

Third-Party Administrator	City of Morgan's Point
Agreement Number	2016-07
SEP Title	Colonel James Morgan New Washington Prairie

Texas Commission on Environmental Quality Third-Party Supplemental Environmental Project Agreement

This Agreement Concerning Supplemental Environmental Project Funds (hereinafter "Agreement") is entered into by and between the Texas Commission on Environmental Quality (hereinafter "TCEQ"), an agency of the State of Texas, and the City of Morgan's Point (hereinafter "Third-Party Administrator"), a city of the state of Texas (collectively, "the Parties").

General Conditions

1. Contact Information

Each Party hereby designates the following person as its representative for implementing this Agreement and for receipt of notice or other information pursuant to the Agreement:

Contact Information for Third-Party Administrator:

Name: Brian Schneider
Title: City Administrator
Address: 1415 E. Main Street
Morgan's Point, Texas 77571

Telephone: 281-471-2171
Facsimile: 281-471-7473
Email: bschneider@morganspoint-tx.com

Contact Information for TCEQ:

Name: Meaghan Bailey
Telephone: 512-239-0205
Facsimile: 512-239-3434
Email: meaghan.bailey@tceq.texas.gov

Mailing Address:

Litigation Division
Attn: SEP Attorney
Mail Code 175
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

Overnight or Courier:

Litigation Division
Attn: SEP Attorney
Mail Code 175
Texas Commission on Environmental Quality
12100 Park 35 Circle, Bldg. A
Austin, Texas 78753

2. Definitions & Clarifications

2.1 "Effective Date" refers to the date this Agreement begins and is the date of the last signatory below.

2.2 "Includes" and "including" are terms of enlargement and not of limitation or exclusive enumeration, and the use of the terms does not create a presumption that components not expressed are excluded.

2.3 "Party" or "Parties" refers to one or all of the signatories to this Agreement, respectively.

2.4 "SEP" refers to Supplemental Environmental Project.

2.5 "SEP Funds" means funds that, with the TCEQ approval, are contributed to Third-Party Administrator by respondents in enforcement actions brought by the TCEQ to offset the administrative penalty due to the State of Texas General Revenue Fund. The term includes interest earned on the original contribution.

2.6 "Project" refers to the project that is approved by the TCEQ as a SEP and described in the exhibits in this Agreement.

2.7 Computation of Times. When any period of time is referred to in the Agreement by days, it will be computed to exclude the first and include the last day of such period. A calendar day of twenty-four hours measured from midnight to the next midnight constitutes a day. A period referred to as a "month" is the period ending on the same numerical day in the subsequent calendar month as the day on which the period began, e.g., from the 9th to the 9th, provided that if the numerical day for calculation of a period of months is greater than the number of actual days in the concluding month, the period will end on the last day of that month. A period referred to as a "week" is a period of seven days. A period referred to as a "year" is a period of 365 days. If the last day of any period described above falls on a Saturday or Sunday or on a state or federal holiday and action is required of the Third-Party Administrator on that day, such day will be omitted from the computation and the required day for action will move forward to the next day that is not a Saturday or Sunday or a state or federal holiday.

2.8 "Allowable SEP Expenses" are the reasonable, necessary, actual costs listed in Exhibit 2 of this Agreement.

3. Exhibits

The following exhibits are attached to this Agreement and incorporated herein by reference:

Exhibit 1, entitled "Colonel James Morgan New Washington Prairie."

Exhibit 2, entitled "Estimated Project Budget for Colonel James Morgan New Washington Prairie."

Exhibit 3, entitled "Map of Colonel James Morgan New Washington Prairie."

4. Approvable SEP

The Parties agree that the Project meets the definition of a SEP pursuant to Texas Water Code § 7.067 and the TCEQ guidance on SEPs.

5. SEP Funds

5.1 Estimated Project Budget. TCEQ has approved the Estimated Project Budget attached as Exhibit 2. SEP expenditures for each line item must be Allowable SEP Expenses and must not exceed ten percent (10%) over the budgeted amount for that line item, unless Third-Party Administrator receives written approval from TCEQ prior to the expenditure pursuant to Section 11 of this Agreement. If Third-Party Administrator does not receive TCEQ approval for the increased cost expenditure, SEP Funds must not be used for that increased cost expenditure. The Parties acknowledge that there may be other Project costs that are not in Exhibit 2 that may be paid for with non-SEP funds.

