after expiration or notice of termination. If this award is closed out without audit, Arizona State Forestry and the U.S. Forest Service reserve the right to disallow and recover an appropriate amount after fully considering any recommended disallowances resulting from an audit which may be conducted later.

XIV. AUTHORITY

Sub-grantee shall have the legal authority to enter into this agreement and the institutional, managerial, and financial capability to ensure proper planning, management, accounting and completion of the project, which includes funds sufficient to pay the nonfederal share of project costs, when applicable.

XV. ATTACHMENTS

The following Attachments are part of this Agreement:

A. Project Application
B. Detailed Project Plan
C. General Provisions
D. Documentation of Expenses
E. Quarterly Report and Invoice Format

Additional Certifications (require separate signatures):

AD1048 - USDA Form AD-1048 Debarment Certification
Lobbying - USDA Lobbying Certification

XVI. IN WITNESS WHEREOF, the parties agree to execute this agreement as of the last date written below.

STATE FORESTRY	**ACCEPTED BY SUB-GRANTEE**
Arizona State Forestry 1110 West Washington, Suite 100 Phoenix, AZ 85007	Upper Verde River Watershed Protection Coalition 7501 E. Civic Circle Prescott Valley, AZ 86314

Signature

Arizona State Forester

Date: March 22, 2016

Signature

Harvey C. Skoog

Print or Type Name

Date: 3-10-16

Approved As To Form:
Ivan Legler
Town Atty

Glen Buettner

Date: 3/22/16

08.2015

ATTACHMENT A

Project Application
(Cover Sheet)

Arizona Biomass Enterprise Grant
2016 Application-ASFD

FOR OFFICIAL USE ONLY	
Dollar Amount Requested:	$ 0
Matching Share:	$ 0
Percent (%) Matching	0%

1	Applicant Information	
	Applicant:	Upper Verde River Watershed Protection Coalition (UVRWPC)
	Contact Person:	John Munderloh, Town of Prescott Valley Water Resources Manager, Town is fiscal agent.
	Address:	7501 East Civic Circle
	City/Zip Code:	Prescott Valley, AZ 86314
	Phone (Work/Cell):	928-759-3105
	Email:	jmunderloh@pvaz.net
	Fax:	928-583-6905

2	Project Information			
	Name of Project:	Biomass Feedstock Supply Availability Assessment for Yavapai County		
	Community Name:	Prescott, Prescott Valley, Chino Valley, Yavapai County, Yavapai-Prescott Indian Tribe		
	County:	Yavapai County	**Congressional District:**	1

3	Grant Contributors (Matching Share) (Federal dollars DO NOT qualify) Please specify each match contributor and the dollar amount of each contribution. Please DO NOT show grant requested funds in this table. This is for matching share only.							
	Contributors: (Please specify)	UVRWPC						**TOTAL**
	Dollars (Hard Match):	$22,480	$0	$0	$0	$0	$0	$ 22,480
	In-Kind (Soft Match):	$0	$0	$0	$0	$0	$0	$ 0
	TOTAL:	**$22,480**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 0**	**$ 22,480**

4	Total Project Expense (break down matching share totals from block three)				
		Grant Share ($ Amount Requested)	**Match (from block three)**		**TOTAL**
			Dollars	**In-Kind**	
	Personnel / Labor:	$0	$0	$0	$ 0
	Operating / Supplies:	$0	$0	$0	$ 0
	Travel:	$0	$0	$0	$ 0
	Contractual Services:	$22,480	$0	$0	$ 22,480
	Equipment:		$0	$0	$ 0
	Indirect Costs:	$0	$0	$0	$ 0
	TOTAL:	**$22,480**	**$ 0**	**$ 0**	**$ 22,480**

5	**Project Summary** (check all that apply and answer related questions in appropriate box)		
	Is the feedstock for the proposed project sourced from public lands?	☒ Yes	☐ No
	Is the feedstock for the proposed project sourced from urban trees?	☒ Yes	☐ No
	Is the proposed project being coordinated with a forest restoration project?	☒ Yes	☐ No
	What is the estimated duration of this project? (24 month maximum)	12 months	

Project Description

All information for the project should fit into the allotted character space provided below. Addendum may be submitted if more space is needed.

6

Provide an overview of the proposed project and the forest or woodlands area that will benefit from the project. 2500 characters

The proposed project will benefit forest and woodlands located in central Yavapai County primarily in the Prescott National Forest (PNF), but also on Arizona State Trust Land, private agricultural land, federal allotments of agricultural land, and developed and undeveloped land in the wildland-urban interface. *(A map of the target subject area is included as an addendum to this proposal on page 4 of the TSS Consultants' Scope of Work.)*

Numerous industries have approached the UVRWPC with interest in sourcing Yavapai County feedstock, but a lack of investment grade data necessary to attract business investment is hampering forward progress. In an October 2, 2015 meeting, hosted by the UVRWPC, industry representatives identified acquisition of investment-grade data as the number one priority. Identified markets with a high potential of sourcing feedstock from Yavapai County forest and woodlands include: industrial wood heating pellets, feedlot bedding, soil amendments, WoodStraw™, wood wool cement board, soil amendments, and wood composite panels. Of the 1,255,804 acres of PNF land, 38,875 acres are suitable for timber production, and 1,216,929 acres are not suitable for timber production *(Land and Resource Management Plan for the Prescott NF, Ch. 7, p. 3)*.

Overstocking of ponderosa pine on timberlands, and encroachment of pinyon pine and Juniper on woodlands has created an overload of hazardous fuel leading to a high risk of catastrophic wildfire. There currently is lack of commercial markets in Yavapai County that can utilize by-products of forest management activities, but high interest in sourcing feedstock exists among entrepreneurs. Funding through the Arizona Biomass Enterprise Program will support a feedstock study that will include a biomass market supply analysis, competition and risk assessment analysis, and delivered cost analysis. This essential data will assist the UVRWPC and its partners in attracting industry investment to the area for the purposes of reducing the risk of catastrophic wildfire, and supporting forest and watershed restoration activities. The proposed project is aligned with the goals and of objectives of the Land and Resource Plan for the Prescott National Forest and UVRWPC Watershed Restoration and Management Plan.

Project Goals and Objectives

All information for the project should fit into the allotted character space provided below. Addendum may be submitted if more space is needed.

7

Provide a brief description of how this project meets the grant objective. 1500 characters

The proposed project addresses the second objective of the Arizona Biomass Enterprise Program: "Expand markets that covert woody biomass into .....higher value products to support wildfire mitigation, forest restoration, and other forest management goals on public lands

A lack of markets in Yavapai County that use by-products of forest management activities is impeding progress of forest management activities and implementation of watershed and forest restoration plans. A wood supply study will provide essential data to support development of markets for high-value goods sourced from by-products of forest and woodlands thinning. Without the necessary investment grade data, the potential for development of markets is greatly diminished, as well as the ability of the UVRWPC to provide justification to entrepreneurs who make the final decision on whether or not to invest their capital in the region.

