

ATTACHMENT I

First Amended Exhibit C

REVISED Scope of Work

STUDY NO. 1 - INTER-REGIONAL COORDINATION WITH REGIONS C, D AND I ON THE TOLEDO BEND PROJECT

Toledo Bend reservoir is a major water source in Region I and an important component of the Sabine River Basin system. The 2006 Region C water plan recommends moving water from Toledo Bend Reservoir in Region I to water providers in Region C. As part of this strategy, water also would be transported from Toledo Bend to Lake Fork for use in Region D by customers of SRA. This project, as currently proposed, involves transporting up to 500,000 acre-feet per year of water from Toledo Bend Reservoir to other lakes in Texas, with the potential to increase this amount to 700,000 acre-feet per year. Further study of this project would include:

1. Coordination with Regions C and D on water supply and locations.
2. More detailed routing studies to identify potential conflicts and/or environmental concerns.
3. Preliminary assessment of potential impacts on biodiversity, invasive species and water quality of receiving reservoirs.
4. Further study of potential impacts to bays and estuaries and instream flows downstream of Toledo Bend Reservoir.
5. Updated cost estimates reflecting recent increases in costs for pipelines, pump stations, and electric generation.

TASK 1: DEMAND COORDINATION. ACTIVITIES WOULD INCLUDE:

- a) Meet with the major participants (NTMWD, TRWD, SRA, and DWU) to refine amounts of water to be delivered and the locations of delivery for this project.
- b) Identify other potential entities in Region I that may benefit from water from Toledo Bend.
- c) Coordinate with major participants on the potential for supplying raw water to smaller entities along the proposed pipeline route. Coordination activities will include exchange of information via email, conference calls, meetings with the major participants or their representatives, and if necessary a joint meeting with the Region C and/or D RWPG.
- d) Confirm locations for supply and delivery points.

Task 1 Deliverable: A written report describing the amounts of water to be delivered by this project, where it is to be delivered, and to which entity. Target completion is the 2nd quarter after authorization.

TASK 2: ROUTING STUDIES. ACTIVITIES WOULD INCLUDE:

- a) Review and define pipeline routes based on findings in Task 1. Evaluate potential intake locations and confirm with major participants.
- b) Identify potential conflicts and environmental concerns.
- c) Meet with major participants to discuss findings.

Task 2 Deliverable: A written report describing the routes considered, potential conflicts, environmental concerns, and updated costs. Target completion is the 3rd quarter after authorization.

TASK 3: IMPACTS ON RECEIVING RESERVOIRS.

- a) Based on Tasks 1 and 2, identify reservoirs that would be receiving raw water from Toledo Bend.
- b) Collect existing water quality, plant and aquatic specie data on Toledo Bend and receiving reservoirs from the owners of those reservoirs and the TPWD. Based on the information available, identify potential impacts of moving Toledo Bend water on biodiversity, invasive species, and water quality of receiving reservoirs.
- c) Identify potential mitigation factors and the need for additional data collection where appropriate.

Task 3 Deliverable: A written report describing the data available, its sources, and the additional data needed will be prepared. The report will also discuss any foreseeable problems related to water quality and/or plant and aquatic species that can be identified from the data available. Target completion is the 3rd quarter after authorization.

TASK 4: BAYS AND ESTUARIES.

Obtain naturalized flows, without the influence of reservoirs, from the Sabine River & Neches River WAMs supplemented with ancillary flow from the coastal basin and precipitation as developed for the Sabine River Authority into Sabine Lake during the drought of record. Compare these naturalized stream flows to those identified as target flows for bay & estuary health by "Freshwater Inflow Recommendation for Sabine Lake Estuary of Texas and Louisiana" by TPWD March, 2005. Determine the recurrence interval for:

3. the drought of record naturalized flows without the influence of reservoirs into Sabine Lake, and
4. the recurrence interval for the target flows identified for bay & estuary health both with and without the influence of reservoirs into Sabine Lake.

Task 4 Deliverable: A written report describing the comparison of naturalized flows to target flows for bay and estuary health and their recurrence intervals will be prepared. Target completion is the 3rd quarter after authorization.

TASK 5: COST ESTIMATE

- a) Using the same unit prices as used in the 2006 Regional Water Plans, update the capital cost estimate for the updated Toledo Bend Project.
- b) Develop a 100-year life cycle cost using current electric costs and electric costs at 1.5 and 2 times the current rates. This is to evaluate the sensitivity of the project cost to the uncertain energy market.
- c) Coordinate with other regions and major participants for inclusion of cost estimates in other regional water plans.

Task 5 Deliverable: A report describing the work outlined above will be prepared and submitted. Target completion is the 4th quarter after authorization.

STUDY DELIVERABLES – Prepare a draft and final report to include the following sections: executive summary, purpose of the study including how the study supports regional water planning, methodology, results, and recommendations, if applicable. Draft report will be submitted to the planning group and the TWDB for review and comment. All comments will be addressed in the final report. Report will be prepared to include all data developed under Tasks 1 through 5 above. The report will be submitted per TWDB requirements and results from this

study will be included in the 2011 East Texas (Region I) Regional Water Plan. The development, analysis, and reporting of results will follow methodologies and guidance according to Exhibit B, and agency rules.

SCHEDULE – This work will be completed within 12 months of our authorization to proceed.