

MAR 07 2014

*MHLewal 3/7/2014*

In Reply Refer To:  
FWS/R4/WSFR

Ms. Alicia Barnes, Commissioner  
Department of Planning and Natural Resources  
Cyril E. King Airport  
8100 Lindberg Bay, Suite 61  
Terminal Floor, 2nd Floor  
St. Thomas, Virgin Islands 00802

Dear Ms. Barnes:

On December 18, 2013, we approved Boating Infrastructure Grant Program (BIGP) Award, VI-Y-F14AP00039 titled "*St. John Marina*," effective October 1, 2013 (enclosed). Specifically, we also authorized federal funds up to \$255,000 to "secure permits and to conduct environmental and biological studies to determine impacts." This letter is to confirm and clarify our approval of the pre-award/preliminary costs as delineated under "Soft Costs" on the Award's budget document entitled "Cost Estimate and Funding Summary – *St. John Marina*" (enclosed).

Please note the authorized amount of \$255,000 has been adjusted to \$176,449 to more accurately reflect the 48% federal to 52% grantee cost share ratio of the \$367,604 total costs delineated under "Soft Costs." At the same time, we are also approving a "ten percent waiver," wherein funds greater than 10 percent of the Grant Award total may be transferred among direct cost categories, or if applicable, among separately budgeted programs, functions, or activities without prior approval. Thus, the adjusted amount for "Soft Costs" as well as other costs may be further adjusted (increased or decreased) within the ten percent waiver guidelines (in accordance with 43 CFR 12.70(c)(1)(ii)).

In accordance with 50 CFR 86.20(e), preliminary costs may include any of the following activities completed before signing a grant agreement: "(i) Conducting appraisals; (ii) Administering environmental reviews and permitting; (iii) Conducting technical feasibility studies, for example, studies about environmental, economic, and construction engineering concerns; (iv) Carrying out site surveys and engaging in site planning; (v) Preparing cost estimates; and (vi) Preparing working drawings, construction plans, and specifications." As for this award, the line item "Soft Costs" was interpreted to mean design and construction plans, permitting, biological studies, environmental studies, and other activities relative to compliance and plan designs. As such, the allowable preliminary activities that occurred before the start date of the grant award are eligible for reimbursement under our existing rules.

Finally, the reimbursement of grant funding from the Service to your agency must be accomplished using the modified reimbursement method of payment as delineated under Enclosure A of the Virgin Islands Department of Planning and Natural Resources Audit High Risk Status Resolution Plan.

Should you need our assistance at any time, please feel free to call Mike Piccirilli at (404) 679-4154, or me at (404) 679-7277.

Sincerely,

*M. L. Piccirilli*  
for Mike L. Piccirilli  
Chief, Wildlife and Sport Fish Restoration

Enclosures

JUN 2 2014

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6/2/2014*

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In Reply Refer To:  
FWS/R4/WSFR

Ms. Alicia Barnes, Commissioner  
Department of Planning and Natural Resources  
Cyril E. King Airport  
8100 Lindberg Bay, Suite 61  
Terminal Floor, 2nd Floor  
St. Thomas, Virgin Islands 00802

Dear Ms. Barnes:

Thank you for taking the time to come to our office here in Atlanta on May 15, 2014, to meet with us concerning several pending Wildlife and Sport Fish Restoration Program grant issues. We would like to reiterate our discussion and decision points concerning Boating Infrastructure Grant (BIG) Program Award VI-Y-F14AP00039 titled "St. John Marina," which was one of our meeting agenda topics. We will also submit additional correspondence to you under separate cover, which pertains to other topics discussed at our meeting.

The discussion points and decisions as they pertain to the St. John Marina BIG Program grant are delineated below:

- Communication Protocol between the Fish and Wildlife Service (FWS or Service) and the Virgin Islands Department of Planning and Natural Resources (VIDPNR) – we discussed and agreed on a need to streamline the lines of communication. To be more efficient, we believe communication should be between the grantor (FWS) and the VIDPNR(grantee) only, and between the VIDPNR(grantee) and Summers End Group, LLC (Summer's End) (subgrantee) only. This will help ensure that the required accountability and exchange of information is properly maintained between the grantor and grantee, and then between the grantee and subgrantee. We communicated this new protocol to Ms. Chaliene Summers of Summer's End on May 15, 2014, at the end of our discussion on the St. John Marina BIG project.
- Allowable Charges to Grant and Pro Rata Share for St. John Marina BIG project costs– since the BIG project is for a partial component (northern phase) of the total St. John Marina BIG project, only charges that specifically support or are related to the St. John BIG project are allowable. Costs should be prorated for allowable charges that apply to the BIG project and the total Marina project.