The project goal is to commission a feedstock analysis from a reputable consulting firm and secure a final feasibility analysis and assessment report that can be distributed to interested industry representatives. Businesses that are in communication with the UVRWPC include JA Resources, Mountain Pine Manufacturing, Scotts Miracle-Gro, Nordev LLC, and Thompson Dryers. The report will also be used to develop a final report for the Arizona Biomass Enterprise Team, and to assist with the future attraction of entrepreneurs to the region, as well as support development of a business cluster in central Yavapai County.

Scope of Work / Project Timeline

All information for the project should fit into the allotted character space provided below. Addendum may be submitted if more space is needed.

8

Provide a brief scope of work which clearly describes how grant funds will be spent: Types of studies proposed or sought after. (This should be more specific than the project description) 1500 characters

Funding will be used to hire TSS Consultants to conduct a Biomass Feedstock Supply Assessment for Yavapai County. Results from the study will be used to assist with location of a biomass conversion facility in central Yavapai County Its specific contents have been outlined by TSS Consultants in their Scope of Work submitted to the UVRWPC on January 8, 2016 .Information to be garnered encompasses current pricing and biomass availability, where feedstock is currently processed, a competition analysis, future trends, risks to future biomass supply, and feedstock pricing issues. The study will focus on land that is unsuitable for timber production in the target subject area (pinyon-Juniper).

TSS Consultants a leader in the field with extensive experience in wood supply studies and knowledge of forest service grants programs (www.tssconsultants.com). The Scope of Work is attached as an addendum to this proposal.

Provide a timeline for the project. 1000 characters

The yearlong project period is slated to begin on April 1, 2016.

April 1 – June 30, 2016 – Finalize contract for services between the applicant and TSS Consultants
July 1 - October 31, 2016 – TSS Consultants conducts feasibility analysis and assessment
November 1, 2016 – January 31, 2017 – Outreach to UVRWPC partners; review and evaluation of TSS report by UVRWPC TAC and Watershed Taskforce
February 1 – February 28, 2017 – TSS revisions to feasibility analysis and assessment, if needed, and submittal of final report to the UVRWPC
March 1 – March 31, 2017 – UVRWPC prepares final report for submission to the Arizona Biomass Enterprise Team.

Collaborative Elements and Partners

All information for the project should fit into the allotted character space provided below.
Addendum may be submitted if more space is needed.

9

Specify the organizations that will contribute to or participate in the completion of this project. Describe briefly the contributions each partner will make (i.e. – donating time/equipment, funding, etc.).

2000 characters

The primary organization is the UVRWPC, a formal intergovernmental partnership established in 2006 between the City of Prescott, Towns of Prescott Valley and Chino Valley, Yavapai County and Yavapai-Prescott Indian Tribe, and its Watershed Taskforce, a UVRWPC subcommittee. Taskforce members spearheaded development of the Watershed Restoration and Management Plan, completed in September 2014. Membership in the multi-jurisdictional, public-private collaboration includes the UVRWPC, Arizona Game and Fish, Prescott National Forest, Arizona State Land, Natural Resource Conservation Service, Nature Conservancy, City of Cottonwood, U.S. Bureau of Reclamation, Salt River Project, Greater Prescott Area Economic Development, Dava & Associates Civil Engineers, several private citizens. Forest health and mitigating risk of catastrophic wildfire is a project priority indentified in the watershed plan.

John Munderloh, water resources manager for the Town of Prescott Valley, chair of the UVRWPC Technical Advisory Committee (TAC), and primary facilitator for the Watershed Taskforce will hold responsibility for ensuring project implementation is on schedule. He will receive support from other members of the TAC and Melody Reifsnyder, grants consultant and project coordinator. TAC members meet monthly, and the Watershed Taskforce meets every six weeks.

The UVRWPC is the sole financial contributor with a cash match of $22,480, or 50% of the total project costs of $44,960 to conduct a feedstock analysis in Yavapai County.

Project Longevity

All information for the project should fit into the allotted character space provided below.
Addendum may be submitted if more space is needed.

10

Describe the long-term sustainability of the proposed project, in terms of both feedstock sustainability and operational capacity. 2000 characters

Large-scale forest restoration activities are planned for the target subject area.

The Prescott National Forest is looking to initiate an analysis to restore vegetation structure and composition to selected ecosystems across all or portions of the 600,000 acre Chino Ranger District, which borders the Big Chino aquifer to the east and west and encompasses the upper 40 miles of the Verde River. –Jim Gilsdorf, Ranger, PNF Chino Valle District in a letter to partners in January 2015.

A lack of manufacturing in the region prevents large-scale commercial market development and limits operational capacity. Acquisition of critical data to be provided through a wood supply study will support location of a biomass conversion facility in Yavapai County.

Biomass Feedstock Supply Availability Assessment for Yavapai County

TSS Consultants Scope of Work

1/6/16 Update

The Upper Verde River Watershed Protection Coalition is seeking alternative value-added utilization opportunities for excess woody biomass generated as a byproduct of watershed restoration and fuels reduction activities in central Arizona. Water availability and quality are a major concern for the Coalition, and wildfire represents the most significant threat to key watersheds within the region.

Alternative uses (e.g., industrial fuel pellets, biochar, animal bedding, post and poles) show promise for both local use and as a potential export option (e.g., Pacific Rim countries).

The Coalition is interested in a comprehensive feedstock supply availability assessment that can be utilized to attract investment in commercial scale biomass conversion facilities located within central Arizona.

Scope of Work Tasks

TSS recommends the following tasks in support of a feedstock supply availability assessment for Yavapai County:

Task 1. Biomass Feedstock Market Analysis

Conduct a woody biomass feedstock market analysis to determine current fuel pricing and availability trends within the target study area. Target study area (TSA) is Yavapai County. Exhibit A (attached) is a map of the TSA.

Emphasis will be on forest and range (pinion juniper) feedstock availability within the TSA. Whenever possible, local knowledge and resources will be tapped including data from previous studies.

Gather the following critical information:
Documentation of available biomass types, characteristics, sustainable quantities and current market values. Biomass feedstocks considered will include:

- Excess woody biomass from hazard reduction, forest restoration, watershed restoration and range restoration projects on both public and private lands.
- Green waste from residential tree trimming and brush removal operations.

- Forest residuals generated as a byproduct of commercial forest management activities (e.g., harvest residuals that are typically piled and burned).

- Urban wood waste in the form of clean construction/demolition wood and industrial wood such as pallets.

Key feedstock availability issues will be addressed, including:

- Time of year availability.

- Volume (in bone dry tons) available near term (3 to 5 years), and long term (10+ years) on an economically and ecologically sustainable basis.

- Impacts of key variables (such as terrain and removal technique) on the cost of harvest, collection, processing and transport.

