



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS, FORT WORTH DISTRICT
P.O. BOX 17300
FORT WORTH, TX 76102-0300

CESWF-ZA

11 September 2025

MEMORANDUM FOR Southwestern Division Commander, (ATTN: Dr. Maria Wegner/
CESWD-PDP), U.S. Army Corps of Engineers, 1100 Commerce Street, Dallas, Texas
75242-0216

SUBJECT: Sulphur River Reallocation Study Project Termination

1. This memorandum provides notice of termination for subject study.
2. Reference the Feasibility Cost Share Agreement (FCSA) between the U.S. Army Corps of Engineers and the Sulphur River Basin Authority dated February 24, 2005, and amended on April 3, 2012, in enclosure 1.
3. **BACKGROUND.** The initial study effort began in 2005 with limited federal funding to support a study cost of \$11.4 million to recommend conversion of flood storage in Wright Patman Lake to water supply storage based on flood storage constructed in Cooper (Jim Chapman) Lake, and mitigation for environmental effects of Cooper Lake on Wright Patman lands (White Oak Creek Mitigation Area). In 2012, the FCSA was amended to allow the acceleration of non-federal funding to continue the study and the U.S. Army Corps of Engineers implemented new planning processes which were codified by the Water Resources Reform and Development Act of 2014. A re-scoping charrette was conducted in August 2013 and through many delays and 6 years of joint effort, the tentatively selected plan meeting was held in February 2019. After this time, the study did not proceed forward due to lack of federal and non-federal funding and the reduction in interest from the non-federal sponsor to fund the remaining study costs.
4. This study is classified as inactive awaiting reclassification and there has been no explicit request or reason to pause the study, therefore it should be terminated and fiscally closed out. An inactive study must be terminated and fiscally closed out if it has been five fiscal years since the last appropriation of funding. The last year of Federal funding for the Sulphur River Reallocation Study was Fiscal Year 2016.
5. Section 1330(b) of the Water Resources Development Act of 2018 extends the timeline for a feasibility study up to 7 years (if the study is not completed within the first 3 years), as long as the total study duration does not exceed a total of ten years. Even though this is for studies initiated after June 2014, we are still held under that rule even through this legacy study. Since the last FCSA was signed in April 2012, this study must have been completed by April 2022.

CESWF-ZA

SUBJECT: Sulphur River Reallocation Study Project Termination

6. Per the FCSA Amendment number 1, Article II, paragraph K. "The Sponsor understands that neither execution of this Agreement nor acceptance of the accelerated funds constitutes, represents, or implies any commitment to budget or appropriate funds for this Study in the future or to match the amount of accelerated funds that the Sponsor elects to provide. Credit for these funds toward the Sponsor's cash contribution required by paragraph B. and paragraph C. of this Article shall be provided only to the extent that additional Federal funds are appropriated for this Study, and the Sponsor understands that it shall not be entitled to any repayment of these funds even if the Study is not completed. Nothing herein shall represent, or give rise to, obligations of the United States."

7. In accordance with the original 2005 FCSA, Article X, Termination or Suspension, paragraph A, a letter will be provided to the NFI as notice that the study is terminated by the Government and the remaining funds will be returned to the Sulphur River Basin Authority.

8. Enclosure 2 reflects the project expenditures through May 31, 2025. The expenditures incurred by the Federal Government using Federal and non-Federal funds were \$3,299,446.34. Based on the feasibility cost share agreement, the study was cost shared at 50/50 which Sulphur River Basin Authority's share was \$1,649,723.17. Sulphur River Basin Authority provided \$2,220,404.00 in cash and in-kind contributions (WIK) towards their share through acceleration, though only \$955,799.45 in WIK could be applied to balance the cost share control account, which leaves an excess cash amount of \$11,076.28 to be returned to the Sulphur River Basin Authority.

9. POC for this action is Kathy Spillane, Chief, Civil Project Management at kathleen.m.spillane@usace.army.mil, or by phone at 817-886-1399.