- Preaward Costs – the allowable preliminary activities that occurred before the start date of the grant award are eligible for reimbursement, including design and construction plans, permitting, biological studies, environmental studies, and other activities relative to compliance and plan designs. These costs should be prorated as appropriate to the BIG project versus the total Marina project. We have authorized up to \$176,449 in federal funds, with potential additional funding from the application of the 10% waiver, to be used for these preaward costs.
- Documentation Review Protocol for Reimbursement of Allowable Expenses – the reimbursement of grant funding from the Service to your agency must be accomplished using the modified reimbursement method of payment as delineated under “Enclosure A of the Virgin Islands Department of Planning and Natural Resources Audit High Risk Status Resolution Plan”. In addition, all invoices submitted for reimbursement must be documented in accordance with the financial requirements of VIDPNR. These charges must be individually reviewed and deemed allowable for reimbursement.

We discussed the invoice documentation that had been submitted by Summer’s End to your Department for reimbursement. VIDPNR’s review of the documentation prior to the meeting, and our combined reviews at our meeting found that additional support information would be required for the invoice documents to be considered for reimbursement. We agreed to make a telephone call to Ms. Summers to discuss this and other grant matters as stated below.

- Contract between VIDPNR (grantee) and Summer’s End (subgrantee) – we understand that your Contracts Department is currently drafting the language for a contract with the subgrantee, Summer’s End. The contract will describe how you will work together to accomplish the goals and objectives of the grant award. It will set forth a clear understanding of the parameters of the project, the responsibilities of each of the participating parties, and the protocols by which the responsibilities will be performed and accomplished. The contract will also include the decision points set forth in our May 15, 2014 meeting, as delineated in this letter. You expect this contract to be ready for execution within the next few weeks.
- Telephone conversation with Ms. Chaliene Summers of Summer’s End - At the end of our discussion on the St. John Marina BIG grant, we held a telephone conversation with Ms. Chaliene Summers of the Summer’s End group to relay to her all of our discussion points and decisions as outlined above. Ms. Summers agreed to adhere to the communications protocol. We explained that any invoices for reimbursement should be accompanied by the respective report, study, or receipts as applicable to the invoice, and that the invoices and administrative-type charges should be limited to those that apply to the BIG grant. Ms. Summers agreed to re-submit the invoices for reimbursement to include the additional required supporting documentation. You provided an update to Ms. Summers on the status of the VIDPNR to subgrantee contract which is being drafted.

We informed Ms. Summers that representatives from the Service would be meeting with Commissioner Barnes and VIDPNR staff during the week of June 9, 2014 to conduct a site visit to the St. John Marina BIG site as well as to other grant program sites, and would hold a specific work session with DPNR to discuss the invoices currently submitted by Summer's End for reimbursement. Ms. Summers was advised that if questions were raised during the work session(s), the VIDPNR staff would contact her by telephone to request the needed clarification. Ms. Summers also informed us that the Summer's End Group has submitted a permit application to VIDPNR's Coastal Zone Management program.

We hope the discussion and decision points as outlined above have captured the pertinent details we need to move forward with the St. John Marina BIG project. Thank you very much for your commitment to the fish and wildlife resources of the Virgin Islands. We are looking forward to our site visit and meeting in June, and we will be in communication with you and your staff to finalize our meeting plans. If you should you need our assistance at any time, please feel free to call me at (404) 679-4154.

Sincerely,

*/s/ Michael L. Piccirilli*

Mike L. Piccirilli  
Chief, Wildlife and Sport Fish Restoration Program

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MLawal. Final changes made following 5-29-2014 telephone call with Commissioner Barnes.

VI-Y-F14AP00039 (BIG)