- TSA maps highlighting vegetation cover, landownership and operable terrain (< 35% slope).

- Forest maps highlighting vegetation cover, landownership and operable terrain (< 35% slope).

Task 2. Competition and Risk Analysis
Develop a competition analysis noting where available feedstock generated from within the primary TSA is currently dedicated to competing plants and/or competing uses. Review potential future competition. Identify future supply sources and risks.

Task 3. Delivered Cost Analysis
Determine estimated current delivered costs ($/bone dry ton) for woody biomas feedstock sourced from the TSA and delivered to a central location (such as Prescott Valley). TSS will confirm costs associated with collection, processing and transport of biomass feedstock material sourced from within the TSA.

Key feedstock pricing issues will be addressed, including:

- Indicative biomass fuel pricing – five year base case and worst case pricing forecast.

- Recommendations regarding an optimized blend of feedstocks that meet the Coalition's objectives (in support of healthy watersheds) and are cost effective for value-added conversion/utilization.

Task 4. Draft Feedstock Supply Assessment Report
Based upon information, and research findings assimilated in Tasks 1 through 3, generate a draft feedstock assessment report. The feedstock assessment report will be written with the target audience in mind, including the Coaltion, area stakeholders, local entrepreneurs and informed members of the public.

The draft feedstock supply assessment report will include, but not be limited to, the following:

- Title Page
- Table Of Contents
- List Of Tables/Figures
- Introduction
- Key Findings
- Environmental Setting And Target Study Area
- Biomass Feedstock Supply Availability
- Current Competition
- Future Competition And Risks
- Feedstock Cost Forecast
- Findings
- Recommendations
- Appendices

Task 5. Final Feedstock Supply Assessment Report and Presentation of Findings
Based on input from the Coalition, a final feedstock supply assessment report document will be issued. The final report will be generated within two weeks of receiving input. Findings and a review of the feasibility study recommendations will be presented in person to Coaltion members and other key stakeholders.

Task 6. Outreach and Project Management
Outreach and education is a key component of any value-added converstion project. TSS recommends that outreach materials (see deliverables below) be made available on the Coalition website.

Activities:

- Monthly team meetings via conference call.
- Outreach and in-person meetings with specific business enterprises or investors. Not to exceed six meetings.

Deliverables:
TSS will create relevant outreach and education materials, such as:

- Project Overview – one page overview of the project. This document would include the project objectives, potential location(s), project sponsors, timeline, types of feedstocks considered, and feedstock sourcing area map.
- Monthly progress reports highlighting accomplishments and plans for next thirty days.

- Power Point Presentation – clear and concise PPT summarizing findings by task and observations, recommendations and next steps.

- Executive Summary – short document summarizing (not to exceed three pages) key findings, and recommendations.

Implementation Schedule

TSS will deliver a draft feasibility assessment report within 120 days of the Coalition's notice to proceed.

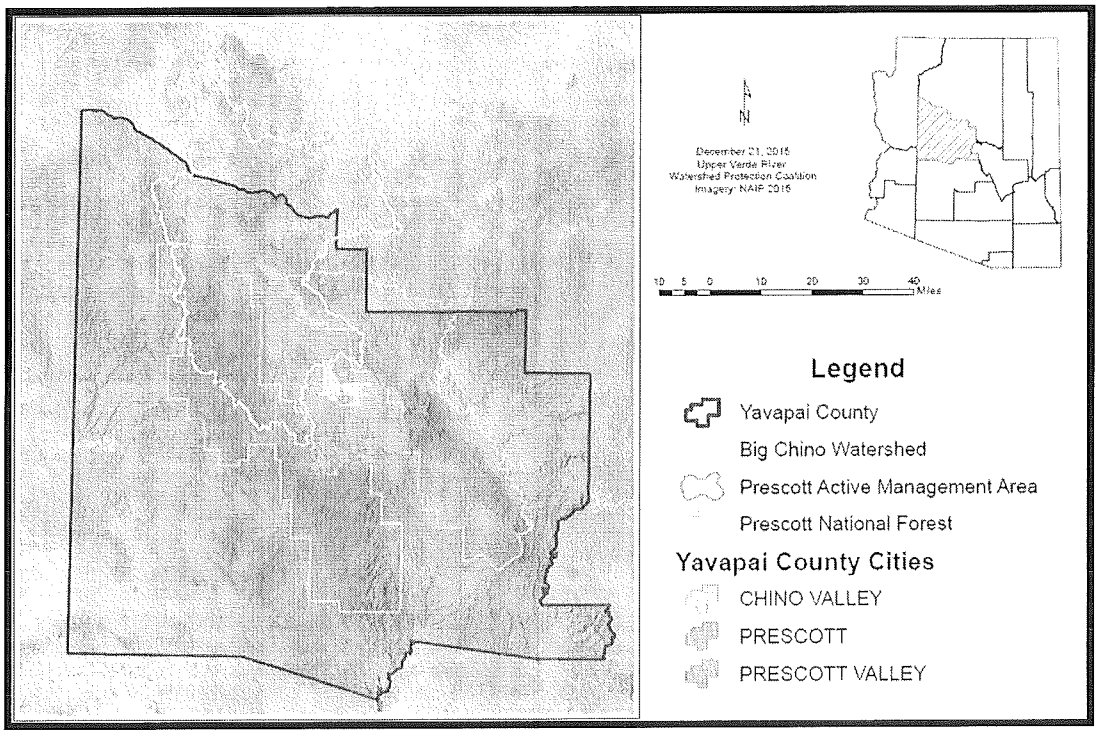
Implementation Budget

The implementation budget for Tasks 1 through 6 will not exceed $44,960.

Confidentiality

TSS shall exercise due care in the conduct of this work in order to preserve the confidentiality of this work and its results.

Exhibit A – Primary Target Study Area



ATTACHMENT B
(Cover Sheet)

Detailed Project Plan – Subject to State Approval
(Include specific planned accomplishments, detailed project budget, and time line)

Biomass Enterprise Grant Arizona State Forestry
Upper Verde River Watershed Protection Coalition 2016

PROJECT PLAN

Grant Implementation Steering Committee:

- **John Munderloh, Town of Prescott Valley Water Resources Manager and Chair of the Upper Verde River Watershed Protection Coalition (UVRWPC)**
- **Dr. Patrick Rappold, Wood Marketing and Utilization Specialist, Arizona State Forestry**
- **Melody Reifsnyder, UVRWPC Grant Manager**

Project Scope

- *Planning* – Planning specific to the Arizona Biomass Team grant request is complete. A Scope of Work from project contractor, TSS Consultants, has been completed and is attached with this project plan. (Please refer to Start of the feedstock analysis is slated between April 1 and June 30, 2016 depending on time required to finalize the grant agreement with Arizona State Forestry and receive approval from the Prescott Valley Town Council. The Town of Prescott Valley is the fiscal agent for the grantee, UVRWPC.