5.2 Maintenance of SEP Funds. Upon receipt of its first Project contribution from a respondent in a TCEQ enforcement action, Third-Party Administrator shall open and maintain a separate SEP Funds Account. The SEP Funds Account must be a fee-free account used exclusively for SEP Funds at a financial institution that is insured by the Federal Deposit Insurance Corporation ("FDIC") and provides regular accounting statements that are acceptable to the TCEQ. All earned interest on SEP Funds must be accounted for and becomes part of the SEP Funds under this Agreement. Allowable SEP Expenses must be paid directly to the recipient from the SEP Funds Account. SEP Funds must not be commingled with any non-SEP Funds. Use of SEP Funds to reimburse payments made from accounts other than the SEP Funds Account is considered commingling.

5.3 Use of SEP Funds. Third-Party Administrator shall expend SEP Funds only for Allowable SEP Expenses that are authorized by the Estimated Project Budget in Exhibit 2 of this Agreement. Third-Party Administrator shall ensure that the expenditure of SEP Funds results in the performance of adequate and timely work and that purchases are made in accordance with this Agreement. Third-Party Administrator may expend SEP Funds for work being performed by or for Third-Party Administrator. However, Third-Party Administrator shall not act as a Third-Party Administrator granting SEP Funds for the benefit of other parties, except under a legally enforceable written

contract on a cost reimbursement basis. Third-Party Administrator shall provide copies of such contracts to the TCEQ.

5.4 Administrative Expenses. TCEQ may include administrative expenses related to implementing the Project in the Estimated Project Budget attached as Exhibit 2. Administrative expenses include overhead costs, personnel salary and fringe benefits, and travel and per diem expenses associated with implementing the Project. Administrative expenses may not exceed ten percent (10%) of the total direct cost of implementing the project. If administrative expenses are included in the Estimated Project Budget in Exhibit 2, ten percent of each contribution may be applied towards administrative expenses until the maximum allowed by the Estimated Project Budget in Exhibit 2 is reached. SEP Funds used for administrative costs must be used in accordance with the Uniform Grant and Contract Management Act, Texas Government Code Chapter 783.

5.5 Accounting. Third-Party Administrator shall specifically account, at least on a quarterly basis, for the receipt and expenditure of SEP Funds, including all interest earned on such funds, on the approved TCEQ reporting form as set forth in General Condition 13.2. Failure to provide required reports will constitute grounds for termination of this Agreement; however, an extension of time may be granted at the sole discretion of the TCEQ.

5.6 Timely Expenditure. Third-Party Administrator shall expend SEP Funds within one year of receiving the contribution. In the TCEQ's sole discretion, this time period may be extended upon request from Third-Party Administrator. Any request for extension must be on the approved TCEQ form, include reasonable justification for the extension, and be received thirty (30) days prior to the end of the required performance period.

5.7 No Guarantee of Funding. Funding under this Agreement is limited to voluntary SEP contributions through the TCEQ enforcement process. Third-Party Administrator understands that there is no guarantee that it will receive any SEP Funds under this Agreement.

5.8 Refund of SEP Funds. If at any time the TCEQ determines that SEP Funds were spent in a manner that is not in accordance with this Agreement, Third-Party Administrator shall, on request from the TCEQ, return all such SEP Funds to the TCEQ and account for all SEP Funds within thirty (30) days of demand by TCEQ. Return of SEP Funds will be accompanied by a detailed written accounting connecting the funds to specific docket numbers in a manner acceptable to the TCEQ. The refunded SEP Funds must be in the form of a check or money order made out to "Texas Commission on Environmental Quality" and sent to the TCEQ address in Section 10 of this Agreement.

If at any time the TCEQ determines that Third-Party Administrator failed to spend SEP Funds in a timely manner as required by this Agreement, Third-

Party Administrator shall, on request from the TCEQ, return all such SEP Funds to the TCEQ and account for all SEP Funds within thirty (30) days of demand by TCEQ. Return of SEP Funds will be accompanied by a detailed written accounting connecting the funds to specific docket numbers in a manner acceptable to the TCEQ. The refunded SEP Funds must be in the form of a check or money order made out to "Texas Commission on Environmental Quality" and sent to the TCEQ address in Section 10 of this Agreement. In lieu of the return of unexpended SEP Funds and with the approval of TCEQ, Third-Party Administrator shall transfer the SEP Funds to another TCEQ SEP as directed by TCEQ.

