

APPENDIX 1
LETTER AGREEMENT

**LETTER AGREEMENT
PLANNING ASSISTANCE TO STATES**

Stage 3 Study

**Wholesale Water Treatment and Conveyance Study,
Lake Tenkiller Area, Oklahoma**

THIS AGREEMENT, entered into this 20th day of APRIL, 1999, by and between the United States of America (hereinafter called the "Government"), represented by the District Engineer for the Tulsa District, U.S. Army Corps of Engineers, and the Oklahoma Water Resources Board (hereinafter called the "Sponsor").

WITNESSETH, THAT

WHEREAS, Section 22 of the Water Resources Development Act of 1974 (Public Law 93-251), as amended, authorizes the Secretary of the Army, acting through the Chief of Engineers, to assist the states in the preparation of comprehensive plans for the development, utilization and conservation of water and related land resources; and

WHEREAS, Section 319 of the Water Resources Development Act of 1990 (Public Law 101-640) authorizes the Secretary of the Army to collect from non-Federal entities fees for the purpose of recovering 50 percent of the cost of the program established by Section 22; and

WHEREAS, the Sponsor has reviewed the State's comprehensive water plans and identified the need for planning assistance as described in the Scope of Studies incorporated into this Agreement; and

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

NOW THEREFORE, the parties do mutually agree as follows:

1. The Government, using funds contributed by the Sponsor and appropriated by the Congress, shall expeditiously prosecute and complete Stage 3 of the Wholesale Water Treatment and Conveyance Study, Lake Tenkiller Area, Oklahoma, currently estimated to be completed within a twelve (12) month study period (not to exceed 12 months), substantially in compliance with the Stage 3 Scope of Work attached as Appendix A and in conformity with applicable Federal laws and regulations and mutually acceptable standards of engineering practice.
2. The Government shall contribute in cash **50 percent** of the total study cost, and the Sponsor shall contribute in cash **50 percent** of the total study cost, which total study cost is **\$44,100.00**; provided, that the Government shall not obligate any cash contribution toward Study costs, until such cash contribution has actually been made available to it by the Sponsor. The Sponsor agrees to provide funds in the amount of **\$22,050.00**, which shall be made payable to the Finance and Accounting Officer, Tulsa District, P. O. Box 61, Tulsa, Oklahoma 74121-0061.
3. No Federal funds may be used to meet the local Sponsor's share of study costs under this Agreement unless the expenditure of such funds is expressly authorized by statute as verified by the granting agency.

4. Before any Party to this Agreement may bring suit in any court concerning any issues relating to this Agreement, such party must first seek in good faith to resolve the issue through negotiation or other form of nonbinding alternative dispute resolution mutually acceptable to the Parties.

5. This Agreement shall terminate at the end of the Sponsor's fiscal year on June 30, 1999, or upon the completion of the Study, whichever occurs earlier; provided, that prior to such time and upon thirty (30) days written notice, either party may terminate or suspend this Agreement without penalty. It is further understood and agreed that if the Study is not completed by June 30, 1999, or cannot be completed within the total study cost of \$44,100.00, this Agreement may be renewed or amended by the mutual written agreement of the parties.

6. Within ninety days after termination of this Agreement, the Government shall prepare a final accounting of the study costs, which shall display (1) cash contributions by the Federal Government, (2) cash contributions by the Sponsor, and (3) disbursements by the Government of all funds. Subject to the availability of funds, within thirty days after the final accounting, the Government shall reimburse the Sponsor for non-Federal cash contributions that exceed the Sponsor's required share of the total study costs. Within thirty days after the final accounting, the Sponsor shall provide the Government any cash contributions required to meet the Sponsor's required share of the total study costs.

7. In the event that any (one or more) of the provisions of this Agreement is found to be invalid, illegal, or unenforceable by a court of competent jurisdiction, the validity of the remaining provisions shall not in any way be affected or impaired and shall continue in effect until the Agreement is completed.