Encls

CALVIN A. KROEGER
COL, EN
Commanding

ENCLOSURE 1
FEASIBILITY COST SHARE AGREEMENT

AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
THE SULPHUR RIVER BASIN AUTHORITY
FOR THE FEASIBILITY STUDY
OF THE SULPHUR RIVER WATERSHED

THIS AGREEMENT is entered into this 24 day, of Feb, 2005, by and between the Department of the Army (hereinafter the "Government"), represented by the District Engineer executing this Agreement, and the Sulphur River Basin Authority (hereinafter the "Sponsor"),

WITNESSETH, that

WHEREAS, the Congress (Senate and/or House Committees) has requested the Secretary of the Army to review the report of the Chief of Engineers on the Cooper Lake and Channels, Texas, published as House Document 488, 83rd Congress, 2nd Session, and other pertinent reports, to determine whether modifications are warranted to address water and related resources problems in the Sulphur River basin, Texas, with special emphasis given to the need for flood damage reduction, environmental restoration and protection, and related measures to remove and control log jams on the Sulphur River, Texas, below Cooper Lake pursuant to resolution by the Committee on Transportation and Infrastructure, United States House of Representatives, adopted March 11, 1998; and

WHEREAS, the U.S. Army Corps of Engineers has conducted a reconnaissance study of water and related resources problems in the Sulphur River basin, Texas, with special emphasis given to the need for flood damage reduction, environmental restoration and protection, and related measures to remove and control log jams on the Sulphur River, Texas, below Cooper Lake pursuant to this authority, and has determined that further study in the nature of a "Feasibility Phase Study" (hereinafter the "Study") is required to fulfill the intent of the study authority and to assess the extent of the Federal interest in participating in a solution to the identified problem; and

WHEREAS, Section 105 of the Water Resources Development Act of 1986 (Public Law 99-662, as amended) specifies the cost sharing requirements applicable to the Study;

WHEREAS, the Sponsor has the authority and capability to furnish the cooperation hereinafter set forth and is willing to participate in study cost sharing and financing in accordance with the terms of this Agreement; and

WHEREAS, the Sponsor and the Government understand that entering into this Agreement in no way obligates either party to implement a project and that whether the Government supports a project authorization and budgets it for implementation depends upon, among other things, the outcome of the Study and whether the proposed solution is consistent with the Economic and

Environmental Principles and Guidelines for Water and Related Land Resources Implementation Studies and with the budget priorities of the Administration;

NOW THEREFORE, the parties agree as follows:

ARTICLE I - DEFINITIONS

For the purposes of this Agreement:

A. The term "Study Costs" shall mean all disbursements by the Government pursuant to this Agreement, from Federal appropriations or from funds made available to the Government by the Sponsor, and all negotiated costs of work performed by the Sponsor pursuant to this Agreement. Study Costs shall include, but not be limited to: labor charges; direct costs; overhead expenses; supervision and administration costs; the costs of participation in Study Management and Coordination in accordance with Article IV of this Agreement; the costs of contracts with third parties, including termination or suspension charges; and any termination or suspension costs (ordinarily defined as those costs necessary to terminate ongoing contracts or obligations and to properly safeguard the work already accomplished) associated with this Agreement.

B. The term "estimated Study Costs" shall mean the estimated cost of performing the Study as of the effective date of this Agreement, as specified in Article III.A. of this Agreement.

C. The term "excess Study Costs" shall mean Study Costs that exceed the estimated Study Costs and that do not result from mutual agreement of the parties, a change in Federal law that increases the cost of the Study, or a change in the scope of the Study requested by the Sponsor.

D. The term "study period" shall mean the time period for conducting the Study, commencing with the release to the U.S. Army Corps of Engineers Fort Worth District of initial Federal feasibility funds following the execution of this Agreement and ending when the Assistant Secretary of the Army (Civil Works) submits the feasibility report to the Office of Management and Budget (OMB) for review for consistency with the policies and programs of the President.