These obligations survive termination of the Agreement.

6. Other Contributions

Nothing in this Agreement is to be construed to prevent Third-Party Administrator from accepting funds from charitable contributors or other sources to the extent permitted by law. If Third-Party Administrator receives funding from sources other than SEP Funds ("non-SEP funds") for any of the items listed in Exhibit 2 of this Agreement for which Third-Party Administrator also receives SEP Funds, Third-Party Administrator shall report the source and amount of the non-SEP funds and provide a list of items and expenses for which the non-SEP funds were used in the Quarterly Reports required under General Condition 13.2.

7. TCEQ Enforcement Actions

This Agreement does not create any rights on behalf of Third-Party Administrator or contributing respondents in TCEQ enforcement actions. Third-Party Administrator shall have no role in the TCEQ enforcement process other than to receive approved, voluntary SEP contributions from respondents and perform the Project according to the terms of this Agreement.

8. Compliance

Third-Party Administrator shall perform the Project in accordance with this Agreement as well as applicable state and federal laws, rules, and regulations. In so doing, Third-Party Administrator shall obtain all necessary permits and licenses.

9. Term of Agreement

The Agreement begins on the Effective Date and automatically renews in one-year increments unless terminated by either Party in accordance with this Agreement.

10. Termination

Upon thirty (30) days prior written notice to the other Party, either Party may terminate this Agreement with or without cause. Within thirty (30) days of the effective date of the termination, Third-Party Administrator shall make a written

accounting to the TCEQ of all SEP Funds received, expended, and remaining under this Agreement. This accounting must associate SEP Funds to specific docket numbers and must utilize the TCEQ SEP Third-Party Administrator Final Quarterly Report as set forth in General Condition 13.3. With this written accounting, Third-Party Administrator shall also return all remaining SEP Funds to the TCEQ that have not been expended. The return of remaining SEP Funds must be in the form of a check or money order made out to "Texas Commission on Environmental Quality" and sent to the TCEQ address listed below. These obligations survive termination of the Agreement.

Texas Commission on Environmental Quality
Litigation Division
Attention: SEP Coordinator, MC 175
P.O. Box 13087
Austin, Texas 78711-3087

11. Amendments

With the exception of contact information or a Section 5.1 TCEQ-approved increase in an Allowable SEP Expense, line item changes to this Agreement may only be made by a written amendment, signed and agreed to by all Parties. Changes to Section 1, Contact Information, may be made by written notice from one Party to the other Party. Increases of more than 10% in an Allowable SEP Expense line item must be approved in writing by the TCEQ Litigation Division Director. In the sole discretion of TCEQ, extensive change requests may require a new Agreement.

12. Notices and Other Information

12.1 Effective Delivery. All notices and other information will be deemed to be delivered on the date they are received if they are: 1) hand-delivered, as evidenced by a signed acknowledgement of receipt; 2) delivered by a nationally recognized courier service, as evidenced by the confirmation of delivery rendered by the courier service; 3) or mailed through the U.S. Postal Service by certified or registered mail, return receipt requested, as evidenced by the acknowledgement of receipt returned to the sender by the postal authorities. Electronic transfer by facsimile or email is not effective for notice unless acknowledged by the other Party.

12.2 Bankruptcy and/or Business Closing. In the event that Third-Party Administrator closes its business and/or files a petition for bankruptcy protection, Third-Party Administrator shall provide written notice to the TCEQ within twenty-four (24) hours of such closure and/or filing. Notice must be sent to the designated TCEQ contact under this Agreement as well as the TCEQ Bankruptcy Program. Notice to the TCEQ Bankruptcy Program must include contact information and be sent to: TCEQ Bankruptcy Program, P.O. Box 13087, Mail Code 205, Austin, Texas 78711.