8. This Agreement shall become effective upon the signature of both Parties.

FOR THE SPONSOR:

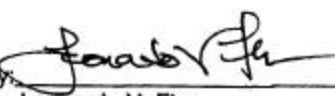
By: 
J. Ross Kirtley,
Chairman
Oklahoma Water Resources Board

Date: 4-13-99

Attest: 
Richard Sevenoaks, Secretary

Date: 4-13-99
(Seal)

FOR THE GOVERNMENT:

By: 
Leonardo V. Flor
Colonel, U.S. Army
District Commander

Date: 20 APR 99

APPENDIX A

SCOPE OF STUDY
PLANNING ASSISTANCE TO STATES

STAGE 3

WHOLESALE WATER TREATMENT AND CONVEYANCE STUDY
LAKE TENKILLER AREA, OKLAHOMA

1. GENERAL. The Corps will conduct Stage 3 of the Lake Tenkiller Area, Wholesale Water Treatment and Conveyance Study under authority given in Section 22 of the 1974 Water Resources Development Act, Planning Assistance to States program. The Stage 3 studies will include the same tasks as the Stage 2 studies, but will include four additional water districts: the City of Sallisaw, the Town of Muldrow, the Town of Roland, and Sequoyah County RWSG&SWMD #7. Only one alternative, chosen by the Sponsor, will be developed as a part of this stage of study. The Sponsor will use the information to decide the feasibility of a wholesale water treatment and conveyance system within the Lake Tenkiller area.

2. WORK TO BE PERFORMED.

a. ADDITIONAL NEEDS ASSESSMENT. The Corps will perform a needs assessment of the City of Sallisaw, the Town of Muldrow, the Town of Roland, and Sequoyah County RWSG&SWMD #7.

(1) Gather information on water systems. Specific information to be gathered for the City of Sallisaw, the Town of Muldrow, the Town of Roland, and Sequoyah County RWSG&SWMD #7 will include:

- Name and service area
- Description of distribution system
- Location, capacity, and description of treatment facilities
- Cost of water, price to consumers
- Quantity of water used

(2) Project future needs. Based on existing conditions and in coordination with the Sponsor and other interests in the service area, projections of future quantity of water demanded will be made. Categories for users may be residential, municipal, industrial, and other but other categories may be developed as required during the conduct of the study.

(3) Assess needs. The system's potential for regionalization will be assessed based on the following criteria: water rights, age of treatment facility, storage capacity, source

of water, and cost to consumer. Potential will be rated as low, medium, or high.

b. PRELIMINARY DESIGNS AND COST ESTIMATES.

(1) Prepare preliminary designs. The Corps will use available topographic mapping and the KYPIPE computer program to provide a preliminary design for one water supply delivery alternative for the identified areas, based on the alternatives developed as a part of the Stage 2 studies. The Corps and the Sponsor will work together to select the alternative. The designs will include selection of sites for the water treatment plant(s), location and sizing of required pump stations and water storage tanks, layout of conveyance system, design of plant capability and size, and preliminary cost estimate.

(2) Prepare cost estimates. Cost estimates will be provided that include preliminary design costs, real estate costs, operations and maintenance costs, and cost per 1,000 gallons of treated water to each participating water system. The Corps will use the Microcomputer-Aided Cost Estimating System (MCACES) Gold computer program for all study-related cost estimates.

(3) Presentation. The Corps will present the preliminary design in an easy-to-read report format. The report will include the following: a narrative of the design alternative, which describes system operation and includes sizes of the major system components; drawings (11 by 17 inch fold out) showing locations of major system components; and a cost estimate for the chosen alternative. The Corps will present the engineering calculations and computer-generated hydraulic analysis as an appendix to the report.

c. ENVIRONMENTAL STUDIES.

(1) Endangered Species Coordination. The Corps will coordinate the study with the United States Fish and Wildlife Service and the Oklahoma Department of Wildlife Conservation to learn the impacts, if any, on any listed endangered species. If endangered species are found in the project area, the Corps will recommend that the Sponsor conduct a biological assessment and possibly formal consultation.

(2) NEPA and Other Environmental Requirements. The Corps will discuss, in narrative format, National Environmental Policy Act (NEPA) and other environmental requirements that the Sponsor will need to address prior to development of detailed designs and construction. The Corps will also prepare discussion concerning the requirements for future coordination with Federal,

State, and local agencies having legislative and administrative responsibilities for environmental protection.

d. REAL ESTATE STUDIES.

(1) Real estate activities necessary for the project consist of all tasks related to determining real estate requirements and identifying and providing real estate cost estimates.

(2) The Corps will conduct a gross appraisal of the chosen alternative to decide the estimated real estate costs and estates purchase requirements, i.e., fee or type of easement. The Corps will obtain maps of the study area that contain sufficient detail, to identify the types of land and improvements that the proposed project would affect. The Corps will research the local real estate market to gather data concerning recent sales of improved and unimproved properties comparable to the right-of-way required. The research will involve searching deed records and contacting local appraisers, brokers, attorneys, central appraisal district, and others knowledgeable of the local real estate market. The Corps will use the market information as a basis for the values of the various types of properties within the proposed project. Cost information will be incorporated into the MCACES cost estimate.

(3) After all field work is completed, the Corps will prepare narrative for a written report.

e. STUDY MANAGEMENT.

