

WATER STORAGE AGREEMENT
BETWEEN THE DEPARTMENT OF THE ARMY
AND
SOUTHWEST MISSOURI JOINT MUNICIPAL WATER UTILITY COMMISSION

FOR
REALLOCATED WATER STORAGE SPACE IN STOCKTON LAKE

THIS AGREEMENT, entered into this ____ day of _____, 2024, by and between THE DEPARTMENT OF THE ARMY (hereinafter called the "Government") represented by the District Engineer executing this agreement, and Southwest Missouri Joint Municipal Water Utility Commission (hereinafter called the "User");

WITNESSETH THAT:

WHEREAS, the Flood Control Act of 1954 (Public Law 780, 83rd Congress), authorized the construction, operation, and maintenance of Stockton Lake on the Sac River, Missouri, (hereinafter called the "Project"); and

WHEREAS, the User desires to enter into an agreement with the Government for the use of storage for municipal and industrial water supply added to the Project by reallocation, and for payment of the cost thereof in accordance with the provisions of the Water Supply Act of 1958, as amended (43 U.S.C. 390b-f); and

WHEREAS, the User as shown in Exhibit "A", attached to and made a part of this agreement, is empowered to enter into an agreement with the Government and is vested with all necessary powers of accomplishment of the purposes of this agreement.

NOW, THEREFORE, the Government and the User agree as follows:

ARTICLE 1 - Water Storage Space.

a. Project Modification. The Government, subject to the directions of Federal law and any limitations imposed thereby, shall modify the allocation of storage space in the Project so as to include therein space for the storage of water by the User.

b. Rights of User.

(1). The User shall have the right to utilize an undivided 13.07 percent (estimated to contain 90,790 acre-feet after adjustment for sediment deposits) of the usable conservation storage space in the Project (see column (5) of Exhibit B-1) between elevations 830.0 feet and 868.9 feet above National Geodetic Vertical Datum (NGVD), which is estimated to contain 694,715 acre-feet after adjustment for sediment deposits. The User's storage space is to be used to impound water for present demand or need for municipal and industrial water supply. This storage space is to be used in two in two stages:

a. Stage 1 Storage. Commencing on the Execution Date, User shall have the right to utilize 45,395 acre-feet of storage within the above-mentioned elevations.

b. Stage 2 Storage. Upon (i) User's notification to the Government that it is ready to utilize additional storage or (ii) fifteen years after the Execution Date, whichever is earlier, User shall have the right to utilize an additional 45,395 acre-feet of storage within the above-mentioned elevations.

(2). The User shall have the right to withdraw water from the lake, or to request releases to be made by the Government through the outlet works of the Project, subject to the provisions of Article 1c and to the extent the aforesaid storage space will provide; and shall have the right to construct all such works, plants, pipelines, and appurtenances as may be necessary and convenient for the purpose of diversion or withdrawals, subject to the approval of the District Engineer as to design and location. The grant of an easement for right-of-way, across, in and upon land of the Government at the Project shall be by a separate instrument in a form satisfactory to the Secretary of the Army, under the authority of and in accordance with the provisions of 10 U.S.C. 2668 and such other authorities as may be necessary. Subject to the conditions of such easement, the User shall have the right to use so much of the Project land as may reasonably be required in the exercise of the rights and privileges granted under this agreement.

c. Rights Reserved. The Government reserves the right to control and use all storage in the Project in accordance with authorized Project purposes. The Government further reserves the right to take such measures as may be necessary in the operation of the Project to preserve life and/or property, including the right not to make downstream releases during such periods of time as are deemed necessary, in its sole discretion, to inspect, maintain, or repair the Project.

d. Quality or Availability of Water. The User recognizes that this agreement provides storage space for raw water only. The Government makes no representations with respect to the quality or availability of water and assumes no responsibility therefor, or for the treatment of the water.

e. Sedimentation Surveys.

(1). Sedimentation surveys will be made by the District Engineer during the term of this agreement at intervals not to exceed fifteen (15) years unless the District Engineer determines that such surveys are unnecessary. When, in the opinion of the District Engineer, the findings of such survey indicate any Project purpose will be affected by unanticipated sedimentation distribution, there shall be an equitable redistribution of the sediment reserve storage space among the purposes served by the Project including municipal and industrial water supply, recognizing that the Project will continue to be regulated to reduce flooding downstream from the dam. Adjusted pool elevations will be rounded to the nearest one-half foot. Such findings and the storage space allocated to municipal and industrial water supply shall be defined and described as an exhibit, which will be made a part of this agreement, and the water control manual will be modified accordingly.

