

335.200 Acres

11. N.74°31'50"E. a distance of 211.76 feet;
12. N.12°29'48"E. a distance of 191.33 feet;
13. N.63°20'07"E. a distance of 159.59 feet;
14. N.52°30'11"E. a distance of 416.50 feet;
15. N.76°37'32"E. a distance of 279.64 feet;
16. S.88°53'50"E. a distance of 280.72 feet to the Northeast Corner of said Lot 1;

THENCE along the East Line of Lot 1 and East Line of the 437.016 Acre Tract the following 11 courses:

1. S.28°01'35"W. a distance of 106.77 feet;
2. S.28°09'54"W. a distance of 1246.40 feet;
3. N.89°25'15"E. a distance of 5.94 feet;
4. S.28°33'52"W. a distance of 760.21 feet;
5. S.28°09'19"W. a distance of 239.45 feet;
6. S.21°05'36"W. a distance of 955.18 feet;
7. N.75°42'37"W. a distance of 1.88 feet;
8. S.21°10'42"W. a distance of 1286.40 feet;
9. S.21°15'41"W. a distance of 625.65 feet;
10. S.23°51'40"W. a distance of 342.83 feet;
11. S.25°12'00"W. a distance of 1179.80 feet to the said Point of Beginning.

Containing 335.200 Acres, more or less.

John K. Weigand 7-11-2007
J. Kenneth Weigand

Registered Professional Land Surveyor No. 5741
State of Texas

RJ Surveying, Inc.
1212 East Braker Lane
Austin, Texas 78753



This document was prepared under 22TAC 663.21, does not reflect the results of an on the ground survey, and is not to be used to convey or establish interests in real property except those rights and interests implied or established by the creation or reconfiguration of the boundary of the political subdivision for which it was prepared.

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550.894 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JOHN H. GIBSON SURVEY No. 49; THE C.E.P.I. & M. SURVEY No. 46; THE C.E.P.I. & M. SURVEY No. 47; THE G. LOHMAN SURVEY No. 538; THE RUSK TRANSPORTATION SURVEY No. 85; AND BEING A PART OF THAT 309.547 ACRE TRACT CONVEYED TO JH WEST LAND VENTURES, LTD., BY DEED RECORDED IN DOCUMENT NO. 2006055544 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; A PART OF THAT 1023.257 ACRE TRACT CONVEYED TO LAS VENTANAS LAND PARTNERS, LTD., BY DEED RECORDED IN DOCUMENT NO. 2004230439 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS; A PART OF THAT 437.016 ACRE TRACT CONVEYED TO LAS VENTANAS LAND PARTNERS, LTD., BY THE SAID DEED RECORDED IN DOCUMENT NO. 2004230439; AND OTHER TRACTS; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCE at a fence post at the South Corner of the said 309.547 Acre Tract in the East Line of Bee Creek Road, from which point a "PK" nail found in Bee Creek Road at the West Corner of that 1023.257 Acre Tract conveyed to Las Ventanas Land Partners, Ltd., by deed recorded in Document No. 2004230439 of the Official Public Records of Travis County, Texas, bears S.29°02'46"W., 36.68 feet

THENCE along the East Line of Bee Creek Road and the West Line of the 309.547 Acre Tract the following two courses:

1. N.18°25'28"W. a distance of 153.68 feet;
2. N.01°14'24"W. a distance of 222.27 feet to the Point of Beginning;

THENCE continue along the West Line of the 309.547 Acre Tract and the East Line of Bee Creek Road the following nine courses:

1. N 01°14'24"W. along said line a distance of 193.46 feet;
2. N 09°00'12"W. a distance of 718.09 feet;
3. N.11°36'49"W. a distance of 707.76 feet;
4. N 05°48'39"W. a distance of 152.97 feet;
5. N.02°23'19"W. a distance of 168.82 feet;
6. N 01°30'14"W. a distance of 677.56 feet;
7. N.01°31'47"W. a distance of 237.38 feet;
8. N.48°19'54"W. a distance of 365.87 feet;
9. N.48°18'57"W. a distance of 390.33 feet to the Southeast Line of Crosswind Subdivision, according to the plat thereof recorded in Plat Book 72, Page 88, of the Plat Records of Travis County, Texas;

THENCE along the Northwest Line of the 309.547 Acre Tract and the Southeast Line of Crosswind Subdivision the following five courses:

1. N 51°13'55"E. a distance of 778.92 feet;
2. S 88°31'50"E. a distance of 29.85 feet;
3. N 01°34'13"E. a distance of 696.22 feet;
4. N 01°15'11"E. a distance of 104.52 feet;
5. N.03°33'00"W. a distance of 340.67 feet to the Southeast Line of Crosswind Drive;

THENCE along the Southeast Line of Crosswind Drive and the Northwest Line of the 309.547

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Acre Tract the following three courses:

1. N.58°57'55"E. a distance of 275.21 feet;
2. N.87°54'18"E. a distance of 70.15 feet;
3. N.79°49'51"E., partially with the Southeast Line of Crosswind Drive and along the Southeast Line of an un-named right of way 50 feet wide, a distance of 256.79 feet;

THENCE along the Northwesterly Line of the said 309.547 Acre Tract the following seven courses:

1. N.79°52'13"E. a distance of 289.08 feet;
2. S.86°11'59"E. a distance of 519.61 feet;
3. N.66°13'25"E. a distance of 132.42 feet;
4. N.66°07'13"E. a distance of 467.40 feet;
5. N.60°06'47"E. a distance of 123.46 feet;
6. N.50°10'21"E. a distance of 147.08 feet;
7. N.79°34'56"E. a distance of 284.37 feet to the 715 foot Contour Line of Lake Travis;

THENCE along the said 715 foot Contour Line the following 85 courses:

1. S.31°33'22"E. a distance of 139.71 feet;
2. S.24°14'42"E. a distance of 111.01 feet;
3. S.07°26'01"E. a distance of 73.61 feet;
4. S.04°45'04"E. a distance of 52.47 feet;
5. S.16°26'38"E. a distance of 76.79 feet;
6. S.31°58'51"E. a distance of 176.56 feet;
7. S.14°11'28"E. a distance of 87.23 feet;
8. S.09°41'22"W. a distance of 64.53 feet;
9. S.08°06'27"W. a distance of 67.30 feet;
10. S.10°49'33"W. a distance of 62.92 feet;
11. S.09°09'40"W. a distance of 224.63 feet;
12. S.22°59'45"W. a distance of 71.10 feet;
13. S.20°49'59"W. a distance of 127.14 feet;
14. S.22°48'10"W. a distance of 63.83 feet;
15. N.87°02'39"W. a distance of 83.04 feet;
16. S.62°10'43"E. a distance of 78.97 feet;
17. S.05°57'07"W. a distance of 111.75 feet;
18. S.07°05'00"W. a distance of 80.69 feet;
19. S.01°22'46"E. a distance of 159.40 feet;
20. S.06°54'20"W. a distance of 90.82 feet;
21. N.19°44'38"E. a distance of 95.69 feet;
22. N.07°50'34"E. a distance of 175.84 feet;
23. N.17°40'57"E. a distance of 140.59 feet;
24. N.37°51'31"E. a distance of 67.09 feet;
25. S.87°21'19"E. a distance of 64.25 feet;
26. N.38°11'40"W. a distance of 50.31 feet;
27. N.24°33'24"E. a distance of 182.77 feet;
28. N.21°28'08"E. a distance of 33.05 feet;
29. N.14°13'29"E. a distance of 221.00 feet;
30. N.09°47'54"E. a distance of 73.96 feet;

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31. N.10°14'01"E. a distance of 97.69 feet;
32. N.56°17'44"E. a distance of 107.21 feet;
33. N.86°35'09"W. a distance of 34.14 feet;
34. N.00°19'07"E. a distance of 64.43 feet;
35. S.87°40'07"W. a distance of 15.24 feet;
36. N.32°40'40"W. a distance of 68.34 feet;
37. N.21°58'32"W. a distance of 80.76 feet;
38. N.13°21'15"W. a distance of 120.76 feet;
39. N.10°04'06"W. a distance of 96.82 feet;
40. N.15°46'51"E. a distance of 38.85 feet;
41. N.14°43'23"W. a distance of 242.89 feet;
42. N.39°15'20"W. a distance of 53.39 feet;
43. N.16°08'58"W. a distance of 99.66 feet;
44. N.14°36'31"E. a distance of 144.44 feet;
45. N.41°46'54"E. a distance of 112.10 feet;
46. N.48°42'21"E. a distance of 106.97 feet;
47. N.64°47'53"E. a distance of 84.58 feet;
48. N.77°20'21"E. a distance of 71.00 feet;
49. S.80°58'48"E. a distance of 73.18 feet;
50. N.48°34'58"W. a distance of 137.38 feet;
51. N.07°37'39"E. a distance of 106.73 feet;
52. N.36°10'20"W. a distance of 163.42 feet;
53. N.31°27'22"W. a distance of 151.13 feet;
54. N.03°43'11"W. a distance of 122.03 feet;
55. N.28°43'33"E. a distance of 217.04 feet;
56. N.27°53'35"E. a distance of 230.45 feet;
57. N.02°44'23"E. a distance of 374.45 feet;
58. N.18°06'27"W. a distance of 126.22 feet;
59. N.02°07'40"E. a distance of 61.71 feet;
60. N.53°39'43"E. a distance of 147.12 feet;
61. N.30°59'52"E. a distance of 192.18 feet;
62. N.04°49'00"E. a distance of 213.38 feet;
63. N.32°39'07"E. a distance of 117.03 feet;
64. N.58°30'55"E. a distance of 45.35 feet;
65. S.82°30'00"E. a distance of 34.30 feet;
66. S.67°52'08"E. a distance of 186.08 feet;
67. N.76°15'57"E. a distance of 52.65 feet;
68. N.79°37'35"E. a distance of 53.46 feet;
69. N.74°15'38"E. a distance of 89.95 feet;
70. S.61°18'42"E. a distance of 20.96 feet;
71. S.27°01'44"E. a distance of 67.93 feet;
72. S.34°56'04"E. a distance of 111.70 feet;
73. S.32°38'48"E. a distance of 133.18 feet;
74. S.28°42'18"E. a distance of 110.37 feet;
75. S.10°08'21"W. a distance of 81.51 feet;
76. S.04°50'10"E. a distance of 85.38 feet;
77. N.72°20'51"E. a distance of 99.71 feet;
78. S.59°34'02"E. a distance of 72.85 feet;
79. S.38°08'29"E. a distance of 132.55 feet;
80. S.55°58'19"E. a distance of 73.34 feet;

