

PTSD

**Contractor: Western Governor's Association
Contract # 07-722**

FUNDING FISCAL YEAR	FY 07/08	
TERM	02/01/08-03/31/09	
Amd 1	02/01/08-12/31/09	
PCA	72720	
LINE ITEM/OBJECT	418.20	TOTAL
DESCRIPTION	Technical Analysis	

Contract \$	\$ 60,000.00	\$ 60,000.00
Amd. #1 - Time only (04/17/09 lld)		\$ -
		\$ -

Total, Contract	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00
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Payments to Contractor:

Inv. #	Inv. Date	Ser Per		C/S
5234	10/21/2009		60,000.00	60,000.00 C090323 ✓

①

Total, Payments	\$ 60,000.00	\$ -	\$ -	\$ 60,000.00
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Balance Available to Pay Contractor	\$ -	\$ -	\$ -	\$ -
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Balance Must Be Spent By: 6/30/2010 6/30/2011 6/30/2012

Notes:

Contract Manager: Doug Thompson

33



WESTERN
GOVERNORS'
ASSOCIATION

Brian Schweitzer
Governor of Montana
Chairman

C.L. "Butch" Otter
Governor of Idaho
Vice Chairman

Pam O. Inmann
Executive Director

Headquarters:
1600 Broadway
Suite 1700
Denver, CO 80202

303-623-9378
Fax 303-534-7309

Washington, D.C. Office:
400 N. Capitol Street, N.W.
Suite 388
Washington, D.C. 20001

202-624-5402
Fax 202-624-7707

www.westgov.org

October 21, 2009

Air Resources Board
Attention: Accounting
P.O. Box 1436
Sacramento, CA 95812

RE: Agreement Number 07-722

I-N-V-O-I-C-E #5234

Oil & Gas Exploration & Production and Natural Gas Gathering &
Processing Greenhouse Gas Accounting Protocol project

TOTAL DUE: \$ 60,000

WGA Federal ID #84-0747227

Please make check payable to:

Western Governors' Association
1600 Broadway, Suite 1700
Denver, CO 80202

Or invoice may be paid by-

Wire Transfer Instructions:

ABA # 021000089
Bank Name: Citibank N.A.
Credit account # 30604518
Credit Account Name: Citigroup Global Markets
Further credit to: Account # 16B-06648
Client Name: Western Governors' Association
Address if needed: 111 Wall Street, NY, NY 10005
Tax ID: 84-0747227

Please note that the instructions need to capture the "Further Credit
Account #16B-06648".

*Account
attached*

Harman, Guy@ARB

From: Thompson, Doug@ARB
Sent: Thursday, November 05, 2009 12:00 PM
To: Thompson, Doug@ARB; Harman, Guy@ARB
Subject: RE: Invoice Approval: Western Govs Assoc. 07-722

Guy--

We can obtain the progress report prepared by the contractor for WGA.

I'm familiar enough with what's been done to say that payment can be approved.

--Doug

Douglas Thompson
Manager, Climate Change Reporting Section
Emission Inventory Branch, Planning and Technical Support Division
California Air Resources Board
1001 I Street, 7th floor, Sacramento CA 95814
916-322-7062; 916-327-8524 fax

-----Original Message-----

From: Thompson, Doug@ARB
Sent: Thursday, November 05, 2009 9:08 AM
To: Harman, Guy@ARB
Subject: RE: Invoice Approval: Western Govs Assoc. 07-722

Did they provide a progress report or other materials, Guy?

--Doug

Douglas Thompson
Manager, Climate Change Reporting Section
Emission Inventory Branch, Planning and Technical Support Division
California Air Resources Board
1001 I Street, 7th floor, Sacramento CA 95814
916-322-7062; 916-327-8524 fax

The climate and energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption.
For a list of simple ways you can reduce demand and cut your energy cost, see our web site at <http://www.arb.ca.gov/cc/facts/facts.htm>.

Consider the Trees! Please don't print this e-mail unless you really need to.

-----Original Message-----

From: Harman, Guy@ARB
Sent: Wednesday, November 04, 2009 4:58 PM
To: Thompson, Doug@ARB
Subject: Invoice Approval: Western Govs Assoc. 07-722

Please approve attached invoice by 11/09/09 via e-mail.