(2). The Government assumes no responsibility for deviations from estimated rates of sedimentation, or the distribution thereof. Such deviations may cause unequal distribution of sediment reserve storage greater than estimated, and/or encroachment on the total storage at the Project.

f. Dependable Yield Mitigation Storage. In addition to the 90,790 acre-feet of water supply storage space acquired by the User, the User will pay for an additional 2,320 acre-feet of dependable yield mitigation storage.

ARTICLE 2 - Regulation of and Right to Use of Water. The regulation of the use of water withdrawn or released from the aforesaid storage space shall be the sole responsibility of the User. The User has the full responsibility to acquire in accordance with State laws and regulations, and, if necessary, to establish or defend, any and all water rights needed for utilization of the storage provided under this agreement. The Government shall not be responsible for diversions by others, nor will it become a party to any controversies involving the use of the storage space by the User except as such controversies may affect the operations of the Project by the Government.

ARTICLE 3 - Operation and Maintenance. The Government shall operate and maintain the Project and the User shall pay to the Government a share of the costs of such operation and maintenance as provided in Article 5c. The User shall be responsible for operation and maintenance of all installations and facilities which it may construct for the diversion or withdrawal of water, and shall bear all costs of construction, operation and maintenance of such installations and facilities.

ARTICLE 4 - Measurement of Withdrawals and Releases. The User agrees to furnish and install, without cost to the Government, suitable meters or measuring devices satisfactory to the District Engineer for the measurement of water which is withdrawn from the Project by any means other than through the Project outlet works. The User shall furnish to the Government monthly statements of all such withdrawals. Prior to the construction of any facilities for withdrawal of water from the Project, the User will obtain the District Engineer's approval of the design, location and installation of the facilities including the meters or measuring devices. Such devices shall be available for inspection by Government representatives at all reasonable times. Releases from the water supply storage space through the Project outlet works shall be made in accordance with written schedules furnished by the User and approved by the District Engineer and shall be subject to Article 1c. The measure of all such releases shall be by means of a rating curve of the outlet works, or by such other suitable means as may be agreed upon prior to use of the water supply storage space.

ARTICLE 5 - Payments. In consideration of the right to utilize the aforesaid storage space in the Project for municipal and industrial water supply purposes, the User shall pay the following sums to the Government:

a. Cost of Storage.

(1). The User shall repay to the Government, at the times as hereinafter specified, the amounts stated below which, as shown in Exhibit B-II attached to and made a part of this agreement, constitute the entire actual amount of the cost of storage allocated to the water storage right acquired by the User under this agreement. The amount of the cost is based on updated cost of storage. The costs shown in Exhibit B are for 93,110 acre-feet of storage space. Of this space 90,790 acre-feet are for the User and 2,320 acre-feet are for dependable yield mitigation storage. The interest rate to be used for purposes of computing interest on the unpaid balance will be the yield rate adjusted at five-year intervals as determined by the Secretary of the Treasury on the basis set forth in Section 932 of the 1986 Water Resources Development Act. For this agreement, the starting interest rate shall be that rate in effect at the time the agreement is approved. For FY24, such rate is 4.125 percent. Should the agreement not be signed in FY24, the amounts due herein will be adjusted to reflect the application of the appropriate rate.

(2). The cost allocated to the storage space indicated in Article 1b(1)a as being provided for the initial staged use of 45,395 acre-feet and 1,160 acre-feet for dependable yield mitigation is currently estimated at \$22,582,000 on the basis of the costs presented in Exhibit B-III. These costs shall be repaid within the life of the Project in not to exceed 30 years from the date this agreement is executed by the

Secretary of the Army or his duly authorized representative. The payments shall be in equal consecutive annual installments, adjusted at 5-year intervals as shown in Exhibit "C-I". The first payment shall be due and payable within 30 days after the User is notified by the District Engineer that this agreement is executed. Annual installments thereafter will be due and payable on the anniversary date of the date of notification. Except for the first payment, which will be applied solely to the retirement of principal, all installments shall include accrued interest on the unpaid balance at the rate provided above. The last annual installment shall be adjusted upward or downward when due to assure repayment of all of the cost of storage allocated to the storage within 30 years from the above date.