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81. S.49°50'42"E. a distance of 33.25 feet;
82. S.02°22'00"E. a distance of 91.71 feet;
83. S.25°38'02"E. a distance of 75.71 feet;
84. S.35°05'21"E. a distance of 121.88 feet;
85. S.66°32'19"E. a distance of 127.07 feet to the East Line of the 309.547 Acre Tract, the East Line of the John H. Gibson Survey No. 49 and the West Line of the C.E.P.I. & M. Survey No. 47;

THENCE N.29°25'30"E., along said Survey Line, a distance of 57.62 feet;

THENCE crossing the said C.E.P.I. & M. Survey No. 47 and the G. Lohman Survey No. 538 the following 20 courses:

1. S.76°54'07"E. a distance of 0.75 feet;
2. N.82°04'41"E. a distance of 92.45 feet;
3. N.60°55'41"E. a distance of 92.70 feet;
4. N.51°00'55"E. a distance of 147.60 feet;
5. N.72°15'56"E. a distance of 66.69 feet;
6. S.77°42'44"E. a distance of 61.42 feet;
7. S.39°02'04"E. a distance of 59.59 feet;
8. S.07°03'45"E. a distance of 53.90 feet;
9. S.25°31'45"W. a distance of 44.58 feet;
10. S.40°41'27"W. a distance of 139.86 feet;
11. S.19°07'19"W. a distance of 225.81 feet;
12. S.79°16'18"E. a distance of 62.58 feet;
13. S.52°27'27"E. a distance of 83.88 feet;
14. S.59°44'37"E. a distance of 109.82 feet;
15. S.36°58'28"E. a distance of 71.56 feet;
16. S.59°39'13"E. a distance of 101.49 feet;
17. S.75°32'42"E. a distance of 77.49 feet;
18. S.48°12'26"E. a distance of 92.56 feet;
19. S.12°10'57"E. a distance of 111.86 feet;
20. S.17°06'32"E. at a distance of 84.16 feet pass the West Line of the 437.016 Acre Tract, in all a total distance of 188.23 feet;

THENCE crossing the said 437.016 Acre Tract the following 20 courses:

1. S.40°07'03"E. a distance of 122.53 feet;
2. S.62°17'27"E. a distance of 96.67 feet;
3. S.86°35'34"E. a distance of 113.53 feet;
4. N.79°31'45"E. a distance of 47.89 feet;
5. N.52°44'54"E. a distance of 58.13 feet;
6. N.61°39'06"E. a distance of 111.34 feet;
7. S.88°11'37"E. a distance of 56.32 feet;
8. S.00°34'23"E. a distance of 26.06 feet;
9. S.32°56'32"W. a distance of 136.63 feet;
10. S.60°20'08"W. a distance of 66.08 feet;

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11. S.46°29'31"W. a distance of 53.99 feet;
12. S.27°02'40"W. a distance of 74.82 feet;
13. S.05°53'18"E. a distance of 124.24 feet;
14. S.54°00'11"E. a distance of 75.88 feet;
15. N.89°49'58"E. a distance of 119.57 feet;
16. N.82°36'38"E. a distance of 199.67 feet;
17. S.36°14'26"E. a distance of 75.43 feet;
18. S.14°27'49"E. a distance of 40.63 feet;
19. S.04°26'18"W. a distance of 52.53 feet;
20. S.13°49'03"W., at a distance of 176.41 feet pass the common line of the 437.016 Acre Tract and the 1023.257 Acre Tract, in all a total distance of 212.75 feet;

THENCE N.34°40'14"E., at a distance of 73.71 feet pass the common line of the 437.016 Acre Tract and the 1023.257 Acre Tract, in all a total distance of 162.91 feet;

THENCE S.20°49'47"W., crossing the 437.016 Acre Tract, a distance of 52.29 feet to an angle point on the common line of the 437.016 Acre Tract and the 1023.257 Acre Tract;

THENCE along said common line the following three courses:

1. S.04°31'55"W. a distance of 564.07 feet;
2. S.46°00'12"E. a distance of 664.29 feet;
3. S.43°38'37"E. a distance of 287.45 feet;

THENCE crossing the said 1023.257 Acre Tract the following 25 courses:

1. S.54°38'13"W. a distance of 595.24 feet;
2. S.45°03'50"W. a distance of 440.28 feet;
3. S.58°11'34"W. a distance of 556.44 feet;
4. S.43°14'39"W. a distance of 554.84 feet;
5. S.26°51'14"W. a distance of 270.90 feet;
6. S.12°08'06"W. a distance of 81.31 feet;
7. S.50°05'26"W. a distance of 232.47 feet;
8. S.38°04'20"W. a distance of 648.36 feet;
9. S.02°56'49"W. a distance of 346.86 feet;
10. N.83°33'41"W. a distance of 284.14 feet to a point of curvature of a curve to the left;
11. Westerly, along the arc of said curve to the left a distance of 147.58 feet, (said curve having a radius of 490.00 feet, a central angle of 17°15'24", and a chord bearing S.87°48'37"W., 147.02 feet);
12. N.10°32'27"W. a distance of 143.07 feet to a point of curvature of a curve to the right;
13. Northerly, along the arc of said curve to the right a distance of 195.19 feet, (said curve having a radius of 300.00 feet, a central angle of 37°16'46", and a chord bearing N.08°05'56"E., 191.77 feet);
14. N.26°44'19"E. a distance of 171.70 feet to a point of curvature of a curve to the left;
15. Northerly, along the arc of said curve to the left a distance of 310.18 feet, (said curve having a radius of 400.00 feet, a central angle of 44°25'49", and a chord bearing N.04°31'25"E., 302.47 feet);
16. N.17°41'29"W. a distance of 189.13 feet to a point of curvature of a curve to the right;
17. Northerly, along the arc of said curve to the right a distance of 156.48 feet, (said curve having a radius of 300.00 feet, a central angle of 29°53'04", and a chord bearing

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- N.02°44'57"W., 154.71 feet);
18. N.12°11'35"E. a distance of 217.83 feet;
 19. N.28°22'51"W. a distance of 231.21 feet;
 20. N.45°42'50"W. a distance of 109.49 feet;
 21. N.62°31'12"W. a distance of 384.42 feet;
 22. N.07°26'46"W. a distance of 105.01 feet;
 23. N.39°43'28"W. a distance of 191.30 feet;
 24. N.16°35'20"W. a distance of 255.28 feet;
 25. N.64°46'12"W. a distance of 529.09 feet to the West Line of the 1023.257 Acre Tract and the East Line of the 309.547 Acre Tract;

THENCE S.28°53'41"W., along said West Line, a distance of 2152.15 feet;

THENCE crossing the said 1023.257 Acre Tract the following three courses:

1. S.05°01'55"E. a distance of 922.20 feet;
2. S.55°28'49"W. a distance of 925.41 feet;
3. S.80°20'02"W. a distance of 130.81 feet to the West Line of the said 1023.257 Acre Tract and the East Line of the 309.547 Acre Tract;

THENCE crossing the said 309.547 Acre Tract the following two courses:

1. S.45°12'50"W. a distance of 350.40 feet;
2. S.38°19'47"W. a distance of 792.05 feet to the said Point of Beginning.

Containing 550.894 acres, more or less.

John K. Weigand 7-11-2007
J. Kenneth Weigand

Registered Professional Land Surveyor No. 5741
State of Texas

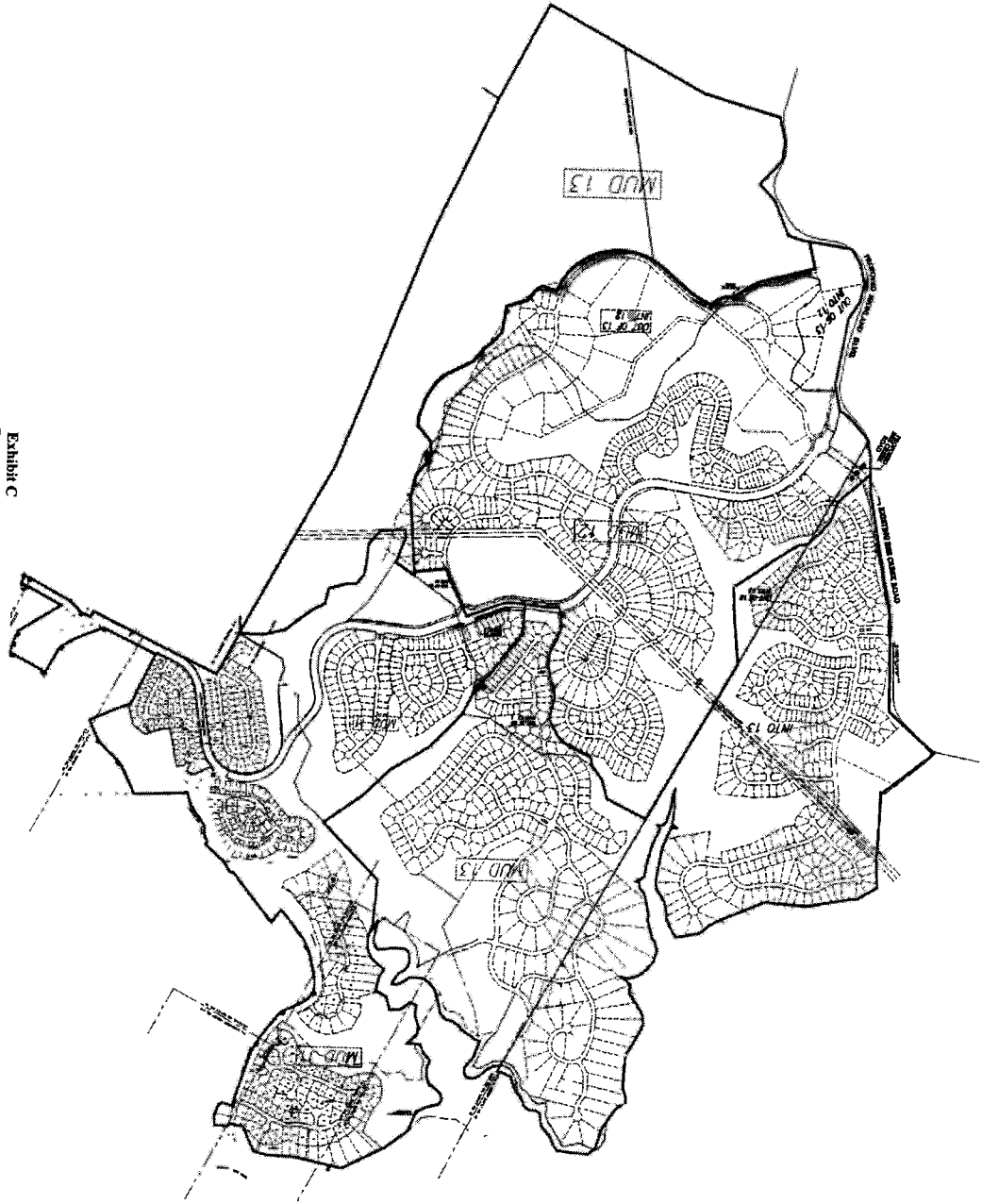
RJ Surveying, Inc.
1212 East Braker Lane
Austin, Texas 78753