12.3 Notice of Change. Third-Party Administrator agrees that all information it provided to the TCEQ was correct at the time of submission and remains correct throughout the term of this Agreement, and that in entering into this Agreement, the TCEQ has materially relied on all information provided by Third-Party Administrator, regardless of whether such information is incorporated into this Agreement. Third-Party Administrator agrees to give five (5) days written notice to the TCEQ if there is any material change in the information.

13. Records and Reporting

13.1 Records. Third-Party Administrator shall maintain organized and legible financial records, books, documents, and other evidence reasonably pertinent to its performance under this Agreement for a minimum of three (3) years from the date that a Final Quarterly Report is submitted. Third-Party Administrator shall maintain all financial records in accordance with generally accepted accounting principles. This obligation survives termination of the Agreement.

13.2 Quarterly Reports. Third-Party Administrator shall submit quarterly reports, within the timelines contained therein, to the TCEQ on the approved TCEQ SEP Third-Party Administrator Quarterly Report form ("QR" or "Quarterly Report"). The QRs must contain the following information:

13.2.1 A list of the amount of SEP Funds received during the previous quarter with each respondent name, corresponding contribution docket number, dollar amount received, and date received, and copies of contribution checks;

13.2.2 A list of actual expenditures on the Project paid for with SEP Funds and any necessary accompanying explanation and documentation including invoices and general ledgers;

13.2.3 SEP Fund Account financial institution statements for each month of the previous quarter;

13.2.4 The total balance of the SEP Funds with interest separately noted;

13.2.5 A description of the Project to which SEP Funds were allocated and progress made to date;

13.2.6 Copies of all receipts for all SEP Fund expenditures, copies of all checks for SEP Fund expenditures, and documentation and explanations to support all electronic funds transfers from the SEP Account; and

13.2.7 Any additional information listed in the Special Conditions of this Agreement, requested by the TCEQ or the Quarterly Report Form, or that Third-Party Administrator believes would demonstrate compliance with this Agreement.

13.3 Final Reports. Third-Party Administrator shall submit a final Quarterly Report to the TCEQ on the approved TCEQ SEP Third-Party Administrator QR form ("Final QR" or "Final Quarterly Report"), within the timelines contained therein, for the quarter during which the Project concluded. This obligation survives termination of the Agreement. In addition to the information required in General Condition 13.2, the Final QR must contain the following information:

13.3.1 A list of remaining SEP Funds assigned by contribution docket number that were not used for the Project (such funds must be returned to TCEQ within thirty (30) days after the due date of the Final QR;

13.3.2 Any additional information Third-Party Administrator believes would demonstrate compliance with this Agreement; and

13.3.3 Any additional information requested by the TCEQ.

13.4 Additional Reporting. Third-Party Administrator agrees to provide additional information requested by the TCEQ under this Agreement within thirty (30) days of receipt of the request.

14. Access

14.1 Inspection and Audit. Third-Party Administrator shall permit TCEQ as well as authorized state and federal agencies to have unrestricted access to all records, data, and facilities as necessary to review, inspect, and audit all activities and services associated with SEP Funds under this Agreement. Third-Party Administrator shall provide appropriate accommodations for such access and inspection.

14.2 Access to Project. Third-Party Administrator agrees to allow access by the TCEQ and its representatives to the site of any work performed in whole or in part utilizing SEP Funds, and it shall require its contractors to provide the same access.

14.3 These obligations survive termination of this Agreement.

15. Insurance

Unless prohibited by law, Third-Party Administrator shall require its contractors and suppliers to obtain and maintain adequate insurance coverages sufficient to protect the Third-Party Administrator from all claims and liability for injury to persons and

for damage to property arising under the Agreement. If Third-Party Administrator is performing work under this Agreement using its own employees and resources, then, unless Third-Party Administrator is a governmental entity or this requirement is waived by TCEQ, Third-Party Administrator shall obtain and maintain insurance coverages sufficient to protect the Third-Party Administrator from all claims and liability for injury to persons and for damage to property arising out of Third-Party Administrator's performance of the work under this Agreement.

16. Assumption of Risk

The Project is performed at Third-Party Administrator's sole risk as to the means, methods, design, processes, procedures, and conduct of the Project.