E. The term "PSP" shall mean the Project Study Plan, which is attached to this Agreement and which shall not be considered binding on either party and is subject to change by the Government, in consultation with the Sponsor.

F. The term "negotiated costs" shall mean the costs of in-kind services to be provided by the Sponsor in accordance with the PSP.

G. The term "fiscal year" shall mean one fiscal year of the Government. The Government fiscal year begins on October 1 and ends on September 30.

ARTICLE II - OBLIGATIONS OF PARTIES

A. The Government, using funds and in-kind services provided by the Sponsor and funds appropriated by the Congress of the United States, shall expeditiously prosecute and complete the Study, in accordance with the provisions of this Agreement and Federal laws, regulations, and policies.

B. In accordance with this Article and Article III.A., III.B. and III.C. of this Agreement, the Sponsor shall contribute cash and in-kind services equal to fifty (50) percent of Study Costs other than excess Study Costs. The Sponsor may, consistent with applicable law and regulations, contribute up to 50 percent of Study Costs through the provision of in-kind services. The in-kind services to be provided by the Sponsor, the estimated negotiated costs for those services, and the estimated schedule under which those services are to be provided are specified in the PSP. Negotiated costs shall be subject to an audit by the Government to determine reasonableness, allocability, and allowability.

C. The Sponsor shall pay a fifty (50) percent share of excess Study Costs in accordance with Article III.D. of this Agreement.

D. The Sponsor understands that the schedule of work may require the Sponsor to provide cash or in-kind services at a rate that may result in the Sponsor temporarily diverging from the obligations concerning cash and in-kind services specified in paragraph B. of this Article. Such temporary divergences shall be identified in the quarterly reports provided for in Article III.A. of this Agreement and shall not alter the obligations concerning costs and services specified in paragraph B. of this Article or the obligations concerning payment specified in Article III of this Agreement.

E. If, upon the award of any contract or the performance of any in-house work for the Study by the Government or the Sponsor, cumulative financial obligations of the Government and the Sponsor would result in excess Study Costs, the Government and the Sponsor agree to defer award of that and all subsequent contracts, and performance of that and all subsequent in-house work, for the Study until the Government and the Sponsor agree to proceed. Should the Government and the sponsor require time to arrive at a decision, the Agreement will be suspended in accordance with Article X., for a period of not to exceed six months. In the event the Government and the sponsor have not reached an agreement to proceed by the end of their 6 month period, the Agreement may be subject to termination in accordance with Article X.

F. No Federal funds may be used to meet the Sponsor's share of Study Costs unless the Federal granting agency verifies in writing that the expenditure of such funds is expressly authorized by statute.

G. The award and management of any contract with a third party in furtherance of this Agreement which obligates Federal appropriations shall be exclusively within the control of the Government. The award and management of any contract by the Sponsor with a third party in furtherance of this Agreement which obligates funds of the Sponsor and does not obligate

Federal appropriations shall be exclusively within the control of the Sponsor, but shall be subject to applicable Federal laws and regulations.

H. The Sponsor shall be responsible for the total cost of developing a response plan for addressing any hazardous substances regulated under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, Pub. L. No. 96-510, 94 Stat. 2767, (codified at 42 U.S.C. Sections 9601-9675), as amended, existing in, on, or under any lands, easements or rights-of-way that the Government determines to be required for the construction, operation, and maintenance of the project. Such costs shall not be included in total study costs.

ARTICLE III - METHOD OF PAYMENT

A. The Government shall maintain current records of contributions provided by the parties, current projections of Study Costs, current projections of each party's share of Study Costs, and current projections of the amount of Study Costs that will result in excess Study Costs. At least quarterly, the Government shall provide the Sponsor a report setting forth this information. As of the effective date of this Agreement, estimated Study Costs are \$8,900,000 and the Sponsor's share of estimated Study Costs is \$4,450,000. In order to meet the Sponsor's cash payment requirements for its share of estimated Study Costs, the Sponsor must provide a cash contribution currently estimated to be \$1,380,000. The dollar amounts set forth in this Article are based upon the Government's best estimates, which reflect the scope of the study described in the PSP, projected costs, price-level changes, and anticipated inflation. Such cost estimates are subject to adjustment by the Government and are not to be construed as the total financial responsibilities of the Government and the Sponsor.