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Exhibit C
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**ORDER ESTABLISHING AMENDED AND RESTATED
WATER CONSERVATION AND DROUGHT CONTINGENCY PLAN**

_____, June 5 _____, 2008

THE STATE OF TEXAS §

§

COUNTY OF TRAVIS §

WHEREAS, the Board of Directors (the "Board") of Travis County Municipal Utility District No. 11 (the "District") previously adopted a Water Conservation and Drought Contingency Plan by Order dated March 6, 2008 (the "Original Plan"); and

WHEREAS, in order to meet the requirements of the Lower Colorado River Authority (the "LCRA"), which provides a raw water supply to the District, and pursuant to Sections 11.1271 and 11.1272, Texas Water Code, the Board now desires to adopt an amended and updated Water Conservation and Drought Contingency Plan;

IT IS, THEREFORE, ORDERED BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 11 that:

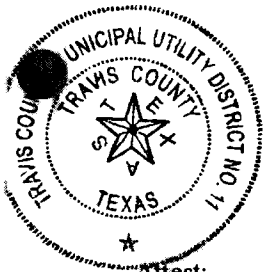
Section 1: The Amended and Restated Water Conservation and Drought Contingency Plan (the "Plan") attached as Exhibit "A" is hereby adopted. The Plan replaces and supersedes the Original Plan.

Section 2: If the application of any provision of this Order or the Plan to any person or set of circumstances is for any reason, held to be unconstitutional, invalid, or unenforceable, the validity and applicability of the remaining portions of this Order and the Plan will not be affected, it being the intent of the Board, in adopting this Order and the Plan, that no provision of this Order or the Plan will become inoperative or fail by reason of the unconstitutionality or invalidity of any other provision.


Section 3: The Secretary of the Board is directed to file a copy of this Order in the principal office of the District, with the Executive Director of the Texas Commission on Environmental Quality, the LCRA, and with the Lower Colorado Regional Water Planning Group. This Order will be in full force and effect from the date of its adoption until amended or replaced by the Board.

Section 4. The District's attorney is directed to publish a substantive statement of the rules or regulations contained in the Plan, and the penalty for their violation, in accordance with Section 54.205 of the Texas Water Code.

PASSED AND APPROVED this 5th day of June, 2008.



**TRAVIS COUNTY MUNICIPAL
UTILITY DISTRICT NO. 11**

By: 
Amie Parks
Vice President, Board of Directors

Attest:

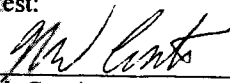

Nick Conti
Secretary, Board of Directors

EXHIBIT "A"

**AMENDED AND RESTATED
WATER CONSERVATION AND
DROUGHT CONTINGENCY PLAN**

I. Approval of the Plan

The Board of Directors (the "Board") of Travis County Municipal Utility District No. 11 (the "District") hereby establishes this Amended and Restated Water Conservation and Drought Contingency Plan (the "Plan"), as set forth below. The Board commits to implement this Plan according to the procedures set forth below.

II. Water Conservation Plan

2.01 Water and Wastewater Utility System Profile:

A. Service Area Population: The estimated population of the District's service area as of September 30, 2007 was ten individuals. As of September 30, the District had three occupied residences, and 53 residences either owned by builders or under construction. At full build-out, the estimated population of the District's service area is 1,904, based on 544 living unit equivalents ("LUEs") multiplied by 3.5 persons/unit.

B. Water Utility Data:

- | 1. Type | Existing | At Full Development |
|-------------|----------|---------------------|
| Residential | 3 LUEs | 539 LUEs |
| Industrial | 0 LUEs | 0 LUEs |
| Commercial | 0 LUEs | 5 LUEs |
| Public | 0 LUEs | 0 LUEs |
2. Percent of Connections Metered: 100%
 3. No previous use data for the District is available.
 4. At full build-out, average daily use is estimated to be approximately 600 gal/day/LUE.
 5. At full build-out, peak day demand is estimated to be 1,000 gal/day/LUE.
 6. Due to current construction materials, construction techniques, and metering, the District anticipates very little unaccounted for water (+/- 5%).

7. At full build-out, peak day water production and distribution capacity is estimated to be 544,000 gal/day.

8. The District receives its raw water supply from the Lower Colorado River Authority ("LCRA") and currently receives all of its water treatment and distribution services from Lakeway Municipal Utility District ("Lakeway MUD"). By contract, Lakeway MUD will provide up to 375 LUEs of treated water service for the Rough Hollow development within the District. The District will receive additional treated water service from the LCRA (approximately 169 LUEs), through a joint contract between the LCRA, Travis County Municipal Utility District No. 12 ("District No. 12") and Travis County Municipal Utility District No. 13 ("District No. 13") for the portion of the District located within the Highlands development. A contract for this additional service is currently in process.

C. Wastewater Utility Data:

1. No wastewater flow information for the District is currently available. Upon ultimate build-out, the District estimates the wastewater flow to be 245 gal/day/living unit equivalent average flow.

2. Future build-out will account for approximately 365 gal/day/LUE peak flow.

3. All development will be connected to a centralized sewer treatment system and no septic tanks are anticipated.

4. By contract, Lakeway MUD will provide 375 LUEs of wastewater treatment and disposal service to the District. The District will receive wastewater treatment and disposal service (approximately 169 LUEs) through a wastewater treatment facility which will be constructed and jointly operated by the District, District No. 12 and District No. 13 (the "Joint Facility").

D. Financial Data. The District recognizes that proper water pricing can be a very important water conservation measure and has adopted the following rates:

1. Water and Wastewater Rates

a. Monthly Service Availability Charge: \$32.00 per FUE

b. Water Commodity Charge:

i. Basic Charge: \$5.10 per 1,000 gallons

- ii. Pass-through of Lakeway
MUD 2006 contract rate
adjustment: \$0.49 per 1,000 gallons
- iii. Total Water Commodity
Charge: \$5.59 per 1,000 gallons

c. Wastewater Commodity Charge:

- i. Basic Charge: \$6.74 per 1,000 gallons
- ii. Pass-through of Lakeway
MUD contract rate
adjustment: \$0.81 per 1,000 gallons
- iii. Total Wastewater Commodity
Charge: \$7.55 per 1,000 gallons

2. Fire Hydrant Meter Charges.

- a. Monthly Basic Charge: \$35.00
- b. Water Commodity Charge:
 - i. Basic Charge: \$5.10 per 1,000 gallons
 - ii. Pass-through of Lakeway MUD
contract rate adjustment: \$0.49 per 1,000 gallons
 - iii. Total Fire Hydrant Water
Commodity Charge: \$5.59 per 1,000 gallons

3. Raw Water Irrigation Charge: With the prior approval of the District's representative, an incorporated, non-profit homeowners' association will be provided with raw water for irrigation purposes for a charge of \$1.50 per 1,000 gallons. All raw irrigation water must be metered, through metering equipment approved by the District and installed at the expense of the association. No initial security deposit will be charged to the association for metered raw irrigation water; however, in the event of any delinquency by the association in payment of any water bill from the District, service will be terminated and a security deposit equal to the association's peak 30-day usage will be required before raw irrigation water service will be restored.

2.02 Conservation Strategies:

A. Minimum Requirements:

1. Water Conservation Goals: The District's goals with respect to water conservation are to reduce the average daily use and water loss by 5% within five years of the date this Plan is established and by 10% within 10 years of the date this Plan is established. The District will attempt to achieve these goals by:

b. Encouraging and supporting efficient water use and reduced waste by including water conservation information in new homeowner packets.

c. Taking measures to maintain per capita water usage below the median of the previous five years' gallons per capita per day consumption for similarly situated water providers.

d. Striving to limit unaccounted-for water from the District's system to no more than 10% of the volume of water delivered based on a moving five year average.

e. Implementing and maintaining a program of universal metering and meter replacement and repair.

f. Encouraging decreasing waste in landscape irrigation.

g. Raising public awareness of water conservation and encouraging responsible public behavior.

h. Developing a system specific strategy to conserve water during peak demands, thereby reducing peak use.

i. Encouraging the development of a program for the reuse/recycling of wastewater/greywater.

j. Encouraging the use of water-efficient plumbing fixtures.

2. Metering and meter repair/replacement:

a. The supply of water from Lakeway MUD will be metered with water meters capable of accuracy within +/-5%.

b. Each user will be metered with a water meter capable of accuracy within +/- 5%.

c. Each connection on the system will be metered, including landscape irrigation and public facilities.

d. A regularly scheduled maintenance program of meter repair and replacement will be established in accordance with the following time intervals:

- i. Master Meters: Test once/year
- ii. 1" + Meters: Test once/year
- iii. Meters <1": Test once/ 10 years

3. Unaccounted-for water loss: The District will submit water loss audits to LCRA and the Texas Water Development Board ("TWDB") in the form and at the times required by those entities.

4. Education and Public Information Programs: The District will undertake a coordinated water conservation public education and information program with its customers that may include:

- a. Providing a conservation message that may be included with water bills.
- b. Encouraging local media coverage of water conservation issues and the importance of water conservation.
- c. Making water conservation information and materials available.

5. Beneficial Water Reuse and Recycling: The Joint Facility will be evaluated for opportunities for the beneficial reuse and recycling of reclaimed water. Reuse of wastewater effluent generated by the Joint Facility for landscape irrigation is a possibility.