17. Independent Entity

Third-Party Administrator is an independent entity and performs the Project as part of its own authorized functions. Third-Party Administrator agrees that it undertakes performance in accordance with this Agreement as its own work and does not act in any capacity on behalf of the TCEQ or as a TCEQ-hired contractor or vendor of goods or services.

18. Acknowledgement of Financial Support

Third-Party Administrator shall acknowledge the financial support of the TCEQ SEP program in any publication involving the use of SEP Funds or whenever work funded in whole or in part by this Agreement is publicized or reported in news media. All publications, news releases and project signs must contain the following notation (or its equivalent if approved by the TCEQ):

Performed with penalty monies from a
Texas Commission on Environmental Quality enforcement action.

19. Publicity

Third-Party Administrator shall not publicize the name of contributors of SEP Funds without consent of the contributor and notice to the TCEQ.

20. Public Information

The Texas Public Information Act (Texas Government Code, Chapter 552) applies to all information delivered to the TCEQ in the course of performance under this Agreement. The TCEQ assumes no obligation to make legal arguments in support of any claims pertaining to confidentiality, patents, trade secrets, or copyright.

21. Severability

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, or otherwise unenforceable, the remainder of the Agreement will be construed to conform to the intent of the Parties.

22. Conflict of Interest

Third-Party Administrator shall notify the TCEQ in writing of any actual, apparent, or potential conflict of interest regarding Third-Party Administrator or any related entity or individual performing or having involvement with any portion of the Project. At the TCEQ's request, Third-Party Administrator shall ensure that any entity with an organizational conflict of interest or an individual with a personal conflict of interest will not take part in any way in the performance of the Project. Third-Party Administrator agrees that the TCEQ has sole discretion to determine whether a conflict exists.

23. Governing Law

This Agreement will be governed by, construed, and interpreted under the laws of the State of Texas as well as any applicable federal law.

24. Venue

Third-Party Administrator agrees that the Agreement is being performed in Travis County, Texas, because this Agreement has been solicited and is being administered in Travis County, Texas. Third-Party Administrator agrees that any permissible cause of action involving this Agreement arises solely in Travis County. This provision does not waive the TCEQ's sovereign immunity.

25. Sovereign Immunity

The Parties agree that this Agreement does not waive the State of Texas' sovereign immunity or official immunity to which TCEQ's officers, employees, or agents are entitled relating to suit, liability, and the payment of damages.

26. Assignment

No delegation, transfer, or assignment of duties, obligations, or rights under or interests in the Agreement will be binding on the TCEQ without its express written consent. Any such delegation, transfer, or assignment made without the written consent of TCEQ is void. No delegation, transfer, or assignment will release or discharge Third-Party Administrator from any duty or responsibility under this Agreement.

27. Survival of Obligations

All representations, warranties, and guarantees made in, required by, or given in accordance with this Agreement, as well as all continuing obligations indicated in

the Agreement, will survive beyond the termination or completion of the Agreement.

28. Indemnification

To the fullest extent permitted by law, Third-Party Administrator shall indemnify and hold harmless TCEQ and its representatives from and against all losses, liabilities, damages, and other claims of any type arising from the performance of the Project by Third-Party Administrator or its contractors, subcontractors, suppliers and agents, including those arising from workmanship, materials, or from a breach of applicable laws, regulations, safety standards, or directives regardless of whether such acts or omissions are negligently or recklessly performed. This covenant survives the termination of the Agreement.

29. Full Integration

This Agreement, including all exhibits, merges any prior negotiations and understandings of the Parties and embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind exist between the Parties regarding the Project.

30. Counterparts

This Agreement may be signed in any number of counterparts, and as signed, constitutes one Agreement binding on the Parties hereto, even though the Parties do not sign the same counterpart.

31. Authorized Signatories

The Parties agree that the signatories to this Agreement are authorized to enter into this Agreement on behalf of the entities indicated below each respective signature. Furthermore, the Parties agree that each is bound by the terms and conditions of this Agreement after it is signed by each Party.

32. Conflicting Conditions

There are Special Conditions and an Exhibit 1 to this Agreement that may be more restrictive than the General Conditions to this Agreement. If there is a conflict between the Special and the General Conditions, the Special Conditions and Exhibit 1 control.