(3). The cost allocated to the storage space indicated in Article 1(b)(1)b as being provided for the second staged use of 45,395 acre-feet and 1,160 acre-feet for dependable yield mitigation is currently estimated at \$22,582,000 on the basis of the costs presented in Exhibit B, subject to further appropriate cost indexing and interest rate adjustments in accordance with Article 5a(5). These costs shall be repaid within the life of the project in not to exceed 30 years from the date of the first annual payment for the initial stage 45,395 acre-feet of storage. The payments shall be in equal consecutive annual installments, adjusted at 5-year intervals. The first annual payment shall be due and payable within 30 days after the first use of the additional 45,395 acre-feet of storage or on the January 1st following the 15th anniversary of the execution of this agreement, whichever occurs first. Annual installments thereafter will be due and payable on the anniversary date of the first payment. Except for the first payment, which will be applied solely to the retirement of principal, all installments shall include accrued interest on the unpaid balance at the rate provided above. The last annual installment shall be adjusted upward or downward when due to assure repayment of all of the cost of storage allocated to the storage within 30 years from the due date of the first annual payment for the initial 45,395 acre-feet.

(4). An estimated schedule of annual payments for the initial 46,555 acre-feet reallocation water supply costs is attached as Exhibit "C" of this contract.

(5). Subsequent to approval of the Secretary of the Army, and prior to the first payment on the initial 46,555 acre-feet of storage space and the second increment of 46,555 acre-feet of storage space by the User, Exhibit "B-II" will be adjusted to reflect application of the Civil Works Construction Cost Index System and fiscal year interest rate.

b. Repair, Rehabilitation, and Replacement (RR&R) Costs. The User will be required to pay a share of the cost of joint-use RR&R of Project features. Payment of these costs shall be made either incrementally during construction or in lump sum (including interest during construction) upon completion of construction. Upon initiation of payment for the first 46,555 acre-foot increment of storage, as described in articles 5a and 6, the User shall pay 3.245 percent of RR&R costs. The User shall pay 6.49 percent of such costs upon initiation of payment for the second 46,555 acre-feet of storage as described in Article 5a.

c. Annual Operation and Maintenance (O&M) Expense.

(1). The User will be required to pay a share of the annual experienced joint-use O&M expense of the Project. Upon initiation of payment for the first 46,555 acre-foot increment of storage, as described in Articles 5a and 6, the User shall pay 3.245 percent of O&M costs. The User shall pay 6.49 percent of such costs upon initiation of payment for the second 46,555 acre-feet of storage as described in Article 5a.

(2). Payments for O&M expense are due and payable in advance on the date for payment of the

first cost of storage as set forth in Article 5a(2) and shall be based on O&M expense for the Project in the Government fiscal year most recently ended. The amount of each annual payment will be the actual experienced O&M expense (allocated joint use) for the preceding fiscal year or an estimate thereof when actual expense information is not available.

d. Prepayment. The User shall have the right at any time to prepay the indebtedness under this Article in whole or in part, with accrued interest thereon to the date of such prepayment.

e. Delinquent Payments. Any delinquent payment owed by the User shall be charged interest at the Current Value of Funds Rate as determined by the Secretary of the Treasury that is applicable on the date that the payment became delinquent, with such penalty charge and administrative fee as may be required by Federal law or regulation. This provision shall not be construed as giving the User a choice of either making payments when due or paying interest, nor shall it be construed as waiving any other rights of the Government, at law or in equity, which might result from any default by the User.

ARTICLE 6 - Duration of Agreement. This agreement shall become effective when signed by the Secretary of the Army or his duly authorized representative and shall continue in full force and effect for the life of the Project.