B. Landscape Conservation Measures. To promote water conservation and pollution prevention with respect to outdoor water usage, this Plan incorporates a modified version of the LCRA's Conservation Landscape Best Management Practices attached as Exhibit "A-1" as mandatory regulations to be implemented in connection with landscaping and irrigation system installations within the District.

C. Other Measures. Other measures may include system operation requirements (rules) that promote water conservation such as use of new water conserving technology in construction, landscape watering management, and appropriate use of updated plumbing fixtures that conserve water. In addition, the District will regularly review this Plan in accordance with TWBD rules to ensure that it is effective and efficient.

2.03 Coordination with Regional Planning Groups. The service area of the District is located within the Lower Colorado Regional Water Planning Area (Region K)

of the State of Texas and the District has provided a copy of this water conservation plan to the Lower Colorado Regional Water Planning Group.

III. Drought Contingency Plan

3.01 Declaration of Policy, Purpose, and Intent. Because of the water conditions prevailing within the District, the water resources available to the District must be put to the maximum beneficial use and the waste, unreasonable use, or unreasonable method of use of water must be prevented, with a view to the reasonable and beneficial use thereof in the interests of the residents of the District and for the public health and welfare.

Non-essential water uses, as defined below, which are regulated or prohibited under this Article III are considered to be non-essential and the continuation of such uses in violation of this Article III are deemed to constitute a waste of water, which will subject the offender to a penalty in accordance with Section 3.11 of this Plan.

3.02 Public Involvement. An opportunity for the public to provide input into the preparation of this Article was provided through the District's scheduling and providing public notice of a public meeting at which members of the public were provided with an opportunity to provide input to the Board on this Plan.

3.03 Public Education. The District will periodically provide the public with information about this Plan, including information about the conditions under which each stage of the drought contingency measures of this Plan is to be initiated or terminated and the drought response measures to be implemented in each stage. This information will be provided by means of press releases and/or utility bill inserts.

3.04 Coordination with Regional Planning Groups. The service area of the District is located within the Lower Colorado Regional Water Planning Area (Region K) of the State of Texas and the District has provided a copy of this drought contingency plan to the Lower Colorado Regional Water Planning Group.

3.05 Authorization. The District Manager or his/her designee is hereby authorized and directed to implement the applicable provisions of the drought contingency measures of this Plan upon determination that implementation is necessary to protect the public health, safety, and welfare. The District Manager, or his/her designee, will have the authority to initiate or terminate drought or other water supply emergency response measures as described in this Plan.

3.06 Application. The provisions of this Article III will apply to all persons, entities, customers, and property utilizing water provided by the District.

3.07 Definitions. For the purpose of this Section, the following definitions will apply:

Water Use Reduction Measures: practices, techniques, and technologies that reduce the consumption of water, reduce the loss or waste of water, improve efficiency in

the use of water, or increase the recycling and reuse of water so that water supply is conserved and made available for future or alternative uses.

Customer: any person, company, or organization using water supplied by the District.

Even number address: street addresses, box numbers, or rural postal route numbers ending in 0, 2, 4, 6, or 8 and locations without addresses.

Landscape Irrigation Use: water used for the irrigation and maintenance of landscaped areas, whether privately or publicly owned, including residential and commercial lawns, gardens, golf courses, parks, rights-of-way and medians.

Non-Essential Water Use: water uses that are not essential nor required for the protection of the public health, safety, and welfare, including:

1. irrigation of landscaped areas, including parks, athletic fields, and golf courses, except as otherwise provided by this Article;
2. use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle;
3. use of water to wash-down any sidewalk, walkway, driveway, parking lot, tennis court, or other hard-surfaced area;
4. use of water to wash-down any building or structure for any purpose other than immediate fire protection;
5. flushing any gutter or permitting water to run or accumulate in any gutter or street;
6. use of water to fill, refill, or add to any indoor swimming pool or jacuzzi-type pool;
7. use of water in a fountain or pond maintained for aesthetic or scenic purposes, except where necessary to support aquatic life;
8. failure to repair any controllable leak within a reasonable period after being given notice directing that the leak be repaired; and
9. use of water from any hydrant for construction purposes or any other use other than fire-fighting.

Odd numbered address: street addresses, box numbers, or rural postal route numbers ending in 1, 3, 5, 7, or 9.

Outdoor Water Use: includes, but is not limited to, watering lawns, shrubs, and other types of outdoor vegetation; washing vehicles, boats, and trailers; using landscape

irrigation systems; filling, refilling or adding water to swimming pools, wading pools or ponds; operating any ornamental fountain or other similar structure; using water from fire hydrants for purposes other than fire-fighting or other activities necessary to maintain health and safety; watering of patios, driveways, parking areas, streets, tennis courts, sidewalks or other paved areas; and watering of ground foundations.

3.08 Triggering and Termination Criteria for Drought Response Stages. The District Manager, or his/her designee, will monitor water supply and/or demand conditions on a monthly basis and determine when conditions warrant the initiation or termination of any stage of this Article. During the months of May through September, water supply conditions may be monitored on a more frequent basis if deemed necessary. Public notification of the initiation or termination of drought response stages will be given by means of publication in a newspaper of general circulation, signs posted in public places, utility bill inserts, or other means to be determined by the District Manager or his/her designee. The District Manager will notify LCRA within five business days of the implementation of any stage of this Article establishing mandatory water use restrictions.

A. Stage 1 - Voluntary Water Use Reduction Conditions

Requirements for initiation - Customers will be requested to voluntarily conserve water and adhere to the water restrictions on non-essential water use:

1. if the District Manager and/or his/her designees considers it necessary;
2. if the LCRA reduces water for its interruptible users; or
3. if compliance is required under any District water supply contract.

Requirements for termination - Stage 1 may be rescinded at any time by the District Manager or his/her designee. The District will notify its water Customers of the initiation and termination of Stage 1 water restrictions.

B. Stage 2 - Moderate Water Shortage Conditions

Requirements for initiation - Customers will be required to comply with Stage 2 requirements and restrictions on non-essential water uses when:

1. daily water consumption for two consecutive days reaches 95% of the District's water supply/distribution capacity;
2. a component of the District's or its wholesale supplier's water facilities is out of service; and/or
3. compliance is required under any District water supply contract.

Weather conditions - Weather conditions will be considered in determining a drought classification. If long cold or dry periods are predicted, such conditions will be considered in making an impact analysis.

Requirements for termination - Stage 2 water restrictions may be rescinded by the District Manager or his/her designee when none of the conditions listed in B.1 through B.2 has existed for a period of three consecutive days. The District Manager or his/her designee may immediately rescind Stage 2 when the triggering event listed in B.3 ceases to exist. Upon termination of Stage 2, Stage 1 becomes operative. The District will notify its water customers of the initiation and termination of Stage 2 water restrictions.

C. Stage 3 - Severe Water Shortage Conditions

Requirements for initiation - Customers will be required to comply with the requirements and restrictions on non-essential water uses for Stage 3 when:

1. daily water consumption reaches 100% of the District's water supply/distribution capacity for three consecutive days;
2. system demand exceeds available high service pump capacity;
3. water system is contaminated, whether accidentally or intentionally (severe condition is reached immediately upon detection of contamination);
4. water system fails due to an act of God (tornadoes, hurricanes) or man (severe condition is reached immediately upon detection of the failure);
5. any mechanical failure of pumping equipment which will require more than 12 hours to repair and which causes unprecedented loss of capability to provide water service; or
6. required under any District water supply contract.

Requirements for termination - Stage 3 may be rescinded by the District Manager or his/her designee when none of the conditions listed in C.1 through C.5 has existed for a period of three consecutive days. The District Manager or his/her designee may immediately rescind Stage 3 when the triggering event listed in C.6. ceases to exist. Upon termination of Stage 3, Stage 2 will become operative as directed by the District Manager or his/her designee.

D. Stage 4 - Emergency Water Shortage Conditions

Requirements for initiation - Customers will be required to comply with the restrictions set forth in section 3.09(D) when:

1. there is a failure of water treating facilities;

2. there is a contamination of water source; or
3. required under any District water supply contract.

Requirements for termination - Stage 4 may be rescinded by the District Manager or his/her designee when none of the conditions listed in D.1 and D.2 has existed for a period of one day. The District Manager or his/her designee may immediately rescind Stage 4 when the triggering event listed in D.3. ceases to exist. Upon termination of Stage 4, Stage 3 will become operative as directed by the District Manager or his/her designee.

3.09 Drought Response Stages. The District Manager or his/her designee will monitor water supply and/or demand conditions on a daily basis and, in accordance with the triggering criteria set forth in Section 3.08, will determine if a voluntary, moderate, or severe condition exists and implement the following actions, which will be publicized by publication of notice in a newspaper of general circulation, posting notification signs in public places, mailing utility bill inserts, or other means determined by the District Manager or his/her designee.

A. Stage 1 – Voluntary Water Use Reduction Conditions

The goal for Stage 1 is to raise public and Customer awareness of water demand conditions.

1. Voluntary Water Use Measures.

a. Customers will be requested to voluntarily limit the irrigation of landscaped areas to: Sundays and Thursdays for residential water Customers with street addresses ending in an even number (0, 2, 4, 6 or 8); Saturdays and Wednesdays for residential water Customers with street addresses ending in an odd number (1, 3, 5, 7 or 9); and Tuesdays and Fridays for commercial water Customers. All Customers will be requested to irrigate landscaped areas only between the hours of 7:00 am and 10:00 a.m. on the Customer's designated watering days.

b. Outdoor water use will be discouraged between the hours of 10:00 a.m. and 7:00 p.m. except with hand-held hoses equipped with a positive pistol grip nozzle or other device that automatically shuts off water flow or hand-held buckets. These time restrictions do not apply to: (i) irrigation of commercial plant nurseries, (ii) irrigation using treated wastewater effluent, (iii) irrigation of new landscape installations during installation and for the first ten days thereafter, and (iv) testing of new irrigation systems or existing irrigation systems being repaired.

c. All District operations will adhere to the water use restrictions prescribed for Stage 2.

d. Water Customers will be requested to reduce water use and to minimize or discontinue water use for non-essential purposes. Water Customers will also be encouraged to insulate pipes and fittings to prevent freezing rather than leaving faucets running or dripping.

e. Commercial, association and other larger irrigation Customers will be requested to reduce water use where possible.