B. The Sponsor shall provide its cash contribution required under Article II.B. of this Agreement in accordance with the following provisions:

1. For purposes of budget planning, the Government shall notify the Sponsor by August 1st of each year of the estimated funds that will be required from the Sponsor to meet the Sponsor's share of Study Costs for the upcoming fiscal year.

2. No later than 30 calendar days prior to the scheduled date for the Government's issuance of the solicitation for the first contract for the Study or for the Government's anticipated first significant in-house expenditure for the Study, the Government shall notify the Sponsor in writing of the funds the Government determines to be required from the Sponsor to meet its required share of Study Costs for the first fiscal year of the Study. No later than 15 calendar days thereafter, the Sponsor shall provide the Government the full amount of the required funds by delivering a check payable to "FAO, USAED, Fort Worth District" to the US Army Corps of Engineers Finance Center, CEFC-AD-C-EROC M2, 5722 Integrity Drive, Millington, TN 38054-5005.

3. For the second and subsequent fiscal years of the Study, the Government shall, no later than 60 calendar days prior to the beginning of the fiscal year, notify the Sponsor in writing of

the funds the Government determines to be required from the Sponsor to meet its required share of Study Costs for that fiscal year, taking into account any temporary divergences identified under Article II.D of this Agreement. No later than 30 calendar days prior to the beginning of the fiscal year, the Sponsor shall make the full amount of the required funds available to the Government through the funding mechanism specified in paragraph B.2. of this Article.

4. The Government shall draw from the funds provided by the Sponsor such sums as the Government deems necessary to cover the Sponsor's share of contractual and in-house fiscal obligations attributable to the Study as they are incurred.

5. In the event the Government determines that the Sponsor must provide additional funds to meet its share of Study Costs, the Government shall so notify the Sponsor in writing. No later than 60 calendar days after receipt of such notice, the Sponsor shall make the full amount of the additional required funds available through the funding mechanism specified in paragraph B.2. of this Article.

C. Within ninety (90) days after the conclusion of the Study Period or termination of this Agreement, the Government shall conduct a final accounting of Study Costs, including disbursements by the Government of Federal funds, cash contributions by the Sponsor, the amount of any excess Study Costs, and credits for the negotiated costs of the Sponsor, and shall furnish the Sponsor with the results of this accounting. Within thirty (30) days thereafter, the Government, subject to the availability of funds, shall reimburse the Sponsor for the excess, if any, of cash contributions and credits given over its required share of Study Costs, other than excess Study Costs, or the Sponsor shall provide the Government any cash contributions required for the Sponsor to meet its required share of Study Costs other than excess Study Costs.

D. The Sponsor shall provide its cash contribution for excess Study Costs as required under Article II.C. of this Agreement by delivering a check payable to "FAO, USAED, Fort Worth District" to the District Engineer as follows:

1. After the project that is the subject of this Study has been authorized for construction, no later than the date on which a Project Cooperation Agreement is entered into for the project; or

2. In the event the project that is the subject of this Study is not authorized for construction by a date that is no later than 5 years of the date of the final report of the Chief of Engineers concerning the project, or by a date that is no later than 2 years after the date of the termination of the study, the Sponsor shall pay its share of excess costs on that date (5 years after the date of the Chief of Engineers or 2 year after the date of the termination of the study).

ARTICLE IV - STUDY MANAGEMENT AND COORDINATION

A. To provide for consistent and effective communication, the Sponsor and the Government shall appoint named senior representatives to an Executive Committee. Thereafter, the Executive

Committee shall meet regularly until the end of the Study Period.

B. Until the end of the Study Period, the Executive Committee shall generally oversee the Study consistently with the PSP.