ARTICLE 7 - Permanent Rights to Storage. Upon completion of payments by the User, as provided in Article 5a herein, the User shall have a permanent right, under the provisions of the Act of 16 October 1963 (Public Law 88-140, 43 U.S.C. 390e), to the use of the water supply storage space in the Project as provided in Article 1, subject to the following:

a. The User shall continue payment of annual operation and maintenance costs allocated to water supply.

b. The User shall bear the costs allocated to water supply of any necessary reconstruction, rehabilitation, or replacement of Project features which may be required to continue satisfactory operation of the Project. The District Engineer will establish such costs and repayment arrangements shall be in writing in accordance with the terms and conditions set forth in Article 5b for reconstruction, rehabilitation, and replacement costs, and be made a part of this agreement.

c. Upon completion of payments by the User as provided in Article 5a, the District Engineer shall redetermine the storage space for municipal and industrial water supply in accordance with the provisions of Article 1e. Such redetermination of reservoir storage capacity may be further adjusted from time to time as the result of sedimentation resurveys to reflect actual rates of sedimentation and the exhibit revised to show the revised storage space allocated to municipal and industrial water supply.

d. The permanent rights of the User under this agreement shall be continued so long as the Government continues to operate the Project. In the event the Government no longer operates the Project, such rights may be continued subject to the execution of a separate agreement or additional supplemental agreement providing for:

(1). Continued operation by the User of such part of the facility as is necessary for utilization of the water supply storage space allocated to it;

(2). Terms which will protect the public interest; and,

(3). Effective absolvment of the Government by the User from all liability in connection with such continued operation.

ARTICLE 8 - Release of Claims. The User shall hold and save the Government, including its officers, agents and employees harmless from liability of any nature or kind for or on account of any claim for damages which may be filed or asserted as a result of the storage in the Project, or withdrawal or release of water from the Project, made or ordered by the User or as a result of the construction, operation, or maintenance of the water supply facilities and appurtenances thereto owned and operated by the User except for damages due to the fault or negligence of the Government or its contractors.

ARTICLE 9 - Transfers and Assignments.

a. The User shall not transfer or assign this agreement nor any rights acquired thereunder, nor suballot said water supply storage space or any part thereof, nor grant any interest, privilege or license whatsoever in connection with this agreement, without the approval of the Secretary of the Army, or his duly authorized representative provided that, unless contrary to the public interest, this restriction shall not be construed to apply to any water that may be obtained from the water supply storage space by the User and furnished to any third party or parties, nor any method of allocation thereof.

b. Regarding approval of assignments, references to restriction of assignments shall not apply to any transfer or assignment to the United States Department of Agriculture, Rural Economic Community Development (RECD), formerly Farmers Home Administration, or its successor agency, or nominee, given in connection with the pledging of this water storage agreement as security for any loans or arising out of the foreclosure or liquidation of said loans. The User will notify the Corps in writing 15 days prior to applying for a RECD loan. A copy of the final loan instrument will be furnished to the Corps for their record.

ARTICLE 10 - Officials Not to Benefit. No member of or delegate to Congress, or Resident Commissioner, shall be admitted to any share or part of this agreement, or to any benefit that may arise therefrom; but this provision shall not be construed to extend to this agreement if made with a corporation for its general benefit.

ARTICLE 11 - Covenant Against Contingent Fees. The User warrants that no person or selling agency has been employed or retained to solicit or secure this agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by the User for the purpose of securing business. For breach or violation of this warranty the Government shall have the right to annul this agreement without liability or in its discretion to add to the price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage, or contingent fee.

ARTICLE 12 - Environmental Quality. During any construction, operation, and maintenance by User of any facilities, specific actions will be taken to control environmental pollution which could result from such activity and to comply with applicable Federal, State, and local laws and regulations concerning environmental pollution. Particular attention should be given to:

a. Reduction of air pollution by control of burning, minimization of dust, containment of chemical vapors, and control of engine exhaust gases, and of smoke from temporary heaters;

b. Reduction of water pollution by control of sanitary facilities, storage of fuels and other contaminants, and control of turbidity and siltation from erosion;

c. Minimization of noise levels;

d. On-site and off-site disposal of waste and spoil; and,

e. Prevention of landscape defacement and damage.

