



DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
WASHINGTON, D.C. 20314-1000

Reply to
Attention of:

OCT 6 2009

CEMP-SWD

MEMORANDUM FOR COMMANDER, Southwestern Division (CESWD-PDP)

SUBJECT: Implementation Guidance for Section 3137 of the Water Resources Development Act of 2007 (WRDA 2007) - Waurika Lake, Oklahoma

1. Section 3137 of WRDA 2007 sets the remaining obligations of the Waurika Project Master Conservancy District (WPMCD) payable to the United States at the amounts, rates of interest, and payment schedules that existed on June 3, 1986, and stipulates that these items cannot be adjusted, altered, or changed without a specific, separate, and written agreement between the WPMCD and the United States. A copy of Section 3137 WRDA language is enclosed for information.
2. Section 3137 addresses the repayment provisions of the water storage agreement and three water conveyance facility (pipeline) agreements between the WPMCD and the United States. Section 3137 relieves the WPMCD of the obligation to repay the actual construction costs of the pipelines and the costs incurred by the Federal government due to the Travelers Indemnity Company claim (settled in 1991). It also relieves the WPMCD of the obligation to pay for the land on which the pipelines are located, title to which the WPMCD will receive when the pipelines are paid in full. Of the \$1,140,775 in joint land costs allocated to all Waurika Lake authorized project purposes, the Federal government will incur \$680,118. The remaining \$460,657 is allocated to the water supply purpose and will be paid by the WPMCD under its current water storage agreement and by future water supply customers. The implementation of Section 3137 equates to an increase of approximately \$4.8 million in Federal expense.
3. The repayment obligations by the WPMCD to the United States for the current water storage agreement and the three pipeline agreements are to be those in effect on June 3, 1986, when the project construction costs for water storage in Waurika Lake were finalized. The revisions to the pipeline agreements completed in October 1991 will be rescinded and the estimated amounts established in 1978 and reflected in the agreements in force on June 3, 1986 will be used. No adjustments will be made to any of the existing agreements in the amounts, rates of interest, or repayment schedules without a specific, separate, and written agreement by both parties. The WPMCD will be invoiced using the amortization schedules in the agreements on June 3, 1986.

FOR THE COMMANDER:

Encl.


THEODORE A. BROWN, P.E.
Chief, Planning and Policy Division
Directorate of Civil Works

Enclosure

WRDA 2007, SEC. 3137. WAURIKA LAKE, OKLAHOMA.

The remaining obligation of the Waurika Project Master Conservancy District payable to the United States Government in the amounts, rates of interest, and payment schedules-

(1) is set at the amounts, rates of interest, and payment schedules that existed on June 3, 1986, with respect to the project for Waurika Lake, Oklahoma; and,

(2) may be not adjusted, altered, or changed without a specific, separate, and written agreement between the District and the United States.

WRDA 1999, SEC. 375. WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES.

For the project for construction of the water conveyances authorized by the first section of Public Law 88-253 (77 Stat. 811), the requirements for the Waurika Project Master Conservancy District to repay the \$2,900,000 in costs (including interest) resulting from the October 1991 settlement of the claim before the United States Claims Court, and to make a payment of \$595,000 of the final cost representing a portion of the difference between the 1978 estimate of cost and the actual cost determined after completion of the project in 1991, are waived.

Enclosure

WRDA 2007, SEC. 3137. WAURIKA LAKE, OKLAHOMA.

The remaining obligation of the Waurika Project Master Conservancy District payable to the United States Government in the amounts, rates of interest, and payment schedules-

(1) is set at the amounts, rates of interest, and payment schedules that existed on June 3, 1986, with respect to the project for Waurika Lake, Oklahoma; and,

(2) may be not adjusted, altered, or changed without a specific, separate, and written agreement between the District and the United States.

WRDA 1999, SEC. 875. WAURIKA LAKE, OKLAHOMA, WATER CONVEYANCE FACILITIES.

For the project for construction of the water conveyances authorized by the first section of Public Law 88-253 (77 Stat. 811), the requirements for the Waurika Project Master Conservancy District to repay the \$2,900,000 in costs (including interest) resulting from the October 1991 settlement of the claim before the United States Claims Court, and to make a payment of \$595,000 of the final cost representing a portion of the difference between the 1978 estimate of cost and the actual cost determined after completion of the project in 1991, are waived.