C. The Executive Committee may make recommendations that it deems warranted to the District Engineer on matters that it oversees, including suggestions to avoid potential sources of dispute. The Government in good faith shall consider such recommendations. The Government has the discretion to accept, reject, or modify the Executive Committee's recommendations.

D. The Executive Committee shall appoint representatives to serve on a Study Management Team. The Study Management Team shall keep the Executive Committee informed of the progress of the Study and of significant pending issues and actions, and shall prepare periodic reports on the progress of all work items identified in the PSP.

E. The costs of participation in the Executive Committee (including the cost to serve on the Study Management Team) shall be included in total project costs and cost shared in accordance with the provisions of this Agreement.

ARTICLE V - DISPUTES

As a condition precedent to a party bringing any suit for breach of this Agreement, that party must first notify the other party in writing of the nature of the purported breach and seek in good faith to resolve the dispute through negotiation. If the parties cannot resolve the dispute through negotiation, they may agree to a mutually acceptable method of non-binding alternative dispute resolution with a qualified third party acceptable to both parties. The parties shall each pay 50 percent of any costs for the services provided by such a third party as such costs are incurred. Such costs shall not be included in Study Costs. The existence of a dispute shall not excuse the parties from performance pursuant to this Agreement.

ARTICLE VI - MAINTENANCE OF RECORDS

A. Within 60 days of the effective date of this Agreement, the Government and the Sponsor shall develop procedures for keeping books, records, documents, and other evidence pertaining to costs and expenses incurred pursuant to this Agreement to the extent and in such detail as will properly reflect total Study Costs. These procedures shall incorporate, and apply as appropriate, the standards for financial management systems set forth in the Uniform Administrative Requirements for Grants and Cooperative Agreements to state and local governments at 32 C.F.R. Section 33.20. The Government and the Sponsor shall maintain such books, records, documents, and other evidence in accordance with these procedures for a minimum of three years after completion of the Study and resolution of all relevant claims arising therefrom. To the extent permitted under applicable Federal laws and regulations, the Government and the Sponsor shall each allow the other to inspect such books, documents, records, and other evidence.

B. In accordance with 31 U.S.C. Section 7503, the Government may conduct audits in addition to any audit that the Sponsor is required to conduct under the Single Audit Act of 1984, 31 U.S.C. Sections 7501-7507. Any such Government audits shall be conducted in accordance with Government Auditing Standards and the cost principles in OMB Circular No. A-87 and other applicable cost principles and regulations. The costs of Government audits shall be included in total Study Costs and shared in accordance with the provisions of this Agreement.

ARTICLE VII - RELATIONSHIP OF PARTIES

The Government and the Sponsor act in independent capacities in the performance of their respective rights and obligations under this Agreement, and neither is to be considered the officer, agent, or employee of the other.

ARTICLE VIII - OFFICIALS NOT TO BENEFIT

No member of or delegate to the Congress, nor any resident commissioner, shall be admitted to any share or part of this Agreement, or to any benefit that may arise therefrom.

ARTICLE IX - FEDERAL AND STATE LAWS

In the exercise of the Sponsor's rights and obligations under this Agreement, the Sponsor agrees to comply with all applicable Federal and State laws and regulations, including Section 601 of Title VI of the Civil Rights Act of 1964 (Public Law 88-352) and Department of Defense Directive 5500.11 issued pursuant thereto and published in 32 C.F.R. Part 195, as well as Army Regulations 600-7, entitled "Nondiscrimination on the Basis of Handicap in Programs and Activities Assisted or Conducted by the Department of the Army".

ARTICLE X - TERMINATION OR SUSPENSION

A. This Agreement shall terminate at the conclusion of the Study Period, and neither the Government nor the Sponsor shall have any further obligations hereunder, except as provided in Article III.C.; provided, that prior to such time and upon thirty (30) days written notice, either party may terminate or suspend this Agreement. In addition, the Government shall terminate this Agreement immediately upon any failure of the parties to agree to extend the study under Article II.E. of this agreement, or upon the failure of the sponsor to fulfill its obligation under Article III. of this Agreement. In the event that either party elects to terminate this Agreement, both parties shall conclude their activities relating to the Study and proceed to a final accounting in accordance with Article III.C. and III.D. of this Agreement. Upon termination of this Agreement, all data and information generated as part of the Study shall be made available to both parties.