B. Stage 2 - Moderate Water Shortage Conditions

The goal for Stage 2 is to reduce and maintain maximum daily water demand at or below ninety percent (90%) of system capacity.

1. Supply Management Measures: During Stage 2, the District will reduce or discontinue flushing of water mains; reduce or discontinue irrigation of public landscaped areas; use an alternative water supply source, where possible; and use reclaimed water for non-potable purposes, where possible. The District will also comply with the water use restrictions for Stage 2 when those restrictions are implemented.

2. Water Use Restrictions. During Stage 2, the following water use restrictions will apply to all persons and entities, and violators will be subject to the penalty specified in Section 3.11:

a. Customers will be required to limit the irrigation of landscaped areas to: Sundays and Thursdays for residential water Customers with street addresses ending in an even number (0, 2, 4, 6 or 8); Saturdays and Wednesdays for residential water Customers with street addresses ending in an odd number (1, 3, 5, 7 or 9); and Tuesdays and Fridays for commercial water Customers. All Customers will be required to irrigate landscapes areas only between the hours of 7:00 p.m. to 10:00 a.m. on the Customer's designated watering days.

b. Outdoor water use will be prohibited between the hours of 10:00 a.m. and 7:00 p.m. except with hand-held hoses equipped with a positive pistol grip nozzle or other device that automatically shuts off water flow or hand-held buckets. These time restrictions will not apply to: (i) irrigation of commercial plant nurseries, (ii) irrigation using treated wastewater effluent, (iii) irrigation of new landscape installation during installation and for the first ten days thereafter, and (iv) testing of new irrigation systems or existing irrigation systems under repair.

c. The washing of automobiles, trucks, motorbikes, boats, trailers, airplanes or other vehicles will be prohibited (i) except on designated watering days, and (ii) on all days between the hours of 10:00 a.m. and 7:00 p.m. Such washing, when permitted, must be done with a hand-held bucket or a hand-held hose equipped with a positive shutoff

nozzle. This restriction does not apply to (x) individual vehicles washed on the immediate premises of a commercial car wash or commercial service station or (y) the washing of vehicles or any other mobile equipment such as garbage trucks or vehicles used to transport perishables, which relates to the public health, safety or welfare. Charity car washes will be prohibited.

d. The use of water to fill, refill, or add to any indoor or outdoor swimming pools, wading pools, or jacuzzi-type pools will be prohibited (i) except on designated watering days, and (ii) on any day between the hours of 10:00 a.m. and 7:00 p.m.

e. Operation of any ornamental or decorative fountain or pond will be prohibited unless operation is necessary to support aquatic life or such fountains or ponds are equipped with a recirculation system.

f. Use of water from hydrants will be limited to fire-fighting and other activities necessary to maintain public health, safety, and welfare, except that the use of water from designated fire hydrants may be allowed for construction purposes with prior written permission from the District as provided in Section 3.10.

g. Use of water for the irrigation of golf course greens, tees, and fairways will be prohibited (i) except on designated watering days and (ii) between the hours of 10:00 a.m. and 7:00 p.m. on any day. These restrictions will not apply to golf course irrigation using treated wastewater effluent, ground water or raw water.

h. Restaurants will be prohibited from serving water to their patrons except upon request.

i. The following uses constitute a waste of water and will be prohibited:

i. washing sidewalks, walkways, driveways, parking lots, tennis courts, patios or other hard-surfaced areas except to alleviate immediate health or safety hazards;

ii. using water for dust control;

iii. allowing water to run off a property or to pond in the street or on a parking lot;

iv. operating a permanently installed irrigation system that includes broken heads, heads that are missing, or heads that are out of adjustment and spray more than 10% of the spray on the street or a parking lot;

v. failing to repair a controllable leak within a reasonable period after having been given notice to repair the leak.

vi. washing an automobile, truck, trailer, boat, airplane, or other mobile equipment with a hand-held hose not equipped with a pistol grip nozzle or other device that automatically shuts off water flow when the hose is not being used.

vii. flushing gutters or permitting water to run into or accumulate in any gutter or street.

viii. use of water to wash down buildings or structures for purposes other than immediate fire protection.

During Stage 2, the District Manager, or his/her designee, will provide a weekly report to news media with information regarding current water supply and/or demand conditions, projected water supply and demand conditions if drought conditions persist, and consumer information on Water Use Reduction Measures.

C. Stage 3 - Severe Water Shortage Conditions

The goal for Stage 3 is to reduce and maintain maximum daily water demand at or below 95% of system capacity.

1. Supply Management Measures. During Stage 3, the District will cease the flushing of water mains except when necessary for reasons of health or safety. The District will discontinue irrigating public landscaped areas except areas irrigated with treated wastewater effluent, ground water, or raw water.

2. Water Use Restrictions. All requirements of Stage 2 will remain in effect during Stage 3 except:

a. Outdoor water use by use of hand-held buckets or hand-held hoses equipped with a positive pistol grip nozzle or other device that automatically shuts off water flow may occur only between 6:00 a.m. to 10:00 a.m. and 7:00 p.m. and 10:00 p.m. on designated outdoor water use days. The use of permanently installed irrigation systems, drip irrigation systems, and hose-end irrigation will be prohibited;

b. The watering of golf course tees will be prohibited unless the golf course utilizes water supplied by a source other than the District;

c. The washing of automobiles, trucks, trailers, boats, airplanes, and other types of mobile equipment will be prohibited other than (i) on the immediate premises of a commercial car wash or a commercial service station between 12:00 noon and 5 p.m.; and (ii) that which is in the immediate interest of the public health, safety and welfare;

d. The washing of vehicles listed in (c) to protect public health, safety and health may only occur between 6:00 a.m. and 10 a.m.;

e. Commercial plant nurseries may use only hand-held hoses equipped with a positive pistol grip nozzle or other device that automatically shuts off water flow or hand-held buckets;

f. The filling, refilling, or adding of potable water to swimming or wading pools will be prohibited;

g. No new landscapes of any type may be installed; and

h. The use of water for construction purposes from designated fire hydrants under written permission from the District will be discontinued.

During Stage 3, the District Manager, or his/her designee, will provide a weekly report to the news media with information regarding current water supply and/or demand conditions, projected water supply and demand conditions if drought conditions persist, and consumer information on Water Use Reduction Measures.

If severe water shortage conditions (Stage 3) persist for an extended period of time, the District Manager, upon recommendation of the Board, may order water rationing and/or terminate service to selected users of the system in accordance with the following sequence:

Recreational users

Commercial users

School users

Residential users

Hospitals, public health and safety facilities.

D. Stage 4 - Emergency Water Shortage Conditions

The goal for Stage 4 of this Plan is to reduce daily water demand.

1. Supply Management Measures. The District will cease the flushing of water mains except when necessary for reasons of health or safety. The District will discontinue irrigating public landscaped areas except areas irrigated with treated wastewater effluent, ground water, or raw water.

2. Water Use Restrictions. All requirements of Stages 2 and 3 will remain in effect during Stage 4 except:

- a. Irrigation of landscaped areas will be prohibited; and
- b. Use of water to wash any motor vehicle, motorbike, boat, trailer, airplane or other vehicle will be prohibited.

During Stage 4, the District Manager, or his/her designee, will provide a weekly report to the news media with information regarding current water supply and/or demand conditions, projected water supply and demand conditions if drought conditions persist, and consumer information on Water Use Reduction Measures.

If emergency water conditions (Stage 4) persist for an extended period of time, the District Manager, upon recommendation of the Board, may order water rationing and/or terminate service to selected users of the system in accordance with sequence set forth in Section 3.09(C).

3.10 Variances

A. Granting Variances. The District Manager, or his/her designee, may grant a temporary variance, in writing, for existing water uses otherwise prohibited under this Article if the District Manager, or his/her designee, determines that a failure to grant such variance would cause an emergency condition adversely affecting the health of, or sanitation or fire protection for, the public or the person requesting such variance and that one or more of the following conditions are met:

1. Compliance with this Article cannot be technically accomplished during the duration of the water supply shortage or other condition for which this Plan is in effect.
2. Alternative methods can be implemented which will achieve the same level of reduction in water use.

B. Application for Variance. Persons requesting a variance from the provisions of this Plan must file a petition for variance with the District within five days after a particular drought response stage of this Article has been invoked. All petitions for variances will be reviewed by the District Manager, or his/her designee, and must include the following:

1. Name and address of the petitioner(s);
2. Purpose of water use;
3. Specific provision(s) of this Article from which the petitioner is requesting relief;
4. Detailed statement as to how the specific provision of this Article adversely affects the petitioner or what damage or harm will occur to the petitioner or others if petitioner complies with the provisions in question;

5. Description of the relief requested;
6. Period of time for which the variance is sought;
7. Alternative water use restrictions or other measures the petitioner is taking or proposes to take to meet the intent of this Article and the compliance date; and
8. Other pertinent information.

C. Conditions to Variances. Variances granted by the District Manager, or his/her designee, are subject to the following conditions, unless waived or modified by the District Manager, or his/her designee:

1. Variances must include a timetable for compliance;
2. Variances will expire when the drought stage in question is no longer in effect, unless sooner terminated due to a failure of the petitioner to meet specified requirements; and
3. No variance will be retroactive or otherwise justify any violation of this Article occurring before the variance is granted.

3.11 Enforcement. No person or entity may knowingly or intentionally allow the use of water from the District for residential, commercial, industrial, agricultural, governmental, or any other purpose in a manner contrary to any provision of this Article, or in an amount in excess of that permitted by any drought response stage in effect at the time pursuant to the provisions of this Article.

The provisions of this Plan constitute rules adopted under the authority set forth in Section 54.205 of the *Texas Water Code*. Any person who violates any provision of this Plan will be subject to the payment of a fine in an amount per violation that does not exceed the jurisdiction of justice court, as provided by Section 27.031, Government Code, as permitted under Section 49.004 of the *Texas Water Code*. Each day of violation will constitute a separate offense. In addition, the offending party will be liable to the District for any costs incurred by the District in connection with any violation. If any person or entity violates any three provisions of this Article or violates one provision three or more times, the District Manager or his/her designee may, following written notice to the Customer, discontinue water service to the premises where the violations occurred. Service discontinued under such circumstances may be restored only upon payment of all fines established under this Section, a re-connection charge of \$100, and any other costs incurred by the District in discontinuing ore re-initiating service. In addition, the Customer must provide assurance, acceptable to the District Manager, or his/her designee, that the violation will not be repeated. Compliance with this Article may also be sought through injunctive relief in the district court.