(1) This work item will include all scheduling and organizing of the study; regular periodic meetings with technical elements to review progress; preparing budget documentation; monitoring and managing all funds being obligated and expended; preparing project-related correspondence; coordinating with Federal, State, and local agencies; and providing guidance and support as required to ensure that they have answered all questions and they have solved all study-related problems. The Corps will perform this task for the duration of the study.

(2) The Corps will manage the tasks associated with overall coordination of the various study work items including funds management and work item scheduling. The overall purpose of this work item is to ensure that the study will accomplish the goals established, maintain schedule and cost estimates, and address all items in the Scope of Study.

f. DATA PROCESSING. The Corps will use automatic data processing capability including micro-, mini-, and mainframe computers to manage various data and accounting requirements

generated by the study. This is an existing resource, previously acquired and maintained through overhead.

g. REPORT PREPARATION.

(1) Report preparation will consist of preparing a draft report, duplicating and distributing the draft report, reviewing and editing the draft report to final form, and then duplicating and distributing the final report. The report will be direct, concise, and written in a style that is easy to understand and may include graphics, illustrations, and photographs. The report will also include the study findings and recommendations.

(2) The Corps will document the study results in report form. The Corps will base the report on all studies and investigations conducted and on published reports applicable to the study area. The Corps will prepare report originals on 8-1/2 inches by 11 inches plain white bond paper, one side only. Plates will be 8-1/2 inches by 11 inches or 11 inches high and folded to conform with the 8-1/2 inches width of the main document. The Corps will submit draft and final reports to the Sponsor in one and one-half spaced text. Five copies each of the draft and final report will be provided to the Sponsor.

3. DELIVERY AND SCHEDULE.

a. DRAFT DOCUMENT. The Corps will provide a draft copy of the report to the Sponsor. The report will include discussion concerning methodology, data sources, findings, and other appropriate data for review and approval. It will be one and one-half spaced, unbound, with all pages consecutively numbered. The report will identify all data sources and references.

b. FINAL DOCUMENT. Upon the Sponsor's approval and return of the edited draft to the Corps, the Corps will type the document in one and one-half spaced format, with corrections made as noted on the first draft. The Corps will furnish the final original document to the Sponsor, unbound, with pages numbered.

c. MEETINGS AND CONFERENCES. The Corps and the Sponsor will hold monthly meetings, either face-to-face or through telephone conference calls. The Corps or the Sponsor will request other meetings as needed for discussion of questions and problems relating to work.

d. SCHEDULE. The Corps will submit the above items according to the following schedule.

Item	Schedule
Draft Document	238 calendar days after the date of the signed agreement and receipt of Federal funds.
Sponsor Review	42 calendar days after submittal of the draft document.
Final Document	28 calendar days after receipt of Sponsor's comments on the draft document.

4. STUDY MANAGER. The Government manager for this contract will be Mr. Phillip A. Cline, Project Manager, Planning Assistance to States Program, Programs and Project Management Division, Civil Works Branch, Tulsa District, Corps of Engineers. Questions or problems that may arise during the performance of the work specified in this Agreement should be discussed with Mr. Cline. The Sponsor should coordinate entry clearance with Mr. Cline before planning site or office visits. The Sponsor should appoint a project coordinator and/or manager to serve as a single point of contact or liaison between the Corps of Engineers and State representatives for all work required. The name of the individual so designated will be furnished in writing to the Corps. The project coordinator and/or manager will be responsible for complete coordination of the work.