B. Any termination of this Agreement shall not relieve the parties of liability for any obligations previously incurred, including the costs of closing out or transferring any existing contracts.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, which shall become effective upon the date it is signed by the District Engineer for the U.S. Army Corps of Engineers, Fort Worth District.

DEPARTMENT OF THE ARMY

SULPHUR RIVER BASIN AUTHORITY

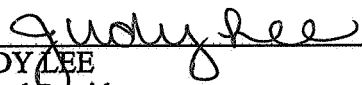
BY



JOHN R. MINAHAN
Colonel, Corps of Engineers
District Engineer
Fort Worth District

2/24/05

BY



JUDY LEE
Board President
Sulphur River Basin Authority

22 Feb 2005

CERTIFICATION REGARDING LOBBYING
SULPHUR RIVER BASIN AUTHORITY, TEXAS

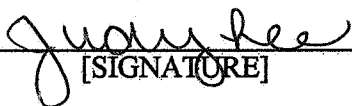
The undersigned certifies, to the best of his or her knowledge and belief that:

(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.


[SIGNATURE]

Judy Lee
[TYPED NAME]

Board President, Sulphur River Basin Authority
[TITLE IN FULL]

DATE: 22 Feb 2005


I, Debra, do hereby certify that I am the Attorney for Sulphur River Basin Authority, Texas, that Sulphur River Basin Authority, Texas is a legally constituted public body with full authority and legal capacity to perform the terms of the agreement between the Department of the Army and Sulphur River Basin Authority, Texas in connection with the feasibility study for Sulphur River Basin, Texas and to pay damages, if necessary in the event of failure to perform, and that the person who has executed the Agreement on behalf of Sulphur River Basin Authority, Texas, has acted within his/her authority.

IN WITNESS THEREOF, I have made and executed this certificate this 22 day of Feb 2005.

Debra
Sulphur River Basin Authority, Texas Attorney
Texas State Bar License Number 37685401

CERTIFICATION OF LEGAL REVIEW

The Revised Draft Feasibility Cost Sharing Agreement for the Sulphur River Watershed Feasibility Study has been fully reviewed by the Office of Counsel, USAED, Fort Worth District, Fort Worth, Texas, conforms to the model agreement as updated to reflect statutory amendments, and is without deviations.


Office of Counsel

DATE: Jan 26, 2005

LIST OF DEVIATIONS
TO
SULPHUR RIVER WATERSHED
FEASIBILITY COST SHARE AGREEMENT
FCSA MODEL

1. Article II.B is modified in the fourth line by the deletion of "25 percent" and replacement with "50 percent" REASON: Change in FCSA provisions now allow 100% of sponsor contribution (or 50% of total project cost) to be provided by in-kind services.

Total deviations: 1



REPLY TO
ATTENTION OF

DEPARTMENT OF THE ARMY
FORT WORTH DISTRICT, CORPS OF ENGINEERS
P. O. BOX 17300
FORT WORTH, TEXAS 76102-0300

APR 05 2012

Programs and Project
Management Division

Mr. Michael Russell
Board President
Sulphur River Basin Authority
911 N Bishop Street
Wake Village, Texas 75501

Dear Mr. Russell:

Enclosed are your original copies of the consummated Feasibility Cost Sharing Agreement for the Sulphur River Watershed that were signed by the District Engineer on 3 April, 2012.

We look forward to a continued partnership for all Corps Projects under your professional guidance. If you have any questions or need additional information regarding this matter, please contact Ms. Marcia Hackett, Program Manager, (817)886-1373, or Mr. Elston Eckhardt, Chief, Civil Branch, (817)886-1378.