  Prior to requesting a scope of work from TSS Consultants, the UVRWPC completed a two-year watershed planning process culminating with completion of the Watershed Management and Restoration Project Plan in September 2014. Forest health and grassland restoration rose to the top as a priority. Following significant industry interest in conducting business in the watershed, a series of meetings was hosted by the UVRWPC in October and November of 2015. The need for investment grade data was identified by industry representatives and to the decision to apply for funding through the Arizona Biomass Enterprise Team to conduct a feedstock analysis.

  Responsibility for planning: John Munderloh; UVRWPC Watershed Taskforce; Melody Reifsnyder, with input from Dr. Patrick Rappold.

- *Procurement/Contracting* – The procurement/contracting process is relatively uncomplicated. TSS Consultants has been selected as the professional services contractor, with input from Dr. Patrick Rappold, Arizona State Forestry Wood Utilization and Marketing Specialist. Once a grant agreement is finalized and the grant is accepted by a vote of the Prescott Valley Town Council, a purchase order will be open by John Munderloh.

  TSS Consultants will invoice the UVRWPC on a monthly basis and the invoices will be processed through the Town Finance Department. The Town will pay TSS Consultants and request reimbursement from Arizona State Forestry as per grant agreement

specifications. Total project costs are $44,960. Please refer to the Project Budget attached.

Southwest Forestry is currently under contract with the UVRWPC to plan, conduct site analysis and outreach, and report and evaluate on the Ponsse equipment demonstration. The equipment demonstration supports the Feedstock analysis Scope of Work Task 1 of the TSS Consultants Scope of Work: "Impacts of key variables (such as terrain and removal technique) on the cost of harvest, collection, processing and transport." Total cost is $10,000. Please refer to Project Budget attached.

The equipment demonstration will be conducted using traditional cut-to-length forest harvesting equipment that has been adapted to a processing head specifically designed for operation in pinyon-juniper woodlands. Equipment used in the demonstration will be sourced from Ponsse North America, Inc. and Fecon. This novel configuration has been engineered for the purpose of shearing juniper stems and forwarding multiple stems to a landing. A comparative analysis of the costs per acre using the cut-to-length equipment and costs of traditional harvesting methods will be conducted. Results from a previous AZSF grant-funded project to test different harvesting methods, in pinyon-juniper woodlands, was the catalyst for design of the demonstration project. The hypothesis is that the costs per acre to treat pinyon-juniper woodlands will decrease with use of the modified cut-to-length equipment.

Equipment demonstrations are scheduled on March 11, 17 and 25 at Cross U Ranch (20 miles north of Prescott); K4 Ranch (26 miles north of Prescott); and Double O Ranch (8 miles west of Seligman), respectively. Two events will be held at Double O Ranch, one specifically geared to demonstrate the benefit of Ponsse equipment where culturally significant sites are present; there are three archaeological sites identified on the Double O Ranch.

Responsibility for procurement/contracting: John Munderloh, Dr. Patrick Rappold.

- *Outreach* – Outreach will be the responsibility of TSS Consultants per the Scope of Work attached with support from Melody Reifsnyder and Dr. Rappold through the provision of a contact list. *(Outreach activities included on page 3 of the Scope of Work.)*

  Additional general outreach will provided to the UVRWPC Watershed Taskforce and other interested parties through the UVRWPC Newsletter (WaterSmart News) and updates posted on the WaterSmart website (www.yavapaiwatersmart.org).

  Responsibility for outreach: TSS Consultants, Melody Reifsnyder

- *Fieldwork* - Work to complete the Feedstock Analysis is outlined as Task 1: Biomass Feedstock Analysis included on page 1 of the attached TSS Consultants' Scope of Work. It includes emphasis on pinyon juniper feedstock in the Target Study Area. A map of the

Target Study Area is included on page 4 of the Scope of Work. Southwest Forestry will complete fieldwork to complete reporting and evaluation of the Ponsse equipment demonstration

Responsibility for fieldwork: TSS Consultants; Southwest Forestry

- *Project Oversight* - Project oversight will be the responsibility of the steering committee. Melody Reifsnyder will be responsible for day-to-day management of grant implementation. Members of the steering committee will meet monthly with the contractor and review TSS Consultants' monthly progress reports. John Munderloh will provide monthly updates to the UVRWPC Technical Advisory Committee and quarterly updates to the UVRWPC Executive Board.

  Responsibility for project oversight: Grant implementation steering committee

- *Reporting* - Melody Reifsnyder will be responsible for completing quarterly grant progress reports for submission to Dr. Rappold, Arizona State Forestry; and the final grant report with the final feedstock analysis completed by TSS Consultants. All reports will be submitted on deadline in compliance with stipulations included in the grant agreement.

- *List of measureable outcomes* –
  1. Monthly progress reports from TSS Consultants submitted with quarterly grant reports.
  2. One page project overview completed by TSS Consultants at the start of the project. Will be submitted with the first quarterly report.
  3. News releases, newsletters, web information, etc. submitted about the grant project
  4. Draft feedstock analysis
  5. PowerPoint presentation summarizing findings by Tasks included in the Scope of Work
  6. Final feedstock analysis
  7. Report on Ponsse equipment demonstration
  8. Final grant report
  9. Minutes from Technical Advisory Committee and Executive Board meetings where the project was discussed

PROJECT SCHEDULE

March 1 – June 30, 2016 – Finalize contract for services between the applicant and TSS Consultants

July 1 - October 31, 2016 – TSS Consultants conducts feasibility analysis and assessment

Biomass Enterprise Grant Arizona State Forestry
Upper Verde River Watershed Protection Coalition 2016

November 1, 2016 – January 31, 2017 – Outreach to UVRWPC partners; review and evaluation of TSS report by UVRWPC TAC and Watershed Taskforce

February 1 – February 28, 2017 – TSS revisions to feasibility analysis and assessment, if needed, and submittal of final report to the UVRWPC

March 1 – March 31, 2017 – UVRWPC prepares final report for submission to the Arizona Biomass Enterprise Team including final feedstock analysis

Project: Biomass Feedstock Suppy Availability Assessment

Total Project Budget (by expense type)				
Budget Detail	**Grant Share** ($ Amount Requested)	**Match**		**TOTAL**
		Dollars	**In-Kind**	
Administrative Labor:	$0	$3,530	$0	$3,530
Project Labor:	$0	$0	$0	$ 0
Fringe Benefits:	$0	$0	$0	$ 0
Travel:	$0	$0	$0	$ 0
Equipment:	$0	$0	$0	$ 0
Supplies:	$0	$0	$0	$ 0
Contractual:	$29,000	$25,960	$0	$54,960
Other:	$0	$0	$0	$ 0
TOTAL:	$29,000	$29,490	$ 0	$58,490

Budget Narrative

Provide a brief explanation of each budget item. Include an explanation for items that will be reimbursed by grant funds and those that will be provided as project match (add additional pages if needed).