Any person, including a person classified as a water Customer of the District, who is in apparent control of the property where a violation occurs or originates is presumed

to be the violator, and proof that a violation occurred on a person's property constitutes a rebuttable presumption that the person committed the violation. Parents are responsible for violations of their minor children and proof that a violation, committed by a child, occurred on property within the parents' control constitutes a rebuttable presumption that the parent committed the violation.

Exhibit "A-1"

Irrigation System Specifications:

1. Landscape irrigation systems shall not be mandatory.
2. Landscape irrigation systems shall be installed by a licensed irrigator unless the homeowner is physically installing the system.
3. Irrigation systems shall be designed with:
 - a. a master valve with shut-off;
 - b. valves separated based on water use (hydro-zoned);
 - c. sprinkler heads spaced for at least head-to-head coverage, or heads spaced according to manufacturer's recommendations;
 - d. pop-up spray heads and rotors set back at least 6 inches from impervious surfaces;
 - e. an approved rain shut-off device set to shut off after no more than 1/2" of rainfall;
 - f. pressure regulation components installed where dynamic pressure exceeds manufacturer's recommended operating range (30-60 psi); and
 - g. a controller capable of dual or multiple programming, with at least several start times for each irrigation program, a water budgeting feature and programmable to irrigate with a frequency of every one to ten days, or by day of week.
4. Installers must present the owner with system conceptual design plans and scheduling recommendations shall be posted in or near the irrigation controller box.
5. Spray irrigation for each home/business shall be limited to 75% of the property. The footprint may include both the house and the garage, but not the driveway or patio.
6. Irrigation systems for entryways and common areas shall incorporate design and conservation features applicable to lots within the subdivision.

Irrigation System Maintenance Specifications:

1. Irrigation systems in common areas shall be monitored once per month, and any repairs will be made in a timely manner;
2. Watering of common areas and residential landscapes shall be limited to the recommended time of day watering schedule of the water utility (between 7:00 PM and 10:00 AM), unless that schedule is not feasible or irrigation of reclaimed water during the day is necessary to meet regulatory requirements.

Soil Specifications:

1. All irrigated and newly planted turf areas will have a minimum settled soil depth of 4 to 6 inches:
 - a. builders and owners will import soil if needed to achieve sufficient soil depth;
 - b. soil in these areas may be either native soil from the site or imported, improved soil;
 - c. undisturbed, non-irrigated natural areas are exempt from these requirements.
2. In new development, native soil shall be stockpiled and reused on site;

Planting Specifications:

1. Builders shall offer homeowner a conservation landscape option such as the LCRA Hill Country Landscape Option, City of Austin Green Grower's Guide, or other professional guides for the Texas Hill Country that includes only plants selected from native and adapted plant list approved by qualified organizations, including the LCRA, or landscape professionals. Turf should be low water and low maintenance varieties suitable for site, soil and climate conditions.
2. Invasive plants listed in this document shall not be used.
3. In new homes, no more than seventy-five percent of the landscape may be planted in turf.

Landscape Chemical Use Specifications:

1. Where technically and economically feasible, landscape companies providing maintenance on all common areas and individual landscapes should attempt to use integrated pest management (IPM) to minimize exposure of storm water runoff to chemicals (fertilizers, herbicides and pesticides). IPM techniques shall include the following steps:
 - a. accurately identify pest or disease problem before considering treatment;
 - b. explore cultural or mechanical controls (i.e. modification of irrigation, pruning, etc);
 - c. look for biological control options (i.e. predatory insects for pest control, Bt for caterpillar control, etc);
 - d. consider chemical control only if other options fail;
 - e. utilize least-toxic and targeted chemical controls;
 - f. baits are preferable to broad-spectrum chemical application;

- g. follow instructions on chemical labels exactly; and
 - h. perform periodic monitoring for early detection of potential problems.
- 2. Landscape companies providing maintenance on all common areas and individual landscapes shall use the following fertilizer practices:
 - a. fertilization of turf areas shall not be required; and
 - b. in turf areas that are to be fertilized, natural or certified organic, organic based, balanced, complete, compost based fertilizers that are formulated for site, soil, climatic, plant species, turf varieties, and/or soil test results shall be used.

List of Invasive Plants Not Acceptable for Use

The following list comes from the August 2004 edition of the Grow Green Guide to Native and Adapted Landscape Plants.

Trees to Avoid

Chinaberry	<i>Melia azedarach</i>
Chinese Parasol Tree	<i>Firmiana simplex</i>
Chinese Pistache	<i>Pistacia chinensis</i>
Chinese Tallow	<i>Sapium sebiferum</i>
Mimosa (non-native)	<i>Albizzia julibrissin</i>
Paper Mulberry	<i>Broussonetia papyrifera</i>
Salt Cedar	<i>Tamarisk spp.</i>
Tree of Heaven	<i>Ailanthus altissima</i>
Vitex	<i>Vitex agnus-castus</i>
White Mulberry	<i>Morus alba</i>

Shrubs to Avoid

Chinese Photinia	<i>Photinia spp.</i>
Common Privet	<i>Ligustrum sinense, L. vulgare</i>
Japanese Ligustrum	<i>Ligustrum lucidum</i>
Nandina (berrying varieties)	<i>Nandina domestica</i>
Pyracantha	<i>Pyracantha spp.</i>
Russian Olive	<i>Elaeagnus angustifolia</i>
Wax Leaf Ligustrum	<i>Ligustrum japonicum</i>

Vines to Avoid

Cat's Claw Vine

Macfadyena unguis-cati

English Ivy

Hedera helix

Japanese Honeysuckle

Lonicera japonica

Kudzu

Pueraria lobata

Vinca

Vinca major, V. Minor

Wisteria (non-native)

Wisteria sinensis, W. floribunda

Other Plants to Avoid

Elephant Ear

Alocasia spp., Colocasia spp.

Giant Cane

Arundo donax

Holly Fern

Cyrtomium falcatum

Running Bamboo

Phyllostachys aurea

EXHIBIT F
ARBITRATION PROCEDURES

Section 1. Arbitration.

1.1. Binding Arbitration. Binding arbitration shall be conducted in accordance with the following procedures:

- (a) The party seeking arbitration hereunder shall request such arbitration in writing, which writing shall be delivered to the opposing party or parties and include a clear statement of the matter(s) in dispute. If a legal proceeding relating to the matter(s) in dispute has previously been filed in a court of competent jurisdiction (other than a proceeding for injunctive or ancillary relief) then such notice of election under this section shall be delivered within ninety (90) days of the date the electing party receives service of process in such legal proceeding. Otherwise, the legal proceeding shall be allowed to continue and binding arbitration shall not apply to the matter(s) in dispute in that legal proceeding.
- (b) Except to the extent provided in this Exhibit "F" the arbitration shall be conducted in accordance with the commercial rules of the American Arbitration Association by a single arbitrator to be appointed as follows: (i) upon the issuance and receipt of a request for arbitration, the requesting and receiving party each shall designate a representative for the sole purpose of selecting, by mutual agreement with the other party's designee, the individual who shall arbitrate the Dispute or Controversy referred to arbitration hereunder; (ii) within twenty (20) days of their appointment, the two representatives shall designate a third individual who shall be the arbitrator to conduct the arbitration of the Dispute or Controversy; (iii) said individual shall be qualified to arbitrate the Dispute or Controversy referred to arbitration hereunder and have a schedule that permits him or her to serve as arbitrator within the time periods set forth herein. In order to facilitate any such appointment, the party seeking arbitration shall submit a brief description (no longer than two (2) pages) of the Dispute or Controversy to the opposing party. In the event the parties' two representatives are unable to agree on a single arbitrator of the Dispute or Controversy within the twenty (20) day period, then the arbitrator shall be appointed by the then-serving chief administrative district judge of Travis County, Texas, or any successor thereto within the next ten (10) day period. The party seeking arbitration shall make the parties' request for appointment of an arbitrator and furnish a copy of the aforesaid description of the Dispute or Controversy to said judge. Each party may, but shall not be required to, submit to said judge a list of up to three (3) qualified individuals as candidates for appointment as the arbitrator whose schedules permit their service as arbitrator within the time periods set forth herein. The arbitrator appointed by the judge need not be from such lists.
- (c) Within thirty (30) days of the date the arbitrator is appointed, the arbitrator shall notify the parties in writing of the date of the arbitration hearing, which hearing date shall be not less than one-hundred twenty (120) days from the date of the arbitrator's appointment. The arbitration hearing shall be held in Austin, Texas. Except as otherwise provided herein, the

proceedings shall be conducted in accordance with the procedures of the Texas General Arbitration Act, Tex. Civ. Prac. & Remedies Code § 171.001 et seq. (the "Texas General Arbitration Act"). Depositions may be taken and other discovery may be made in accordance with the Texas Rules of Civil Procedure, provided that (i) depositions and other discovery shall be completed within ninety (90) days of the appointment of the arbitrator, (ii) there shall be no evidence by affidavit allowed, and (iii) each party shall disclose a list of all documentary evidence to be used and a list of all witnesses and experts to be called by the party in the arbitration hearing at least twenty (20) days prior to the arbitration hearing. The arbitrator shall issue a final ruling within thirty (30) days after the arbitration hearing. Any decision of the arbitrator shall state the basis of the award and shall include both findings of fact and conclusions of law. Any award rendered pursuant to the foregoing, which may include an award or decree of specific performance hereunder, shall be final and binding on, and not appealable by, the parties, and judgment thereon may be entered or enforcement thereof sought by either party in a court of competent jurisdiction. The foregoing deadlines shall be tolled during the period that no arbitrator is serving until a replacement is appointed in accordance with this Exhibit "F".

- (d) Notwithstanding the foregoing, nothing contained herein shall be deemed to give the arbitrator appointed hereunder any authority, power or right to alter, change, amend, modify, waive, add to or delete from any of the provisions of the contract.

Section 2. Further Qualifications of Arbitrators; Conduct. All arbitrators shall be and remain at all times wholly impartial and, upon written request by any party, shall provide the parties with a statement that they can and shall decide any Dispute or Controversy referred to them impartially. No arbitrator shall be employed by any party, the State of Texas, or have any material financial dependence upon a party, the State of Texas, nor shall any arbitrator have any material financial interest in the Dispute or Controversy.