Sincerely,



Richard J. Muraski, Jr.
Colonel, US Army
Commanding

Enclosures

**AMENDMENT NUMBER 1
TO THE
AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
THE SULPHUR RIVER BASIN AUTHORITY
FOR THE
FEASIBILITY STUDY OF THE SULPHUR RIVER WATERSHED**

THIS AMENDMENT NUMBER 1, entered into this 3rd day of April 2012, 2012 by and between the Department of the Army (hereinafter the "Government"), represented by the U.S. Army Engineer, Fort Worth District (hereinafter the "District Engineer"), and the Sulphur River Basin Authority (hereinafter the "Sponsor"), represented by its Board President.

WITNESSETH, that:

WHEREAS, the Government and the Sponsor entered into an Agreement on February 24, 2005 to conduct a feasibility study of the Sulphur River Watershed, Texas (hereinafter the "Agreement");

WHEREAS, the Sponsor has offered to accelerate its provision of funds to the Government in an amount not to exceed the current estimate of the Sponsor's required contribution for the Study Costs, less any funds previously contributed, for the immediate acceptance and use by the Government for the Study Costs;

WHEREAS, the parties agree that such acceptance and use of funds by the Government shall not represent or give rise to an obligation of the United States, including any obligation to provide reimbursement of the funds the Sponsor elects to provide or any obligation to request future funds to match the amount the Sponsor elects to provide, and that such funds will be credited against the Sponsor's future cost share only if additional Federal funds are appropriated.

NOW, THEREFORE, the Government and the Sponsor agree to amend the Agreement as follows:

1. ARTICLE II, OBLIGATIONS OF PARTIES, is amended by adding the following paragraphs:

"I. The Sponsor has offered in writing to accelerate provision to the Government of a portion or all of its required contribution of funds pursuant to paragraph B. and paragraph C. of this Article during the study period for immediate acceptance and use by the Government for Study Costs. The Government may accept the funds or such portion thereof as the Government determines to be necessary to meet Study Costs. If the Government elects to accept such funds, it shall notify the Sponsor of such acceptance in

writing. Upon receipt of such accelerated funds from the Sponsor, the Government shall use such funds for Study Costs. In no event shall the amount of funds accepted and used by the Government pursuant to this paragraph exceed the estimate of the Sponsor's contribution of funds required by paragraph B. and paragraph C. of this Article minus any non-Federal funds previously contributed by the Sponsor as of the date the Government accepts the offered funds.

J. As Federal appropriations are made available to pay the Federal share of the Study Costs, the Government shall afford credit for the funds used in accordance with paragraph I. of this Article toward the Sponsor's contribution of funds required by paragraph B. and paragraph C. of this Article. If, after the final accounting at the end of the study period, it is determined that the Sponsor has provided funds in excess of its required contribution of funds pursuant to paragraph B. and paragraph C. of this Article, the Government shall proceed in accordance with Article III.C. of this Agreement to determine whether a refund is applicable.

K. The Sponsor understands that neither execution of this Agreement nor acceptance of the accelerated funds constitutes, represents, or implies any commitment to budget or appropriate funds for this Study in the future or to match the amount of accelerated funds that the Sponsor elects to provide. Credit for these funds toward the Sponsor's cash contribution required by paragraph B. and paragraph C. of this Article shall be provided only to the extent that additional Federal funds are appropriated for this Study, and the Sponsor understands that it shall not be entitled to any repayment of these funds even if the Study is not completed. Nothing herein shall represent, or give rise to, obligations of the United States."