Administrative labor includes the cost for Sage Consulting to manage the grant, complete all reporting and requirements, and serve on the steering committee, and the time for John Munderloh, Town of Prescott Valley Water Resources Manager and Chair of the UVRWPC Technical Advisory Committee, to serve on the steering committee, conduct project oversight, and provide regular updates to the UVRWPC Technical Advisory Committee and Executive Board.

- Sage Consulting: 2 hours/month X 13 month project period X $75/hour = $1,950 (Cash match)
- John Munderloh: 2 hours/month X 13 month project period X 45/hour = $1,170 (Cash match)
  $1.170 X .35/fringe benefits = $410; $1,170 + $410 = $1,580

-TOTAL ADMINISTRATIVE LABOR is $3,530 and offered as grant match.

Contractural includes the costs to hire Southwest Forestry to complete reporting and evaluation of the Ponsse Demonstration project, and TSS Consultants to complete the feedstock analysis, and UVRWPC funding to support an equipment demonstration project that is related to Task 1 of the TSS Consultants Scope of Work: "Impacts of key variables (such as terrain and removal technique) on the cost of harvest, collection, processing and transport."

- Equipment Demonstration: Demonstration and evaluation of Ponsse machinery in pinyon-juniper grasslands - $10,000 from the UVRWPC to support the demonstration offered as a cash match
- Feedstock Analysis: Contract for a feed stock analysis in Yavapai County to support development of biomass industry - $44,960 with $29,000 requested from the Biomass Enterprise Grant, and $15,960 from the UVRWPC as a cash match

TOTAL CONTRACTUAL is $54,960.

TOTAL Biomass Enterprise Grant - $29,000; TOTAL UVRWPC - $29,490

ATTACHMENT C
General Provisions

COVENANT AGAINST CONTINGENT FEES

The Sub-grantee warrants that it has not employed or retained any company or person, other than a bona fide employee working for the Sub-grantee, to solicit or secure this agreement, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this agreement. For breach or violation of this warranty, the State shall have the right to annul this agreement without liability, or, in its discretion to deduct from the agreement price or consideration, or otherwise recover, the full amount of such fee, commission, percentage, brokerage fee, gift, or contingent fee.

MODIFICATIONS

Modifications within the scope of this award shall only be made by mutual consent of both parties, by issuance of a written amendment signed and dated by all properly authorized signatory officials prior to any changes being performed. Requests for modification shall be made, in writing, at least thirty (30) days prior to the implementation of the requested change. Any change to the original grant application scope of work or approved detailed project plan must have prior written State approval. Incurring costs without prior written approval may result in loss of funds reimbursed.

EXTENSIONS

Timely completion of this project is required. If this agreement is extended by mutual written consent of the parties, all terms, conditions and provisions of the original agreement shall remain in full force and effect and apply during any extension period. Any extension of time granted shall not constitute or operate as a waiver by the State of any of its rights herein. Extensions will only be considered and/or made if the Sub-grantee has demonstrated reasonable efforts to complete the grant project as defined in the original detailed project plan and has a clear and specific plan for completion of the project within the extended time period.

RESPONSIBILITY FOR CLAIMS AND LIABILITIES

The Sub-grantee agrees to assume all risk of loss to indemnify and hold the State, its officers, agents and employees, harmless from and against any and all liabilities, demands, claims, suites, losses, damages causes or action, fines or judgments, including costs, attorney's and witnesses' fees and expenses incident thereto, for injuries or death to persons and for loss of, damage to, theft of or destruction of any property including loss of use thereof arising out of or in connection with the performance of duties required by agreement, all whether or not authorized or agreed to by Sub-grantee.

RETENTION OF RECORDS

The Sub-grantee and any subcontractor shall maintain and store all documents, papers, accounting records; other evidence pertaining to costs incurred for this work, and shall make all such materials available at any reasonable time during the term of work and for five (5) years from the date of final payment to the Sub-grantee. The Sub-grantee may be required to provide such records as necessary to any auditing agent. Inability to provide such records may result in unallowable costs to the grant and any funds disbursed to the Sub-grantee may have to be paid back to the State and/or Federal government.

COMPLIANCE WITH ARIZONA EXECUTIVE ORDERS 75-5 and 2009-09

The Sub-grantee shall comply with Arizona Executive Order 75-5 and as amended by Arizona Executive Order 2009-09 relating to non-discrimination in employment by government contractors and subcontractors. These regulations are herein incorporated by reference and made a part of this agreement.

ADMINISTRATIVE AND ACCOUNTING REQUIREMENTS

It is the Sub-grantee's responsibility to develop, document, administer and manage the grant in accordance with all applicable Federal and State laws. Sub-grantee is subject to the OMB requirements and guidance in subparts A through F of 2 CFR 200 as adopted and supplemented by USDA in 2 CFR part 400.

CFR (Code of Federal Regulations) – http://www.ecfr.gov. If grantee needs assistance in obtaining any of these documents in electronic or printed form, please contact your Arizona State Forestry representative.

If any program income is generated as a result of this grant/agreement, the income earned during the term of this agreement shall be applied using the deductive method as described in 2 CFR 200.307 ; the deductive alternative is the preferred method, unless specifically authorized by the Signatory Official. Costs incident to the generation of program income may be deducted from gross income to determine program income provided these costs have not been charged to the award/agreement and they comply with the applicable Cost Principles.

FREEDOM OF INFORMATION ACT

Public access to grant or agreement records shall not be limited, except when such records must be kept confidential and would have been exempted from disclosure pursuant to "Freedom of Information" regulations (5 U.S.C. 552).

MEMBERS OF U.S. CONGRESS

Pursuant to 41 U.S.C. 22, no United States member of, or United States delegate to, Congress shall be admitted to any share or part of this award, or benefit that may arise there from, either directly or indirectly.

TERMINATION FOR CONVENIENCE

The Office of the State Forester, by written notice, may terminate this contract, in whole or in part, when it is deemed in the best interest of the State. If this agreement is so terminated, Sub-grantee will be compensated for work performed up to the time of the termination notification. In no event shall payment for such costs exceed the current grant amount.

TERMINATION BY MUTUAL AGREEMENT

This award may be terminated, in whole or part, as follows:

- When the State and Sub-grantee agree upon the termination conditions, including the effective date and, in the case of partial termination, the portion to be terminated.
- By thirty (30) days written notification by the Sub-grantee to the State setting forth the reasons of termination, effective date, and in the case of partial termination, the portion to be terminated.
- If, in the case of a partial termination, the State determines that the remaining portion of the award will not accomplish the purpose for which the award was made, the State may terminate the award in its entirety.

Upon termination of an award, the Sub-grantee shall not incur any new obligations for the terminated portion of the award after the effective date, and shall cancel as many outstanding obligations as possible. The State shall allow full credit to the Sub-grantee for the United States Federal share of the non-cancelable obligations properly incurred by the Sub-grantee up to the effective date of termination. Excess funds shall be refunded within sixty (60) days after the effective date of termination.