Special Conditions

1. The following provisions are added to **General Condition 13.2 Quarterly Reports:**

13.2.8 Detailed receipts, invoices, and paid checks for all equipment, supplies, and materials purchased by Third-Party Administrator.

13.2.9 Detailed receipts, invoices, and paid checks for all equipment, supplies, and materials purchased by third-party contractors.

13.2.10 Detailed invoices, contracts, receipts, work logs, and work plans for all work conducted by third-party contractors.

13.2.11 Dated photographs showing before and after details of work performed, including restored native prairie grasslands; stormwater management ponds; and installed signs/kiosks.

13.2.12 Copy of the grading and stormwater management plan used by Third-Party Administrator to implement stormwater management ponds.

Exhibit 1

Colonel James Morgan New Washington Prairie

Project Description

Third-Party Administrator owns approximately 52 acres of land within the City of Morgan's Point (the "City") in Harris County, Texas that sits in between the Port of Houston's Barbours Cut Shipping Terminal and a residential community (the "Property"). The Property makes up 5% of the total land, and 33% of the remaining developable land within the City of Morgan's Point. Third-Party Administrator purchased the Property to provide a natural buffer between the Port of Houston's industrial facilities and the City's residential communities and to ensure the land would be maintained and preserved as undeveloped, open space for the public. Third-Party Administrator intends to name the Property the Colonel James Morgan New Washington Prairie in honor of the City's first settler.

Approximately 16 acres of the Property shall be preserved in perpetuity as palustrine emergent and palustrine forested wetlands in accordance with a federally issued Section 404 permit.¹ The remaining 36 acres of the Property are subject to a restrictive covenant and shall be maintained by the Third-Party Administrator as open space for public use in perpetuity. In accordance with the restrictive covenant, the Third-Party Administrator will ensure the protection and enhancement of the land's natural resources.

Third-Party Administrator shall use SEP Funds to restore the 36 acres of the Property subject to the restrictive covenant to its original native Texas Coastal Prairie grasslands. The Property has been underutilized for many years and non-native, invasive grasses and trees such as Hackberry and Chinese Tallow have taken root. These non-native species can severely disrupt the natural ecosystem by limiting the native prairie plant diversity and wildlife. Third-Party Administrator shall clear and eradicate the existing non-native grasses and trees and reestablish native prairie grasses and shrubs. Third-Party Administrator shall also plant 800 native trees such as Live Oak, Cypress, and Pecan.

Third-Party Administrator shall use SEP Funds to mitigate stormwater runoff from the 36 acres of the Property subject to the restrictive covenant through construction of one stormwater management pond. Current stormwater patterns for the Property sheet flow from east to west-southwest and ultimately discharge offsite into Galveston Bay through a drainage channel located approximately 1000 feet west of the Property's boundary line.² The stormwater management pond will collect and retain the Property's stormwater runoff and prevent offsite discharge. Prior to constructing the pond, Third-Party Administrator shall review and analyze a detailed

¹ United States Army Corps of Engineers Section 404 Permit No. SWG-2016-00382.

² Third-Party Administrator's current grading plan is based upon two-foot contour data obtained from the Houston-Galveston Area Council; <https://h-gac.sharefile.com>.

grading and stormwater management plan based upon a topographic survey of the Property and ensure that the Property's runoff will be mitigated by the pond and will not adversely impact nearby residential communities.

After the restoration and construction of the stormwater management pond is complete, Third-Party Administrator shall purchase and install two weather resistant signs or kiosks which will provide information concerning the environmentally beneficial aspects of this project and must include the language "This prairie restoration project was performed with penalty monies from a Texas Commission on Environmental Quality Enforcement action."

Project Scope

The work described in this Agreement is estimated to take three years. Therefore, the scope of this SEP is for three years. The Estimated Budget attached as Exhibit 2 of this Agreement for this SEP is for three years. Pursuant to General Condition Section 9, this Agreement renews annually unless terminated by either Party in accordance with this Agreement.

Environmental Benefit

Permanently preserving 36 acres of the Property as open space will prevent future development and maintain a natural barrier between residential communities and the industrial Barbours Cut Shipping Terminal. Restoring the 36 acres back to its natural Texas Coastal Prairie grasslands will enhance the quality of the Property's natural resources and wildlife. The restored natural prairie will provide habitats for a wide range of animals including the Monarch butterfly which has a significant population in the area during its migration to Mexico. Further, the stormwater management pond will mitigate the offsite discharge of runoff which will reduce the amount of pollutants reaching the surrounding environment.