2. ARTICLE III, METHOD OF PAYMENT, is amended as follows:

a. Paragraph B.1 is amended by inserting the phrase ", after consideration of the amount of credit afforded pursuant to Article II.J. of this Agreement," after "will be required from Sponsor," and before "to meet".

b. Paragraph B.3, first sentence, is amended by inserting the phrase ", after consideration of the amount of credit afforded pursuant to Article II.J. of this Agreement," after "to be required from the Sponsor," and before "to meet".

c. Paragraph B.4 is amended by adding the following language at the end of the paragraph:

"and, to the extent funds are offered and accepted in accordance with Article II.I. of this Agreement, any other funds provided by the Sponsor in excess of the Sponsor's proportionate share of Study Costs."

d. Paragraph B.5 is amended by inserting the phrase ", after consideration of the amount of credit afforded pursuant to Article II.J. of this Agreement," after "the Government determines" and before "that the Sponsor must provide additional funds".

e. Paragraph C is amended by adding the following to the end of the paragraph:

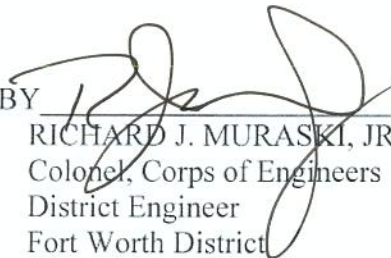
“However, if the final accounting is conducted prior to the end of the Study Period due to termination of the Agreement pursuant to Article X.A. of this Agreement, and the Sponsor has accelerated the provision of its required contribution of funds in accordance with Article II.I of this Agreement, the Government shall refund to the Sponsor only that portion of any accelerated funds that were not obligated by the Government for work on the Study, subject to the availability of funds.”


3. All other terms and conditions of the Agreement remain unchanged.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment Number 1 to the Agreement, which shall become effective upon the date it is signed by the District Engineer.

DEPARTMENT OF THE ARMY

SULPHUR RIVER BASIN
AUTHORITY

BY 
RICHARD J. MURASKI, JR.
Colonel, Corps of Engineers
District Engineer
Fort Worth District

BY 
MICHAEL RUSSELL
Board President
Sulphur River Basin Authority

DATE: 3 April 2012

DATE: 3 - 27 - 12

CERTIFICATE OF AUTHORITY

I, Kirk Patton, P.C., of Patton Roberts PLLC, do hereby certify that I am the principal legal officer of the Sulphur River Basin Authority, that the Sulphur River Basin Authority is a legally constituted public body with full authority and legal capability to perform the terms of the Agreement between the Department of the Army and the Sulphur River Basin Authority in connection with the feasibility study for the Sulphur River Watershed, and to pay damages, if necessary, in the event of the failure to perform in accordance with the terms of this Agreement, as required by Section 221 of the Food Control Act of 1970, Public Law 91-611, as amended (42 U.S.C. 1962d-5b), and that the person or persons who have executed this Agreement on behalf of the Sulphur River Basin Authority have acted within their statutory authority.

IN WITNESS WHEREOF, I have made and executed this certification this 27th day of March, 2012.

PATTON ROBERTS PLLC

By: 
Kirk Patton, P.C.

CERTIFICATION REGARDING LOBBYING

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 sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients 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 31 U.S.C. 1352. 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.



MICHAEL RUSSELL
Board President
Sulphur River Basin Authority

DATE: March 27, 2012

ENCLOSURE 2

Project Description:

The Sulphur River Feasibility Study is authorized under House Resolution dated March 11, 1998. The feasibility study focused on potential conversion of flood storage in Wright Patman Lake to water supply storage based on flood storage constructed in Cooper (Jim Chapman) Lake, and mitigation for environmental effects of Cooper Lake on Wright Patman lands (White Oak Creek Mitigation Area).

Financial Report:

Category	Federal	Non-Federal		Total
		Cash	Work-in-Kind	
Feasibility requirement	\$ 4,442,000.00	\$ 1,380,000.00	\$ 3,062,000.00	\$ 8,884,000.00
Funded to date	\$ 1,649,723.17	\$ 705,000.00	\$ 955,799.45	\$ 3,310,522.62
Feas phase obligations	\$ 1,649,723.17	\$ 693,923.72	\$ 955,799.45	\$ 3,299,446.34
Feas expenditures	\$ 1,649,723.17	\$ 693,923.72	\$ 955,799.45	\$ 3,299,446.34
Feas available balance	\$ 0	\$ 11,076.28	\$ 0	