CANCELLATION FOR CONFLICT OF INTEREST

Pursuant to A.R.S. §38-511, the state, its political subdivisions or any department or agency of either may, within three years after its execution, cancel any contract, without penalty or further obligation, made by the state, its political subdivisions, or any of the departments or agencies of either if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the state, its political subdivisions or any of the departments or agencies of either is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

FEDERAL IMMIGRATION AND NATIONALITY ACT

By entering into the Agreement, the Sub-grantee warrants compliance with the Federal Immigration and Nationality Act (FINA) and all other Federal immigration laws and regulations related to the immigration status of its employees. The Sub-grantee shall obtain statements from its contractors certifying compliance and shall furnish the statements to the Procurement Officer upon request. These warranties shall remain in effect through the term of the Contract. The Contractor and its subcontractors shall also maintain Employment Eligibility Verification forms (I-9) as required by the U.S. Department of Labor's Immigration and Control Act, for all employees performing work under the Grant. I-9 forms are available for download at USCIS.GOV.

The State may request verification of compliance for any Sub-grantee, contractor or subcontractor performing work under the Grant. Should the State suspect or find that the Sub-grantee or any of its contractors are not in compliance, the State may pursue any and all remedies allowed by law, including, but not limited to: suspension of work, termination of the Agreement for default, and suspension and/or debarment of the Sub-grantee or Contractor. All costs necessary to verify compliance are the responsibility of the Sub-grantee. The parties agree to comply with A.R.S. §41-4401, the provisions of which are hereby incorporated.

ARBITRATION

To the extent required by A.R.S. §12-1518, the parties agree to use arbitration, after exhausting applicable administrative review, to resolve disputes arising out of this agreement.

ANTITRUST VIOLATIONS

The Sub-grantee and the State recognize that in actual economic practice overcharges resulting from antitrust violations are in fact borne by the purchaser or ultimate user. Therefore, Sub-grantee acting as a vendor, hereby assigns to State any and all claims for such overcharges.

SUSPENSION OR DEBARMENT

Submittal of an offer or execution of a contract shall attest that the sub-grantee or contractor is not currently suspended or debarred. If the Sub-grantee or any of its contractors become suspended or debarred, the Sub-grantee shall immediately notify the State. The State may, by written notice to the Sub-grantee, immediately terminate this Agreement if the State determines that the Sub-grantee or their contractors have been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body.

CONTRACTS AND SUBAWARDS TO DEBARRED AND SUSPENDED PARTIES

Pursuant to Code of Federal Regulations 2 CFR part 180, grantees and sub grantees must not make an award or permit any award (subgrant or contract) at any tier to any party which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, "Debarment and Suspension". By entering into this agreement sub-grantee agrees to comply with all relevant codes including 2 CFR part 180, subpart C, "Responsibilities of Participants

Regarding Transactions". When entering into a covered transaction with another person at the next lower tier, sub-grantee must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

(a) Checking the SAM Exclusions: System for Award Management (SAM) – www.sam.gov

(b) Collecting a certification from that person

(c) Adding a clause or condition to the covered transaction with that person.

TITLE VI of CIVIL RIGHTS ACT of 1964

Sub-grantee agrees to comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352, 42 U.S.C. 200d). In accordance with Title VI of that Act, no person in the United States shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant receives Federal financial assistance and Sub-grantee will immediately take any measures necessary to effectuate this agreement.

UNIVERSAL IDENTIFIER AND SYSTEM FOR AWARD MANAGEMENT REGISTRATION REQUIREMENT (SAM)

Sub-grantee agrees to provide a DUNS number to State Forestry prior to award, and to maintain all related information through the full term of this agreement. A *Data Universal Numbering System (DUNS) Number* is a 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*).

Sub-grantee shall maintain current information in the System for Award Management (SAM) until receipt of final payment. This requires review and update to the information at least annually after the initial registration, and more frequently if required by changes in information or award term(s). For purposes of this award, System for Award Management (SAM) means the Federal repository into which an entity must provide information required for the conduct of business as a Cooperative. Additional information about registration procedures may be found at the SAM Internet site at www.sam.gov .

PUBLICATION REQUIREMENTS

A. ACKNOWLEDGEMENT IN PUBLICATIONS. Sub-grantee shall acknowledge Arizona State Forestry Division and U.S. Forest Service support in any publications, audiovisuals, and electronic media developed as a result of this award, per 2 CFR 415.2.

B. NONDISCRIMINATION STATEMENT IN PUBLICATIONS. Sub-grantee shall include the following statement, in full, in any printed, audiovisual material, or electronic media for public distribution developed or printed with any Federal funding.

"In accordance with Federal law and U.S. Department of Agriculture policy, this institution is prohibited from discriminating on the basis of race, color, national origin, sex, age, or disability. (Not all prohibited basis apply to all programs.)

To file a complaint of discrimination, write USDA, director, Office of Civil Rights, Room 326-W, Whitten Building, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice and TDD). USDA is an equal opportunity provider and employer."

If the material is too small to permit the full statement to be included, the material must, at minimum, include the following statement, in print size no smaller than the text: *"This institution is an equal opportunity provider."*

C. COPYRIGHTS. No original text or graphics produced and submitted by the U.S. Forest Service shall be copyrighted. The U.S. Forest Service reserves a royalty-free, nonexclusive, and irrevocable right to reproduce, publish, or otherwise use, and to authorize others to use the work for federal government purposes. This right shall be transferred to any sub agreements or subcontracts. This provision includes the copyright in any work developed by Sub-grantee under this agreement. And any right of copyright to which Sub-grantee purchases ownership with any federal contributions.

REPORTING OF SUBRECIPIENT EXECUTIVES

Unless exempt from this requirement of 2CFR 170, Sub-grantee agrees to report the names and total compensation of each of the sub-grantee's five most highly compensated executives for the sub-grantee's preceding completed fiscal year if:

1. in the sub-grantee's preceding fiscal year, the sub-grantee 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 2CFR 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

2. 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.

TRAFFICKING IN PERSONS.

Section 106 of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), include provisions applicable to federal support recipients. By entering into this agreement, you agree to terms set forth in the primary award from the US Forest Service as documented below. This Agreement may be unilaterally terminated, without penalty, if a subrecipient is determined to have violated an applicable prohibition in this award term. (See 22 U.S.C. 7104 and 2CFR175 for more details)

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. This award may be unilaterally terminated, 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 Government wide Debarment and Suspension (Nonprocurement)".

B. Provision applicable to a recipient other than a private entity. This award may be unilaterally terminated, without penalty, if a subrecipient:

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 Government wide Debarment and Suspension (Nonprocurement)."

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:

(1) Implements section I06(g) of the Trafficking Victims Protection Act of 2000 (TVPA), as amended (22 U.S.C. 7104(g)), and

(2) 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 A1 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:

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

(2) 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":

(1) 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.