ARTICLE 13 - Federal and State Laws.

a. Compliance. In acting under its rights and obligations hereunder, the User agrees to comply with all applicable Federal and State laws and regulations, including but not limited to: 40 U.S.C. 3141-3148 and 40 U.S.C. 3701-3708 (revising, codifying and enacting without substantive change the provisions of the Davis-Bacon Act (formerly 40 U.S.C. 276a et seq.), the Contract Work Hours and Safety Standards Act (formerly 40 U.S.C. 327 et seq.), the Copeland Anti-Kickback Act (formerly 40 U.S.C. 276c)), and the applicable provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, Public Law 91-646, as amended (42 U.S.C. 4601-4655).

b. Civil Rights Act. The User furnishes, as part of this agreement, an assurance (Exhibit D) that it will comply with Title VI of the Civil Rights Act of 1964 (78 Stat. 241, 42 U.S.C. 2000d, et seq.) and Department of Defense Directive 5500.11 issued pursuant thereto and published in Part 195 of Title 32, Code of Federal Regulations.

c. Regulatory Program. Any discharges of water or pollutants into a navigable stream or tributary thereof resulting from the User's facilities and operations undertaken under this agreement shall be performed only in accordance with applicable Federal, State, and local laws and regulations.

d. Lobbying Activities. The User furnishes, as part of this agreement, a certification (Exhibit E and if applicable, Standard Form-LLL "Disclosure of Lobbying Activities") that it will comply with Title 31 U.S.C. Section 1352 of the limitation on use of appropriated funds to influence certain Federal contracting and financial transactions (Public Law 101-121, October 23, 1989) and Federal Acquisition Regulation 52.203-12 issued pursuant thereto.

ARTICLE 14 - Definitions.

a. First cost of storage. This is the cost assigned to the Users right to the storage space in the project. In this Agreement, the first cost of storage was developed by the updated cost of storage method and is summarized in Exhibit B-II.

b. Interest Payments.

(1). Interest on the unpaid balance. When the Project cost is amortized, this is the interest on the unpaid balance (see Exhibit C). When payments are made in "lump sum," there is no amortization schedule and therefore, no "interest on the unpaid balance."

c. Specific costs. The costs of Project features normally serving only one particular Project purpose.

- d. Joint-use costs. The costs of features used for any two or more Project purposes.
- e. Annual operation and maintenance (O&M) expense. Annual expenses funded under the O&M, General account. These expenses include the day-to-day costs to operate and maintain the Project as well as O&M costs which are not capitalized.
- f. Repair, rehabilitation and replacement (RR&R) costs. Costs funded in part under the Operation and Maintenance, General, or Construction, General accounts but not associated with first cost of storage. Such expenditures are for costly, infrequent work and are intended to ensure continued satisfactory operation of the Project. For the purposes of this agreement the term “reconstruction” used in Article 8 “Permanent Rights to Storage” shall be included in this definition of repair, rehabilitation and replacement; repayment of those costs shall be the same as described in Article 5b.
- g. Fiscal Year. Refers to the Government's fiscal year. This year begins on 1 October and ends on 30 September.
- h. Life of the Project. This is the physical life of the Project.
- i. District Engineer. Refers to the District Engineer of the Kansas City District of the United States Army Corps of Engineers, or his/her successor or designee.
- j. Dependable Yield Mitigation Storage. The use of the reallocated space for water supply storage diminishes the dependable yield of water to prior water supply users. To compensate for that loss, additional conservation storage, above and beyond the storage required by the new user, is provided and made available to the prior users. The new user pays for this space. The reallocated storage mitigation space becomes part of the total storage space jointly shared by all the water supply users.

IN WITNESS WHEREOF, the parties have executed this agreement as of the day and year first above written.

THE DEPARTMENT OF THE ARMY

SOUTHWEST MISSOURI JOINT MUNICIPAL
WATER UTILITY COMMISSION

Travis J. Rayfield
Colonel, U.S. Army
District Commander

Roddy Rogers
Executive Director

DATE: _____

DATE: _____

EXHIBIT A: CERTIFICATION

I, Lewis Jones, Attorney for Southwest Missouri Joint Municipal Water Utility Commission, have reviewed the foregoing agreement executed by the Executive Director, and as principal legal officer of/for Southwest Missouri Joint Municipal Water Utility Commission certify that the Executive Director is legally and financially capable of entering into the contractual obligations contained in the foregoing agreement and that, upon acceptance by the Department of the Army, it will be legally enforceable.