Thank You

Guy Harman
Accountant I (Specialist)
California Air Resources Board
Phone (916) 322-9390

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

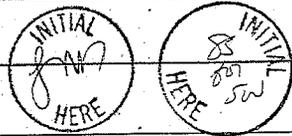
AGREEMENT NUMBER 07-722
REGISTRATION NUMBER 39000308291027

1. This Agreement is entered into between the State Agency and the Contractor named below:

STATE AGENCY'S NAME
 Air Resources Board (State, or ARB)

CONTRACTOR'S NAME
 Western Governors' Association (Contractor, or WGA)

2. The term of this Agreement is: June 30, 2008 through December 31, 2009
 March



3. The maximum amount of this Agreement is: \$ 60,000.00
 SIXTY THOUSAND DOLLARS AND NO CENTS

4. The parties agree to comply with the terms and conditions of the following exhibits which are by this reference made a part of the Agreement.

- | | |
|---|---------|
| Exhibit A -- Scope of Work | 4 pages |
| Exhibit B -- Budget Detail and Payment Provisions | 1 page |
| Exhibit C* -- General Terms and Conditions | GTC 307 |
| Exhibit D - Special Terms and Conditions | 2 pages |

Items shown with an Asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto.
 These documents can be viewed at www.ols.dgs.ca.gov/Standard+Language

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)
 Western Governors' Association

BY (Authorized Signature) *[Signature]* DATE SIGNED (Do not type)
 11/12/08

PRINTED NAME AND TITLE OF PERSON SIGNING
 Pam O. Inmann, Executive Director

ADDRESS
 1600 Broadway, Suite 1700
 Denver, CO 80202

STATE OF CALIFORNIA

AGENCY NAME
 Air Resources Board

BY (Authorized Signature) *[Signature]* DATE SIGNED (Do not type)
 11/24/08

for Socorro Watkins, Chief, Business Management Branch
 ADDRESS Sharon Simmons
 P.O. Box 2815, Sacramento, CA 95812 Contract Services Section Manager
 Air Resources Board

California Department of
 General Services Use Only

APPROVED

JAN 20 2009

DEPT OF GENERAL SERVICES

Exempt per:

[Signature]

STATE-ARB

STATE OF CALIFORNIA
STANDARD AGREEMENT
 STD 213 (Rev 06/03)

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IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

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CONTRACTOR'S NAME (if other than an individual, state whether a corporation, partnership, etc.)

Western Governors' Association

BY (Authorized Signature)

Jim O. Inmann

DATE SIGNED (Do not type)

11/12/08

PRINTED NAME AND TITLE OF PERSON SIGNING

Jim O. Inmann, Executive Director

ADDRESS

1600 Broadway, Suite 1700
 Denver, CO 80202

STATE OF CALIFORNIA

AGENCY NAME

Air Resources Board

BY (Authorized Signature)

Sharon Simmons

DATE SIGNED (Do not type)

11/24/08

Socorro Watkins, Chief, Business Management Branch

ADDRESS

P.O. Box 2815, Sacramento, CA 95812

Sharon Simmons
 Contract Services Section Manager
 Air Resources Board

California Department of
 General Services Use Only

Exempt per:

STATE-ARB

EXHIBIT A

SCOPE OF WORK

Oil & Gas Exploration & Production and Natural Gas Gathering & Processing Greenhouse Gas Accounting Protocol

Background

The California Global Warming Solutions Act (AB32, Chapter 488, Statutes of 2006) required California to develop a mandatory reporting regulation for greenhouse gas (GHG) emissions by January 1, 2008. The proposed regulation was approved by ARB during its December 6, 2007 Board Meeting. Operators of oil and gas facilities are only required to report stationary combustion emissions because a protocol has not yet been developed to quantify emissions from process or fugitive sources. If oil and gas exploration, production, gathering and processing is similar to other industrial sources, process emissions may contribute about 50% to overall emissions from each phase. Process emissions from oil and gas facilities may be a significant contributor to statewide emissions that have not yet been accounted for.

Statement of Need

Since oil and gas production crosses state boundaries, there is a need to collaborate with other states to develop a consistent protocol to quantify GHG emissions. The Permian Basin, which crosses over the New Mexico and Texas state border, is the primary onshore oil and gas producing basin in the United States. The New Mexico Environment Department (NMED) and The Climate Registry (TCR) are providing funding and support to the Western Governors' Association (WGA) for the development of an oil and gas GHG accounting protocol. Since California is the second largest producer of onshore oil and gas in the U.S., this contract would provide \$60k to the \$300k project.