APPENDIX B

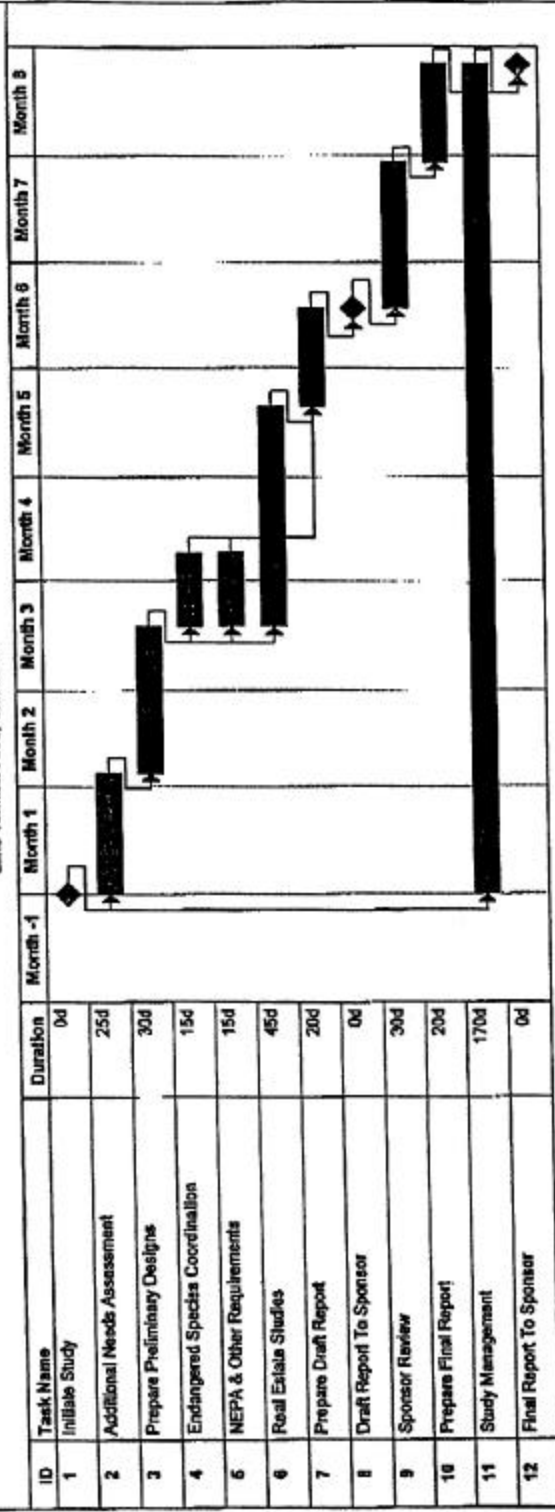
TIME AND COST ESTIMATE
PLANNING ASSISTANCE TO STATES

STAGE 3

WHOLESALE WATER TREATMENT AND CONVEYANCE STUDY
LAKE TENKILLER AREA, OKLAHOMA

Study Item	Duration (Workdays)	Cost (\$)
1. Additional Needs Assessment	25	6,600
2. Preliminary Designs	30	8,300
3. Environmental Studies		
a. Endangered Species Coordination	15	2,500
b. NEPA and Other Requirements	15	2,500
4. Real Estate Studies	45	7,200
5. Data Processing and Report Preparation	40	10,000
6. Study Management	170	<u>7,000</u>
Total Study Cost		44,100

Wholesale Water Treatment And Conveyance Study, Budget
Lake Tenkiller Area, Oklahoma



Project: TENKIL3.MPP Data: Thu 11/19/98	Task	Summary	Rolled Up Progress
	Progress	Rolled Up Task	
	Milestone	Rolled Up Milestone	
Page 1			

PLANNING ASSISTANCE TO STATES
SUPPLEMENTAL AGREEMENT NO. 1

Stage 3 Study
Wholesale Water Treatment and Conveyance Study,
Lake Tenkiller Area, Oklahoma

THIS SUPPLEMENTAL AGREEMENT, for convenience of reference dated as of this 1 July 1999, by and between the United States of America (hereinafter called the "Government"), represented by the Contracting Officer executing this Agreement, and the Oklahoma Water Resources Board (hereinafter called the "Sponsor"),

WITNESSETH:

WHEREAS, on the 20th day of April, 1999, the Government and the Sponsor entered into PLANNING ASSISTANCE TO STATES LETTER AGREEMENT (hereinafter referred to as LETTER AGREEMENT) for a Stage 3 Study of a Wholesale Water Treatment and Conveyance project located in the Lake Tenkiller Area, Oklahoma; and

WHEREAS, the LETTER AGREEMENT contemplated that the time period to complete the study could be extended beyond the June 30, 1999, termination date; and

WHEREAS, the Government and the Sponsor desire to renew and extend the term of the LETTER AGREEMENT.

NOW THEREFORE, the LETTER AGREEMENT is hereby renewed and extended to be effective from July 1, 1999, through June 30, 2000, and all other provisions of the LETTER AGREEMENT are likewise renewed and incorporated by reference herein.

IN WITNESS WHEREOF, the parties hereto have executed this Supplemental Agreement No. 1 on the dates specified below.

Oklahoma Water Resources Board

By: 
Lonnie Farmer
Chairman

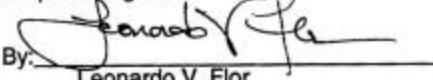
Date: July 13, 1999

Attest:

Grady Grapstaff, Secretary

(Seal)

Tulsa District, U.S. Army
Corps of Engineers

By: 
Leonardo V. Fior
Colonel, U.S. Army
District Commander

Date: 21 Jul 99