Given under my hand, this _____ day of _____ 20____.

Attorney for Southwest Missouri Joint

Municipal Water Utility Commission

EXHIBIT B: COST COMPUTATIONS

I - LAKE STORAGE

Feature (1)	Elevation (feet, NGCD) (2)		Usable Storage (acre-feet) <u>1/</u> (3)	Percent of	
				Usable Storage <u>2/</u> (4)	Conservation Storage <u>3/</u> (5)
Flood Control	868.9	893.9	740,674	51.60%	
Conservation	830.0	868.9	694,715	48.40%	100%
Water Supply			143,110	9.97%	20.60%
User			90,790	6.33%	13.07%
DYMS to support City Utilities			2,320	0.16%	0.33%
Other Water Supply Users (City Utilities)			50,000	3.48%	7.20%
Other Conservation Purposes Hydropower	830.0	868.9	551,605	38.43%	79.40%
Total Usable Storage			740,674	51.60%	

Notes:

1/ Storage remaining after 100 years of sedimentation from the date the project is operational and does not include dead storage and/or storage set aside for hydropower head.

2/ Used to compute the Users cost (see Exhibits B-II and B-III).

3/ This percent is used to compute the Users storage space (see Article 1b(1)).

II COST TO BE REPAID BY THE USER FOR THE REALLOCATED STORAGE SPACE

ER 1105-2-100 outlines that the nonfederal sponsor will pay for the cost of water supply storage. The cost of storage is established by calculating the highest of the benefits or revenue foregone, the replacement cost, or the updated cost of storage in the federal project. The nonfederal entity shall also be responsible for an appropriate share of the annual costs that include specific and joint-use OMRR&R costs. For the Stockton Lake Reallocation, the cost of storage is based on the updated FY2024 joint-use construction cost of \$696,244,800.00. The user's cost of storage is determined by their proportion of usable storage. Usable storage is considered the storage volumes in both the multipurpose pool and the flood control pool, which are 740,674 and 694,715 AF, respectively. Annual OMRR&R costs are included. The OMRR&R costs represent the water supply user's portion of the annual joint-use O&M or repair, rehabilitation, and replacement (RR&R) expenditures. Southwest Missouri Regional Water is responsible for 6.49% of the joint-use construction costs or \$45,164,000. In addition, the user would be responsible for 6.49% of the annual O&M and RR&R costs. The O&M costs were based on actual FY2023 joint-use expenditures of \$2,145,000, of which Southwest Missouri Regional Water would be responsible for \$140,000. Based on current information, there have not been significant RR&R costs incurred previously and none are projected for the near future. Table II describes the costs.

EXHIBIT B: (Continued)

II – COST OF STORAGE

Parameter		
Total storage required (acre-feet)	93,110	
Water supply yield (mgd)	39	
FY24 Water Supply Interest rate	4.125%	
Repayment period	30	
Flood control storage	740,674	
Multipurpose storage (830 feet to 868.9 feet NGVD 29)	694,715	
Inactive storage (Below 830 feet NGVD 29)	221,267	
Usable Storage	1,435,389	
Storage required as percent of useable storage		6.49%
	Total costs	Costs as a Percent of Usable Storage (6.49%)
Joint use project cost	\$696,244,800	\$45,164,000
Annualized user payment		\$2,546,577
Estimated Annual O&M (based on actual FY23 expenditures)	\$2,145,000	\$140,000
Estimated RR&R (based on actual FY23 expenditures)	\$0	\$0
Total annual repayment		\$2,686,577
*Estimate based on FY24 costs and FY24 Wtr Supply Interest Rate		

1. Update As-built Joint-Use Construction Cost to October 2023 price level
2. Joint-Use construction and O&M cost percentage applicable to this contract: $93,110 / 1,435,389 = 0.064867433$ or 6.49 percent (3.245 for each 46,555 acre-feet of storage).
3. Joint-use construction costs allocated to water supply storage under this contract are: $\$696,244,800 \times 0.064867433 = \$45,164,000$. Initially, \$22,582,000 will be paid for the use of 46,555 acre-feet ($0.032434 \times \$696,244,800$). The cost of the remaining 46,555 acre-feet will be 0.032434 percent of the joint-use construction costs updated to the fiscal year in which the remaining 46,555 acre-feet is called into use or to 15 years from the execution date of this agreement, whichever occurs first.