(2) Includes:

i. 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).

ii. 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).

DRUG-FREE WORKPLACE

Compliance with the Drug-Free Workplace Act of 1988 (Public Law 100-690, Title V, Subtitle D, as amended) requires that all organizations receiving grants from any federal agency agree to maintain a drug-free workplace.

INVALIDITY OF PART OF THIS AGREEMENT

The parties agree that should any part of this AGREEMENT be held to be invalid or void, the remainder of the AGREEMENT shall remain in full force and effect and shall be binding upon the parties.

COUNTERPARTS

This AGREEMENT may be executed in any number of duplicate originals, photocopies or facsimiles, all of which (once each party has executed at least one such duplicate original, photocopy, or facsimile) will constitute one and the same document.

INTERPRETATION

This AGREEMENT is not to be construed or interpreted for or against either of the parties on the grounds of sole or primary authorship or draftsmanship.

PARAGRAPH HEADINGS

The paragraph headings in this AGREEMENT are for convenience of reference only and do not define, limit, enlarge, or otherwise affect the scope, construction, or interpretation of this AGREEMENT or any of its provisions.

GOVERNING LAW

This AGREEMENT is made under, and is to be construed in accordance with, the laws of the State of Arizona.

ENTIRE AGREEMENT

This AGREEMENT contains the entire agreement and understanding of the parties hereto. There are no representations or provisions other than those contained herein, and this AGREEMENT supersedes all prior agreements between the parties, whether written or oral, pertaining to the same subject matter of this AGREEMENT.

ATTACHMENT D

Grant Reimbursement and Documentation Requirements

Arizona State Forestry grants are federally funded and are based on reimbursement for actual costs incurred. Sub-grantees are typically required to provide a portion of the total project cost as MATCH contribution to show local investment in the project or program. Match investment must not originate from a federal source and cannot be used as a match for any other federal cost-share program. Specific match amount is identified in each grant agreement. All costs and match should conform to the approved project plan and budget contained in the grant agreement – and all reimbursements are subject to Arizona State Forestry approval. All project expenses must meet the applicable Cost Principles (2CFR200, subpart E)

Only project expenses incurred during the term of the signed grant agreement are eligible. (See Term of Agreement)

All documentation submitted for reimbursement must have the correct project name and/or State Forestry grant number, date work was completed, and proof of payment from the Sub-grantee.

All reimbursements to Sub-grantees shall be calculated from the "Grant Reimbursement Form". By signing the form, the Sub-grantee assumes full and implied responsibility for all grant costs incurred and submitted on the form. By signature, the Sub-grantee accepts full liability that the work and costs incurred were in accordance with the agreed scope of work and/or approved detailed project plan and in accordance with all applicable Federal and State laws. By signing the "Grant Reimbursement Form", the Sub-grantee is claiming that costs were incurred following the established procurement process for its own organization and that their process is documented, administered and managed with the correct accounting and administrative procedures and is in accordance with all applicable Federal and State laws.

INELIGIBLE COSTS – Any expenses submitted for reimbursement that are not properly documented shall not qualify for reimbursement. It shall be the Sub-grantees sole responsibility to submit the required and accurate support documentation for all project costs. In the event an audit determines that ineligible costs were charged to the project, the Sub-grantee accepts full liability for such costs.

- Expenses not included in an approved project plan or are unnecessary for the completion of the project are ineligible for reimbursement or as match.

- NO FOOD or BEVERAGE purchases or donations are eligible for reimbursement or as match, unless included in the project plan as budgeted travel costs, and pre-approved by State.

- NO purchase of equipment or supplies for individuals are eligible for reimbursement or as match. (though purchase of supplies and small equipment by the Sub-grantee organizations for ongoing community use may be eligible)

- Poorly documented match or volunteer hours with insufficient support documentation will not count towards the required match. It is the Sub-grantees responsibility to keep all project/grant records pertaining to matching requirements. In the event an audit determines that ineligible match was credited to the project, the Sub-grantee accepts full liability for such costs

ATTACHMENT D

Grant Reimbursement and Documentation Requirements

REIMBURSABLE PROJECT EXPENSES – are direct, out-of-pocket expenditures for eligible project activities that are supported by paid invoices, cancelled checks, signed receipts, or official payroll records. Examples include:

Labor- may include paid staff , contracted labor, or documented reimbursement from Sub-grantee to others for services. Related expenses such as employee benefits or required travel costs are also eligible if properly documented.

- All staff/labor hours must be accompanied by an employee time sheet detailing the hours worked on the grant project. The time sheet must clearly have the State grant ID number, an employee signature, and the dates work hours were contributed towards the grant. A supervisor's approval signature should also be included. Note, for auditing purposes, an auditor will most likely want to see all hours worked in addition to those charged to the grant.
- Required documentation can include payment receipts, timesheets, payroll records, job sheets, cancelled checks, or signed letters detailing paid staff time, dates, and services or work provided.

Supplies - may include operating supplies, office supplies, and small equipment purchased by the Sub-grantee and necessary for the completion of the project.

- Required documentation can include payment receipts, cancelled checks, or official accounting records detailing expenses and goods and service provided.

Equipment Purchases (small) – small equipment necessary for the completion of the project may be purchased by the Sub-grantee organization if included in the approved project plan and budget. Purchases of equipment or supplies for individuals is not eligible. Purchase of necessary equipment totaling less than $5,000 will be considered as supplies (above).

- Required documentation will include purchase receipts detailing costs and equipment details.

Equipment Purchases (large) - Any single piece of capital equipment costing more than $5,000 must be included in the original project plan and preapproved. Because funding originates from the federal government, they may retain an ongoing vested ownership in the equipment. Additional details will be provided for approved purchases. If an audit determines that excessive equipment was purchased, the Sub-grantee accepts full liability for cost reimbursement back to the State/Federal government. Please limit your liability by purchasing only items listed in the original grant application and detailed project plan. Please only purchase what is necessary to complete the specific grant/project approved.

- Required documentation will include purchase receipts detailing costs and equipment details.

Equipment Rental – Rental of equipment necessary for completion of the project may be reimbursed if included in the approved project plan and budget.

- Required documentation will include rental receipts detailing costs, dates of use, and equipment details.

Contracted Services – Contracting for services from outside organizations or businesses is permitted if included in the approved project plan and budget. Such services could include contracted fuels crews, arborists, trucking, waste disposal, and other costs.

- Required documentation will include receipts detailing costs, dates and details of services provided.

Equipment Operating Costs - Operating costs for owned, rented, or donated equipment may be permitted if included in the project plan and properly documented. Methods for cost determination must be specifically documented and approved. Use of Sub-grantee owned equipment may be charged to the grant if prior approval is granted. A Sub-grantee may submit a rate agreement that is typical of rate charges established for all agencies utilizing the equipment including their own. Under no circumstances shall the grant be charged for use of equipment purchased with Federal funds, beyond operating costs.