Section 3. Applicable Law and Arbitration Act. The agreement to arbitrate set forth in this Exhibit shall be enforceable in either federal or state court. The enforcement of such agreement and all procedural aspects thereof, including the construction and interpretation of this agreement to arbitrate, the scope of the arbitrable issues, allegations of waiver, delay or defenses as to arbitrability and the rules (except as otherwise expressly provided herein) governing the conduct of the arbitration, shall be governed by and construed pursuant to the Texas General Arbitration Act. In deciding the substance of any such Dispute or Controversy, the arbitrator shall apply the substantive laws of the State of Texas. The arbitrator shall have authority, power and right to award damages and provide for other remedies as are available at law or in equity in accordance with the laws of the State of Texas, except that the arbitrator shall have no authority to award incidental or punitive damages under any circumstances (whether they be exemplary damages, treble damages or any other penalty or punitive type of damages) regardless of whether such damages may be available under the laws of the State of Texas. The parties hereby waive their right, if any, to recover punitive damages in connection with any arbitrated Dispute or Controversy.

Section 4. Consolidation. If the parties initiate multiple arbitration proceedings, the subject matters of which are related by common questions of law or fact and which could result in conflicting awards or obligations, then the parties hereby agree that all such proceedings may be consolidated into a single arbitration proceeding.

Section 5. Pendency of Dispute; Interim Measures. The existence of any Dispute or Controversy eligible for referral or referred to arbitration hereunder, or the pendency of the dispute settlement or resolution procedures set forth herein, shall not in and of themselves relieve or excuse either party from its ongoing duties and obligations under the contract or any right, duty or obligation arising therefrom; provided, however, that during the pendency of arbitration proceedings and prior to a final award, upon written request by a party, the arbitrator may issue interim measures for preservation or protection of the status quo.

Section 6. Complete Defense. The parties agree that compliance by a party with the provisions of this Exhibit shall be a complete defense to any Action or Proceeding instituted in any federal or state court, or before any administrative tribunal by any other party with respect to any Dispute or Controversy that is subject to arbitration as set forth herein, other than a suit or action alleging non-compliance with a final and binding arbitration award rendered hereunder.

Section 7. Costs. Each party shall bear the costs of its appointed representative to select the arbitrator of the Dispute or Controversy and its own attorneys' fees, while the costs of the arbitrator of the Dispute or Controversy incurred in accordance with the foregoing shall be shared equally by the parties. Additional incidental costs of arbitration shall be paid for by the nonprevailing party in the arbitration; provided, however, that where the final decision of the arbitrator is not clearly in favor of either party, such incidental costs shall be shared equally by the parties.

1st AMENDMENT TO WATER SALE CONTRACT NO 3895658

This agreement is made by and between the Lower Colorado River Authority, hereinafter called "LCRA," and Travis County Municipal Utility District No. 12 hereinafter called "Purchaser," to be effective on the date of execution by LCRA, to wit:

WITNESSETH:

WHEREAS, the LCRA and Purchaser entered into a certain Water Sale Contract No. 3895658, dated September 25, 2008, pursuant to which Purchaser was granted the right to divert up to a maximum of 1,680 acre-feet of raw water per annum from Lakes Austin and Travis in Travis County, Texas; and

WHEREAS, the term of the above-mentioned contract expires on September 25, 2048; and

WHEREAS, it has become desirable to amend said contract to add service area on a temporary basis to include the Lake Travis Independent School District property located on Bee Creek Road; and

NOW THEREFORE, in mutual consideration of the premises and provisions hereinafter contained, LCRA and Purchaser agree to amend said contract as follows:

Paragraph I.E. is hereby amended and shall read as follows:

SERVICE AREA. Water made available under this contract shall only be used within that certain area consisting of a total of 1,797.139 acres, as described in Exhibit "B" attached hereto and depicted in Exhibit "C," attached hereto, together hereinafter called the "Service Area." Furthermore, during the period from June 1, 2013 to May 31, 2016 the Service Area shall also include that certain area consisting of 32.466 acres as described and depicted in Exhibit C-1, attached hereto.

Exhibit C-1, which is attached to this amendment, is hereby incorporated into the contract.

All sections of Contract No. 3895658 not amended hereby shall remain in full force and effect.

LOWER COLORADO RIVER AUTHORITY

By: Ross Phillips
Ross Phillips
Deputy General Manager

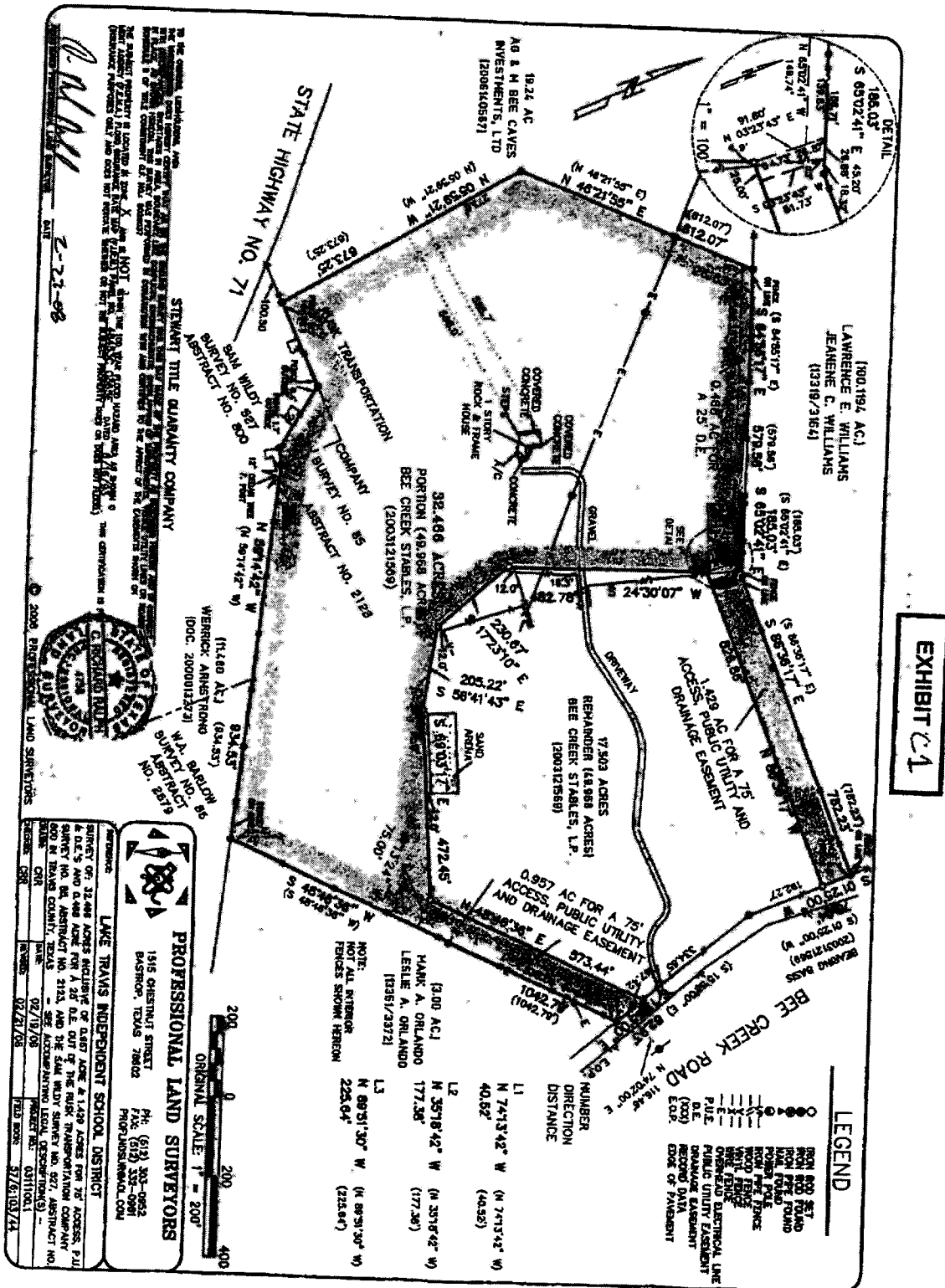


Date: 6/3/13

TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12

By: Dan Robertson
Printed Name: Dan Robertson
Title: President, Board of Directors

Date: 5/22/2013



2nd AMENDMENT TO WATER SALE CONTRACT NO. 3895658

This agreement is made by and between the Lower Colorado River Authority, hereinafter called "LCRA," and Travis County Municipal Utility District No. 12 hereinafter called "Purchaser," to be effective on the date of execution by LCRA, to wit:

WITNESSETH:

WHEREAS, the LCRA and Purchaser entered into a certain Water Sale Contract No. 3895658, dated September 25, 2008, pursuant to which Purchaser was granted the right to divert up to a maximum of 1,680 acre-feet of raw water per annum from Lakes Austin and Travis in Travis County, Texas; and

WHEREAS, the term of the above-mentioned contract expires on September 25, 2048; and

WHEREAS, it had become desirable to amend said contract to add service area on a temporary basis to include the Lake Travis Independent School District property located on Bee Creek Road; and

WHEREAS, it has become desirable to amend said contract to add service area on a permanent basis to include the Lake Travis Independent School District property located on Bee Creek Road; and

NOW THEREFORE, in mutual consideration of the premises and provisions hereinafter contained, LCRA and Purchaser agree to amend said contract as follows:

Paragraph I.E. is hereby amended and shall read as follows:

SERVICE AREA. Water made available under this contract shall only be used within that certain area consisting of a total of 1,797.139 acres, as described in Exhibit "B" attached hereto and depicted in Exhibit "C," attached hereto, and that certain area consisting of 32.466 acres as described and depicted in Exhibit C-1, attached hereto, together hereinafter called the "Service Area."

Exhibit C-1, which is attached to this amendment, is hereby incorporated into the contract.

All sections of Contract No. 3895658 not amended hereby shall remain in full force and effect.