EXHIBIT B: (Continued)

III - TOTAL ANNUAL COST TO USER
FOR THE REALLOCATED WATER SUPPLY STORAGE

Item	Type of Use	Computation	Cost
Interest and amortization	Total cost of storage space acquired by the User as determined in Exhibit B-II.	\$22,582,000 x 0.05638511 factor based on 30 payments, of which 29 payments are at interest rate of 4.125%.	\$1,273,288.56
Operation and maintenance <u>1/</u>	Joint-use actual for FY23	3.245% <u>2/</u> x \$2,145,000	\$69,605
Repair, rehabilitation and replacement <u>3/</u>	RR&R actual for FY23	3.245% <u>2/</u> x \$0.00	\$0.00

Notes:

1/ Payment due and payable on the date specified in Article 5(a)(2).

2/ Percent of Users share of the Usable storage space in the project (column (4) of exhibit B-I).

3/ Repair, rehabilitation and replacement costs are payable only when incurred as specified in Article 5(b).

EXHIBIT C-I: AMORTIZATION SCHEDULE PRESENT DEMAND

TOTAL COST: \$22,582,000 _____
 NUMBER OF PAYMENTS: 30
 INTEREST RATE, PERCENT 2/ 4.125%

Annual Payment Number	Amount of Payment (\$)	Interest (\$)	Allocated Cost (\$)	Balance of Allocated Cost (\$)
1	\$1,273,288.56	\$-	\$1,273,288.56	\$21,308,711.44
2	\$1,273,288.56	\$878,984.35	\$394,304.22	\$20,914,407.22
3	\$1,273,288.56	\$862,719.30	\$410,569.26	\$20,503,837.96
4	\$1,273,288.56	\$845,783.32	\$427,505.25	\$20,076,332.71
5	\$1,273,288.56	\$828,148.72	\$445,139.84	\$19,631,192.87
6	\$1,273,288.56	\$809,786.71	\$463,501.86	\$19,167,691.02
7	\$1,273,288.56	\$790,667.25	\$482,621.31	\$18,685,069.71
8	\$1,273,288.56	\$770,759.13	\$502,529.44	\$18,182,540.28
9	\$1,273,288.56	\$750,029.79	\$523,258.78	\$17,659,281.50
10	\$1,273,288.56	\$728,445.36	\$544,843.20	\$17,114,438.30
11	\$1,273,288.56	\$705,970.58	\$567,317.98	\$16,547,120.32
12	\$1,273,288.56	\$682,568.71	\$590,719.85	\$15,956,400.47
13	\$1,273,288.56	\$658,201.52	\$615,087.04	\$15,341,313.43
14	\$1,273,288.56	\$632,829.18	\$640,459.38	\$14,700,854.04
15	\$1,273,288.56	\$606,410.23	\$666,878.33	\$14,033,975.71
16	\$1,273,288.56	\$578,901.50	\$694,387.06	\$13,339,588.65
17	\$1,273,288.56	\$550,258.03	\$723,030.53	\$12,616,558.12
18	\$1,273,288.56	\$520,433.02	\$752,855.54	\$11,863,702.58
19	\$1,273,288.56	\$489,377.73	\$783,910.83	\$11,079,791.74
20	\$1,273,288.56	\$457,041.41	\$816,247.15	\$10,263,544.59
21	\$1,273,288.56	\$423,371.21	\$849,917.35	\$9,413,627.24
22	\$1,273,288.56	\$388,312.12	\$884,976.44	\$8,528,650.81
23	\$1,273,288.56	\$351,806.85	\$921,481.72	\$7,607,169.09
24	\$1,273,288.56	\$313,795.72	\$959,492.84	\$6,647,676.25
25	\$1,273,288.56	\$274,216.65	\$999,071.92	\$5,648,604.34
26	\$1,273,288.56	\$233,004.93	\$1,040,283.63	\$4,608,320.70
27	\$1,273,288.56	\$190,093.23	\$1,083,195.33	\$3,525,125.37
28	\$1,273,288.56	\$145,411.42	\$1,127,877.14	\$2,397,248.23
29	\$1,273,288.56	\$98,886.49	\$1,174,402.07	\$1,222,846.16
30	\$1,273,288.56 <u>3</u> /	\$50,442.40	\$1,222,846.16	\$0.00

Notes:

1/ An amortization schedule is applicable to those projects which will be repaid over time in lieu of during construction.