- Required documentation can include receipts detailing costs, dates and details of equipment usage, payment receipts, mileage logs, shift tickets, etc. Any operating costs that are not paid for directly and do not have corresponding payment receipts, must be specifically documented as to method of cost determination.

ATTACHMENT D

Grant Reimbursement and Documentation Requirements

ELIGIBLE MATCH – All grants require some level of MATCH investment from the Sub-grantee organization. Matching investment may only be included if goods or services are provided or paid for during the term of the agreement and are necessary for the completion of the project. The matching investment may be in the form of cash and/or in-kind contributions. The Sub-grantee share (match) cannot originate from a federal source and must not be used as a match for any other federal cost-share program. As with reimbursable costs, eligible match expenses only include those that are reasonable and necessary for the completion of the grant-funded program or project and must meet the applicable Cost Principles (2CFR200, subpart E)

Matching investments will not be directly reimbursed.

Examples of possible match include:

Cash - Matching investment can include actual costs as documented above.

- Required documentation will include payment receipts, cancelled checks, or official accounting records detailing expenses and related goods and service provided.

In-kind Contributions - include on-hand supplies, third party donations of supplies or equipment, the value of professional services provided at the professional rate, or time spent by employees on eligible project activities.

- An in-kind contribution of goods or services from another business or organization may be counted as community match with proper documentation. This typically consists of a letter on the donating organization's letterhead, signed by the proper person and showing the amount and type of donation. Property or use thereof shall be assigned a fair market value per applicable Cost Principles and should include a letter of documentation from the donating party.

Volunteer - Volunteer labor hours shall conform to standard documented operating procedures for the Sub-grantee organization with established pay rates.

- Required documentation for volunteers will include signed time logs/sign-in sheets with volunteer name, date, time, place, and type of volunteer service provided. Volunteer time may be valued at the local market rate for equivalent work (children at minimum wage). Hourly rates exceeding $20 per hour will require specific support documentation for justification and approval. If you use consultants, forestry professionals, planners, etc., who donate their professional services, appropriate hourly rates may be documented in a letter from the individual or their organization.

ATTACHMENT E

Quarterly Performance Report

Year:_____

Quarter ending (circle one): **Mar 31** **June 30** **Sept 30** **Dec 31**

Project Name:_____ **Grant No:_____**

Sub-grantee Name & Address: _____
_____
_____

Name of Person Filing This Report:_____

(Attach additional pages as needed)

Narrative Report: (List activity for this quarter. Include appropriate comments regarding expenditures for employees or equipment, volunteers, donated time or materials etc.)

Project Objectives Accomplishment: (During this reporting period, what progress has been made toward meeting the project objectives stated in the Detailed Project Plan?)

1)
2)
3)

Measurement Criteria: (What is the success in meeting the overall measurement criteria stated in the Detailed Project Plan?) Please provide cumulative numbers for key criteria, such as acres completed, trees planted, educational program completed, etc.

List key project objectives and current overall status:

1)
2)
3)

Arizona State Forestry
Grant Reimbursement Form

NOTE: It is the Sub-grantees' responsibility to develop, document, administer and manage the correct accounting and administrative procedures for administering the grant in accordance with all applicable Federal and State laws. It is the Sub-grantees' sole responsibility to maintain all grant records and provide them as necessary to any auditing agent. Inability to provide such records may result in unallowable costs to the grant and any funds disbursed to the Sub-grantee may have to be paid back to the State and/or Federal government.

Grant Number: _____

Organization Name: _____

Total Grant Amount: $0.00 **Total Match Required:** $0.00

Grant Expiration/End Date: _____ (Grant $ + Match $ = Total Project Cost)

Previous Project Totals (Sum of all previous reimbursement requests):

Reimbursable Costs	Match	Total
0.00	0.00	0.00

This Reimbursement Period:

Item	Reimbursable Costs	Match	Total
Administration	0.00	0.00	0.00
Personnel	0.00	0.00	0.00
Contracted Services	0.00	0.00	0.00
Supplies	0.00	0.00	0.00
Other	0.00	0.00	0.00
Other	0.00	0.00	0.00
Other	0.00	0.00	0.00
Volunteer time	N/A	0.00	0.00
In-Kind Contributions	N/A	0.00	0.00
Total:	0.00	0.00	0.00

Cumulative Project Totals (This period request added to all previous reimbursement requests):

Reimbursable Costs	Match	Total
0.00	0.00	0.00

* As long as the Cumulative **MATCH** meets the required amount, this Reimbursement Period's **REIMBURSABLE** amount should qualify for payment (provided all items are properly documented and all other grant requirements are met.)

Authorized Signature _____ *Title* _____ *Date* _____

SIGNATURE LINE STATEMENT (Required for Processing)

By signing the "Grant Reimbursement Form", the signing agent is verifying that:

All work performed on this grant/project was completed in conformance with all applicable laws and established procedures. Charges and time sheets submitted are in fact for work completed on this project. All charges have been reviewed and verified by a supervisor and all employee and volunteer hours are being tracked, with support documentation on file and available to any auditing agent.

NOTE: Reimbursements may take 60-90 days

U.S. DEPARTMENT OF AGRICULTURE

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 7 CFR part 3017, Section 3017.510, Participants' responsibilities. The regulations were published as Part IV of the January 30, 1989, Federal Register (pages 4722-4733). Copies of the regulations may be obtained by contacting the Department of Agriculture agency with which this transaction originated.

(BEFORE COMPLETING CERTIFICATION, READ INSTRUCTIONS ON REVERSE)

(1) The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.

(2) Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Town of Prescott Valley dba UVRWPC
Organization Name

PR/Award Number or Project Name

Harvey C. Skoog, Mayor
Name(s) and Title(s) of Authorized Representative(s)

Harvey C Skoog
Signature(s)

03/20/16
Date

Form AD-1048 (1/92)

Instructions for Certification

1. By signing and submitting this form, the prospective lower tier participant is providing the certification set out on the reverse side in accordance with these instructions.

2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.

4. The terms "covered transaction," "debarred," "suspended," "ineligible," "lower tier covered transaction," "participant," "person," "primary covered transaction," "principal," "proposal," and "voluntarily excluded," as used in this clause, have the meanings set out in the Definitions and Coverage sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.

5. The prospective lower tier participant agrees by submitting this form that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.

6. The prospective lower tier participant further agrees by submitting this form that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transaction," without modification, in all lower tier covered transaction and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that is not debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the Nonprocurement List.

8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

USDA Department of Agriculture
Forest Service

LOBBYING CERTIFICATION

Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, 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 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.

(2) 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.

(3) The undersigned 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 and disclose 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.

Town of Prescott Valley dba UVRWPC
Organization Name

Harvey C. Skoog, Mayor
Name of Authorized Official

Harvey C. Skoog
Signature

03/10/16
Date