Project Objectives

The main objective of this project is to develop a protocol for reporting GHG emissions from the field operations of the Oil & Gas sector, specifically, exploration and production activities, and natural gas gathering and processing activities.

Project Tasks

WGA will serve as the project manager and provide staffing to the Western Regional Air Partnership (WRAP) to develop an Oil and Gas Exploration & Production and Natural Gas Gathering & Processing Greenhouse Gas Accounting Protocol. WGA will form a workgroup, prepare a technical paper, facilitate workgroup meetings, release a draft protocol for public comment, respond to public comments, and prepare a final oil and gas production protocol.

Task 1 – Form Workgroup

WGA will form a workgroup made up of representatives including, but not limited to, registries, industry associations, non-governmental organizations, environmental groups, regulatory agencies, private consultants, governmental relations firms, public utilities, and manufacturers. WGA will provide a list of potential workgroup participants for review by ARB and agencies in other states prior to contacting each stakeholder to request their participation in the workgroup.

Contract Allocation: \$2,500

Task 2 – Facilitate Conference Calls and Workgroup Meetings

WGA will work closely with ARB staff to schedule biweekly calls and quarterly workgroup meetings. At least one week prior to each meeting, WGA will prepare an agenda for approval by ARB staff. WGA will email meeting announcements to workgroup participants. WGA will facilitate the discussion during the Oil & Gas sector workgroup meetings to solicit input on the boundaries and sources of GHG emissions to include in the technical paper and protocol.

Contract Allocation: \$5,000

Task 3 – Draft Technical Paper

Working under the direction of ARB staff, WGA will prepare a draft technical paper that outlines the basis of “what should be in the protocol.” WGA will present the draft technical paper to workgroup participants during a quarterly meeting. WGA will consider recommendations and suggested changes for inclusion in the draft final technical paper.

Contract Allocation: \$7,500

Task 4 – Draft Protocol

GHGs are produced and emitted by various sources during the exploration, well development, production and site abandonment phases. WGA will prepare a draft protocol that includes equations and methods to quantify GHG emissions from each of these sources. WGA will present the draft protocol to the workgroup participants to obtain suggested changes and additions.

Contract Allocation: \$5,000

Task 5 – Draft Final Technical Paper and Protocol

WGA will prepare draft final versions of the technical paper and protocol. WGA will submit these documents to ARB for approval prior to releasing them for public comment. WGA will announce the opening and close of public comment period with a direct link to where the draft final versions of the technical paper and protocol are available for download online.

Contract Allocation \$10,000

Task 6 – Public Comment Period

WGA will release the draft final technical paper and protocol for public comment. At the close of the public comment period, WGA will prepare a summary of comments received. In consultation with ARB staff, WGA will prepare a response to public comments that will be posted on the WGA website.

Contract Allocation: \$5,000

Task 7 – Final Technical Paper

Working under the direction of ARB staff, WGA will prepare a final technical paper that summarizes the oil and gas exploration and production activities, natural gas gathering, and processing activities that are included in the final protocol. The final technical paper will include changes recommended by the workgroup and revisions suggested during the public comment period. The paper will also describe why suggested changes were not incorporated into the final protocol. A description of GHG emission sources to include in a future version of the protocol will also be explained in the final technical paper.

Contract Allocation: \$10,000

Task 8 – Final Protocol

WGA will submit the final protocol for approval by ARB staff. Upon approval, WGA will post the final Oil & Gas GHG accounting protocol online for use by multiple states. WGA will acknowledge ARB on the website as a sponsor for this project.

Contract Allocation: \$15,000

SCHEDULE OF DELIVERABLES		
TASK	DELIVERABLE	DEADLINE (following contract approval)
One	Form Workgroup	30 days
Two	Facilitate Workgroup Meetings	Every 90 days
Three	Draft Technical Paper	60 days
Four	Draft Protocol	90 days
Five	Draft Final Technical Paper and Protocol	150 days
Six	Respond to Public Comments	180 days
Seven	Final Technical Paper	210 days
Eight	Final Protocol	240 days

Contract Term

The contract term will be June 30, 2008 through to December 31, 2009.