2/ In accordance with Section 932 of the Water Resources Development Act of 1986, this interest rate will be adjusted at five year intervals throughout the repayment period. The rate is the yield rate as determined by the Secretary of the Treasury plus 1/8 %.

3/ The last payment will be adjusted upward or downward to assure all costs are repaid within 30 years of approval of the agreement.

EXHIBIT D: ASSURANCE OF COMPLIANCE

ASSURANCE OF COMPLIANCE WITH THE DEPARTMENT OF DEFENSE DIRECTIVE UNDER TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, AS AMENDED; THE AGE DISCRIMINATION ACT OF 1975; AND THE REHABILITATION ACT OF 1973, AS AMENDED

The party executing this assurance, being the applicant recipient of Federal financial assistance under the instrument to which this assurance is attached; HEREBY AGREES THAT, as a part of its obligations under the aforesaid instrument, it will comply with Title VI of the Civil Rights Act of 1964 (P.L. 88-352), as amended (42 U.S.C. 2000d), and all requirements imposed by or pursuant to the Directive of the Department of Defense (32 CFR Part 195), issued as Department of Defense Directive 5500.11, pursuant to that title; The Age Discrimination Act of 1975 (42 U.S.C. 6102); the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), to the end that in accordance with the aforementioned Title, Directive and Acts, no person in the United States shall on the ground of race, color, age, sex, religion, handicap or national origin be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the Applicant-Recipient receives Federal financial assistance from the Department of the Army and HEREBY GIVES ASSURANCE THAT it will immediately take any measures necessary to effectuate this agreement.

If any personal property or real property, or interest therein, or structure thereon is provided or improved with the aid of Federal financial assistance extended to the applicant-recipient by the Department of the Army, or if such assistance is in the form of personal property or real property, or interest therein or structure thereon, then this assurance shall obligate the applicant-recipient or in the case of any transfer of such property, any transferee, for the period during which the property is used for a purpose for which the Federal financial assistance is extended or for another purpose involving the provision of similar services or benefits, or for the period during which it retains ownership or possession of the property whichever is longer. In all other cases, this assurance shall obligate the applicant-recipient for the period during which the Federal financial assistance is extended to it by the Department of the Army. The Department of the Army representatives will be allowed to visit the recipient's facilities. They will inspect the facilities to ensure that there are no barriers to impede the handicap's accessibility in either programs or activities.

THIS ASSURANCE is given in consideration of and for the purpose of obtaining any and all Federal grants, loans, contracts, property, discounts or other Federal financial assistance extended after the date hereof to the applicant-recipient by the Department of the Army, including installment payments after such date on account of arrangements for Federal financial assistance which were approved before such date. The applicant-recipient recognizes and agrees that such Federal financial assistance will be extended in reliance on the representations and agreements made in this assurance, and that the United States shall have the right to seek judicial enforcement of this assurance. This assurance is binding on the applicant-recipient, its successors, transferees, and assignees, and the person or persons whose signatures appear below are authorized to sign this assurance on behalf of the applicant.

Date ____

(Applicant-Recipient)

By _____

Title _____

(Applicant-Recipient's Mailing Address)

EXHIBIT E: CERTIFICATION REGARDING LOBBYING

STOCKTON LAKE WATER SUPPLY STORAGE REALLOCATION **SOUTHWEST MISSOURI JOINT MUNICIPAL WATER UTILITY COMMISSION**

1. The undersigned certifies, to the best of their knowledge and belief, that:

a. 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.

b. 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 the water supply agreement for the SOUTHWEST MISSOURI JOINT MUNICIPAL WATER UTILITY COMMISSION, the undersigned shall complete and submit Standard Form-LLL, "Disclosure of Lobbying Activities", in accordance with its instructions. This form is available at <http://contacts.gsa.gov/webforms.nsf>.

c. 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.

2. 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.C. 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.

SOUTHWEST MISSOURI JOINT MUNICIPAL WATER
UTILITY COMMISSION

BY _____