



DEPARTMENT OF THE ARMY
FORT WORTH DISTRICT, CORPS OF ENGINEERS
P. O. BOX 17300
FORT WORTH, TEXAS 76102-0300
OCT 11 2016

Mr. Mike Sandefur
Board President
Sulphur River Basin Authority
911 North Bishop Suite C-104
Wake Village, Texas 75501

Dear Mr. Sandefur:

In August 2013, the official schedule for the Sulphur River Feasibility Study was revised to complete all studies within a timeframe of three years, and at a cost not to exceed \$3.0 million. Any increases in time or cost would require an exemption from current U.S. Army Corps of Engineers policy. Since all studies have not been completed within the previously specified time frame, an exemption will be required. This letter is to notify the Sulphur River Basin Authority and their stakeholders that further activities are on hold pending receipt of additional information required to obtain an Exemption to exceed the \$3M and 3 year schedule for the study. The request is for an additional 30 Months and funding in the amount of \$2.796 million to fully fund the study to completion through the Chief's Report. The cost would be cost shared, with \$1.398 million Federal and \$1.398 million non-federal required. The approval/disapproval of the request is ultimately made by the Deputy General for Civil Works at the U.S. Army Corps of Engineers Headquarters.

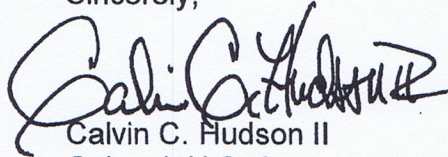
Since there are currently no Federal funds available to continue the study into Fiscal Year 2017, the commitment of providing accelerated cash contributions to maintain our project schedules may be necessary for a successful outcome to the exemption request and negotiation of modification of the Feasibility Cost Sharing Agreement. In order to ensure the U.S Army Corps of Engineers can move forward with the exemption request, the following commitments from Sulphur River Basin Authority are required. The Sulphur River Basin Authority must commit to provide up to \$1,650.7M in Fiscal Year 2017 to keep the scheduled milestones on track. Also, if no Federal funds are available for future years, Sulphur River Basin Authority would need to commit to the possibility of funding the study to completion. The additional funding that could be required above your 50/50 cost share is up to \$1.398 million, and would require an addition Feasibility Cost Sharing Agreement modification to authorize use of contributed funds.

Due to Sulphur River Basin Authority's urgent need for reallocation to meet water needs in 2030 of 168,000 acre feet, it will be necessary for Sulphur River Basin Authority to commit to fund 100% of the costs to accelerate the design and construction of the dam safety fixes at Wright Patman Lake, which must be

completed prior to raising the conservation pool, before a determination to proceed with the increase in study scope and schedule can be made. This is due to the Corps' current schedule for utilization of limited resources and funding to address the highest priority life safety projects across U.S. Army Corps of Engineers portfolio of dams. Initial dam safety study efforts are scoped within the feasibility study in the amount of \$975,000, and will be cost shared as part of the feasibility study. The Sulphur River Basing Authority will have the opportunity to make a final decision on moving forward with the reallocation at Wright Patman once estimated costs of the dam safety fix are identified prior to completion of the study.

If you have any questions regarding this request, feel free to contact Mr. Elston Eckhardt, (817) 886-1378, email: elston.d.eckhardt@usace.army.mil, for any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Calvin C. Hudson II". The signature is stylized with a large, looped "C" and a prominent "H".

Calvin C. Hudson II
Colonel, U.S. Army
Commanding