Project Representatives

The project representatives during the term of this agreement will be:

State Agency:	Air Resources Board	Contractor:	Western Governors' Association
Section/Unit:	Climate Change Reporting	Section/Unit:	Air Quality Program Manager
Name:	Doug Thompson	Name:	Tom Moore
Address:	P.O. Box 2815 Sacramento, CA 95812	Address:	1600 Broadway, Suite 1700 Denver, CO 80202
Phone:	(916) 322-7062	Phone:	(970) 491-8837
Fax:	(916) 327-8524	Fax:	(970) 491-8598
Email:	dthompson@arb.ca.gov	Email:	mooret@cira.colostate.edu

Direct all contract or administrative inquiries to:

State Agency:	Air Resources Board	Contractor:	Western Governors' Association
Section/Unit:	Administrative Services Div.	Section/Unit:	Financial Manager
Name:	Grace Parker	Name:	Linda Davis
Address:	P.O. Box 2815 Sacramento, CA 95812	Address:	1600 Broadway, Suite 1700 Denver, CO 80202
Phone:	(916) 322-4349	Phone:	(303) 623-9378 ext. 107
Fax:	(916) 327-2940	Fax:	(303) 534-7309
Email:	gparker@arb.ca.gov	Email:	ldavis@westgov.org

EXHIBIT B

BUDGET DETAIL AND PAYMENT PROVISIONS

1. Invoicing and Payment

- A. For services satisfactorily rendered, and upon receipt and approval of the invoices, the State agrees to compensate the Contractor for services incurred in accordance with Exhibit A, Scope of Work.
- B. Invoices shall include the Agreement Number and shall be submitted in triplicate not more frequently than monthly in arrears to:

Air Resources Board
Attention: Accounting
P.O. Box 1436
Sacramento, CA 95812

2. Budget Contingency Clause

- A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

3. Prompt Payment Clause

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS

1. Excise Tax

The State of California is exempt from federal excise taxes, and no payment will be made for any taxes levied on employees' wages. The State will pay for any applicable State of California or local sales or use taxes on the services rendered or equipment or parts supplied pursuant to this Agreement. California may pay any applicable sales and use tax imposed by another state.

2. Settlement of Disputes

- A. In the event of a dispute, Contractor shall file a "Notice of Dispute" with ARB within ten (10) days of discovery of the problem. Within ten (10) days, ARB shall meet with the Contractor and Project Representative for purposes of resolving the dispute.
- B. Any dispute concerning a question of fact arising under the terms of this Agreement which is not disposed of within a reasonable period of time by Contractor and State employees normally responsible for the administration of this Agreement shall be brought to the attention of the Executive Officer or designated representative of each organization for resolution. The decision of the State Executive Officer or designated representative shall be final.
- C. In the event of a dispute, the language contained within this Agreement shall prevail over any other language including that of the bid proposal.
- D. The existence of a dispute not fully resolved shall not delay Contractor to continue with the responsibilities under this Agreement which are not affected by the dispute.

3. Potential Subcontractors

Nothing contained in this Agreement or otherwise, shall create any contractual relation between the State and any subcontractors, and no subcontract shall relieve the Contractor of his responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by any of them as it is for the acts and omissions of persons directly employed by the Contractor. The Contractor's obligation to pay its subcontractors is an independent obligation from the State's obligation to make payments to the Contractor. As a result, the State shall have no obligation to pay or to enforce the payment of any moneys to any subcontractor.

Contractor shall not subcontract any services under this Agreement without prior approval of the State.

4. Stop Work Order

State reserves the right to issue an order to stop work in the event that a dispute should arise, or in the event that State gives Contractor a notice that the Agreement will be terminated. The stop-work order will be in effect until the dispute has been resolved or the Agreement has been terminated.

EXHIBIT D

SPECIAL TERMS AND CONDITIONS (continued)

5.T Termination

- A. In addition to the rights under Exhibit C of the Standard Agreement, State reserves the right to terminate this Agreement at its sole discretion at any time upon thirty (30) days prior written notice to Contractor.
- B. In the case of early termination, Contractor shall submit an invoice in triplicate and a report in triplicate covering services to termination date, following the invoice and progress report requirements of this Agreement. A copy and description of any data collected up to termination date shall also be provided to State.
- C. Upon receipt of the invoice, progress report, and data, a final payment will be made to Contractor. This payment shall be for all State-approved, actually-incurred costs that in the opinion of State are justified, and shall include labor, and materials purchased or utilized (including all noncancellable commitments) to termination date, and pro rata indirect costs as specified in the proposal budget.

6.A Amendments

ARB reserves the right to amend this agreement for additional time and/or additional funding.