Eligible Areas and Counties

Fort Bend, Grimes, Harris, Liberty, Montgomery, San Jacinto, and Walker Counties.

Minimum Contribution Amount

\$100

Exhibit 2

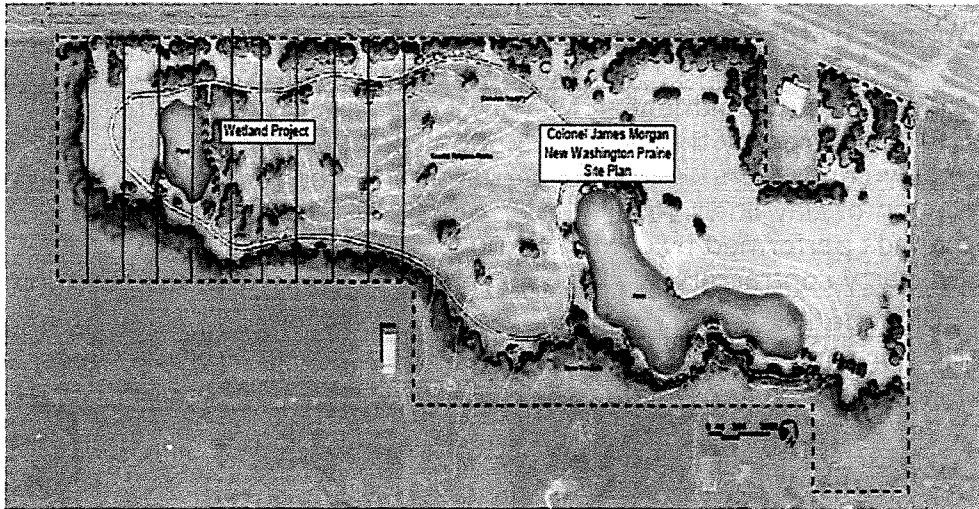
**Estimated Project Budget for
Colonel James Morgan New Washington Prairie**

No.	Allowable SEP Expense Items	Quantity	Price Per Item	Item Total
1	30 Gallon Native Trees, including Live Oak, Cypress, and Pecan	800	\$200/tree	\$160,000
2	Prairie Grass restoration performed by third-party contractors	36 acres	\$5,000/acre	\$180,000
3	Excavation of two ponds performed by third-party contractors	30,000 cubic yards	\$4/ cubic yard	\$120,000
4	Construction of embankment for pond performed by third-party contractors	13,500 cubic yards	\$20/ cubic yard	\$270,000
5	Installation of clay liners for two ponds performed by third-party contractors	13,000 cubic yards	\$20/ cubic yard	\$260,000
6	Signage/kiosks	2	\$900/sign	\$1,800
	Total			\$991,800

Exhibit 3

Map of Colonel James Morgan New Washington Prairie

Colonel James Morgan New Washington Prairie Site Plan



Master Plan Implementation Using a Phased Approach

The redevelopment of this 50-acre site holds great opportunities for a natural buffer, passive recreation and interpretation of the history of Morgan's Point. A process such as this, however, often spans many years as well as multiple city budget and grant funding cycles. This master plan recommends a phased approach that incorporates:

- Site regrading, infrastructure and efficient construction sequences
- Prairie restoration
- Establishment of recreation amenities that can expand over time

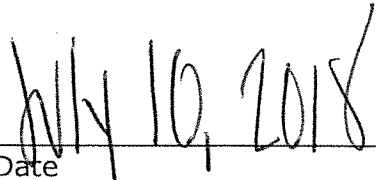
Phase 1:

- Site grading
- Excavate retention ponds
- Concrete loop trail
- Native tree planting clusters (including southern buffer trees)

Signatures for Third-Party Administrator



Michel J. Bechtel
Mayor
City of Morgan's Point



Date

Signature for the TCEQ

Margaret Ligarde

Margaret Ligarde
Deputy Director, Office of Legal Services
Texas Commission on Environmental Quality

June 6, 2018

Date