LOWER COLORADO RIVER AUTHORITY

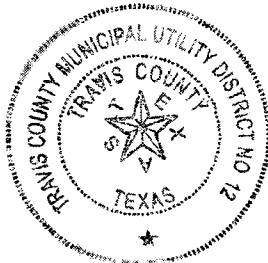
By:

Karen Bondy
Karen Bondy, P.E.
Executive Manager, Water Resources



Date:

9/14/13



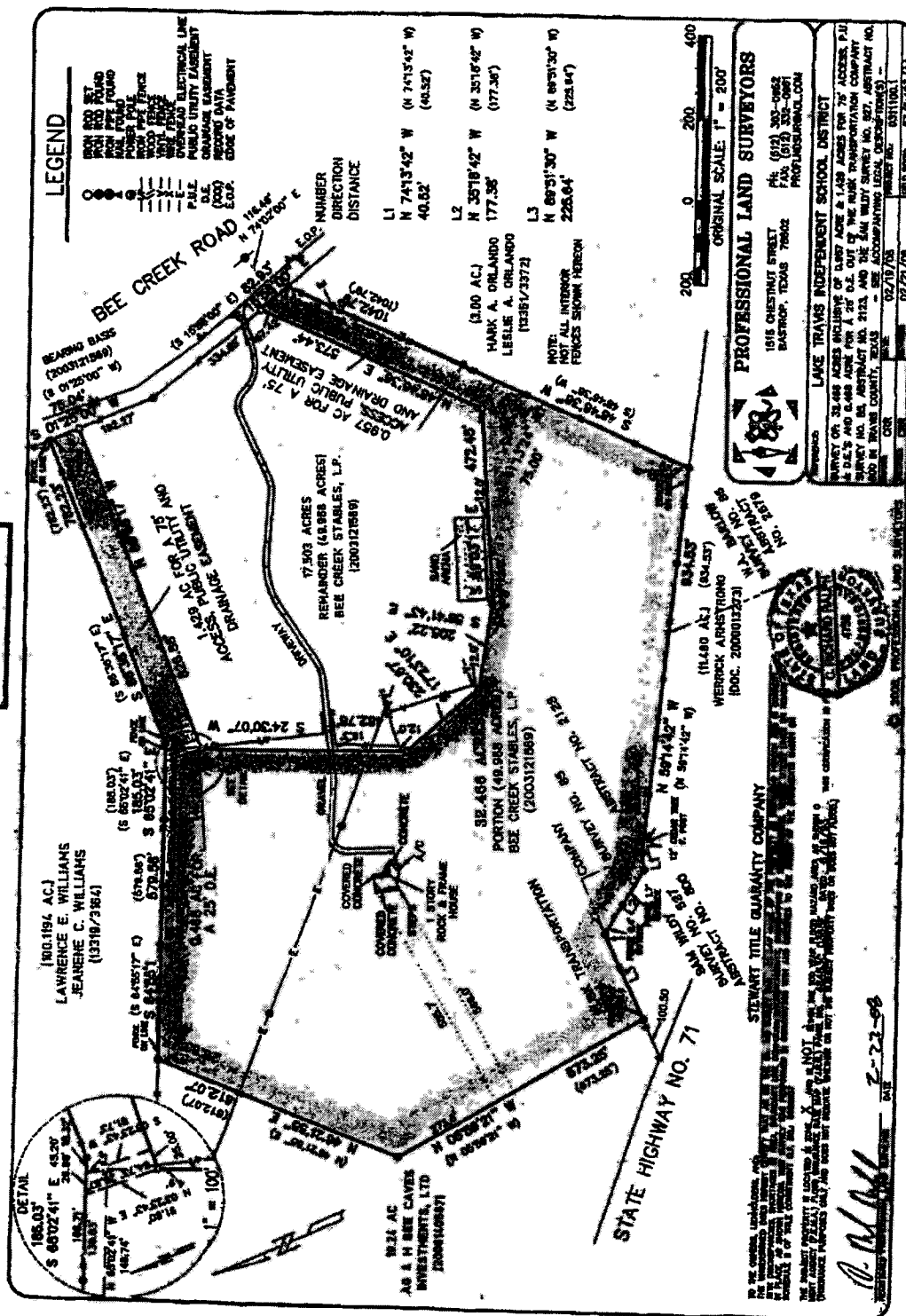
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12

By:

Dan Robertson
Dan Robertson
President, Board of Directors

Date:

August 27, 2013



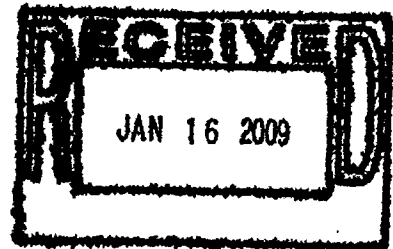
Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.C., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 12, 2009



Anissa Menefee, Raw Water Contract Administrator
Lower Colorado River Authority
P.O. Box 200
Austin, Texas 78767-0220

Re: Filing of Water Supply Contract, TCEQ No. 12398
LCRA No. 3895658, (Travis County Municipal Utility District No. 12)

Dear Ms. Menefee:

The Water Supply Contract between the Lower Colorado River Authority and the Travis County Municipal Utility District No. 12 has been accepted for filing. The Agreement meets the filing requirements of 30 Texas Administrative Code (TAC) §295.101 and §297 Sub-Chapter J.

Also, for correspondence and reporting purposes this contract is being identified as Water Supply Contract TCEQ No. 12398.

Term: 40 years, beginning September 25, 2008 and ending September 25, 2048
Use: Municipal, 1,680 acre-feet per year
Source: Lake Buchanan and/or Lake Travis
Supplier: Lower Colorado River Authority
Supplier's Water Right: Certificate Nos. 14-5478 & 14-5482

We note that the Water Supply Contract between LCRA and Travis County Municipal Utility District No. 11, LCRA Contract No. 90269, TCEQ No. 2484, has been cancelled.

If you have any questions or comments, you may contact me at (512) 239-2274 or by e-mail at mgill@tceq.state.tx.us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Michael Gill".

Michael Gill - Project Manager
Water Rights Permitting Team
Water Supply Division - Mail Code 160

cc: Travis County Municipal Utility District No. 12
100 Congress Avenue, Suite 1300
Austin, TX 78701

**WHOLESALE WATER SERVICES AGREEMENT
BETWEEN
LOWER COLORADO RIVER AUTHORITY
AND
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12**

This WHOLESALE WATER SERVICES AGREEMENT (this "Agreement") is made and entered into by and between LOWER COLORADO RIVER AUTHORITY, a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution and a political subdivision of the State of Texas ("LCRA") and TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12, a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code ("District No. 12").

RECITALS

1. LCRA owns and operates the West Travis County Regional Water System consisting of a raw water intake and pumping system, a water treatment plant near Bee Cave, Texas, treated water storage facilities and treated water transmission and distribution facilities which have been designed to serve the needs of its customers in western Travis County (collectively, the "LCRA System").
2. LCRA and District No. 12 entered into a Water Sale Contract on or about September 25, 2008 (the "Raw Water Contract"), under which LCRA will provide District No. 12 with raw water from the Colorado River for use by District No. 12, Travis County Municipal Utility District No. 11 ("District No. 11") and Travis County Municipal Utility District No. 13 ("District No. 13") for municipal purposes. In this Agreement, District No. 11, District No. 12 and District No. 13 are sometimes individually referred to as a "District" and collectively referred to as the "Districts".
3. The Districts are currently negotiating an agreement between themselves (the "District Shared Facility Agreement") under which District No. 12 will manage certain water and wastewater facilities and services that will be shared by the Districts, including the wholesale water services to be provided by LCRA under this Agreement.
4. District No. 12 desires to obtain wholesale services for the treatment of raw water and delivery of potable water to District No. 12, on behalf of the Districts, from the LCRA System, and LCRA desires to provide such services to District No. 12, on behalf of the Districts.
5. The Districts will be responsible for construction of all improvements necessary to deliver the potable water provided by LCRA under this Agreement from the Delivery Point, as defined below, to the Districts' utility systems and to supply potable water service to the Districts' respective customers within the District Service Area, as defined below.

**WHOLESALE WATER SERVICES AGREEMENT
BETWEEN
LOWER COLORADO RIVER AUTHORITY
AND
TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12**

This WHOLESALE WATER SERVICES AGREEMENT (this "Agreement") is made and entered into by and between LOWER COLORADO RIVER AUTHORITY, a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution and a political subdivision of the State of Texas ("LCRA") and TRAVIS COUNTY MUNICIPAL UTILITY DISTRICT NO. 12, a conservation and reclamation district created and functioning under Article 16, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code ("District No. 12").

RECITALS

1. LCRA owns and operates the West Travis County Regional Water System consisting of a raw water intake and pumping system, a water treatment plant near Bee Cave, Texas, treated water storage facilities and treated water transmission and distribution facilities which have been designed to serve the needs of its customers in western Travis County (collectively, the "LCRA System").
2. LCRA and District No. 12 entered into a Water Sale Contract on or about September 25, 2008 (the "Raw Water Contract"), under which LCRA will provide District No. 12 with raw water from the Colorado River for use by District No. 12, Travis County Municipal Utility District No. 11 ("District No. 11") and Travis County Municipal Utility District No. 13 ("District No. 13") for municipal purposes. In this Agreement, District No. 11, District No. 12 and District No. 13 are sometimes individually referred to as a "District" and collectively referred to as the "Districts".
3. The Districts are currently negotiating an agreement between themselves (the "District Shared Facility Agreement") under which District No. 12 will manage certain water and wastewater facilities and services that will be shared by the Districts, including the wholesale water services to be provided by LCRA under this Agreement.
4. District No. 12 desires to obtain wholesale services for the treatment of raw water and delivery of potable water to District No. 12, on behalf of the Districts, from the LCRA System, and LCRA desires to provide such services to District No. 12, on behalf of the Districts.
5. The Districts will be responsible for construction of all improvements necessary to deliver the potable water provided by LCRA under this Agreement from the Delivery Point, as defined below, to the Districts' utility systems and to supply potable water service to the Districts' respective customers within the District Service Area, as defined below.

6. Subject to District No. 12's compliance with the provisions of this Agreement, and to the extent indicated, LCRA represents that the LCRA System will be capable of providing Wholesale Water Services, as defined below, to District No. 12 on behalf of the Districts, and LCRA agrees to expand and improve the LCRA System as necessary in order to provide adequate Wholesale Water Services to District No. 12, on behalf of the Districts, under this Agreement and to the other customers of the LCRA System under other agreements, with all costs of the LCRA System (the "Costs of the LCRA System"), as more fully defined below, to be recovered in a fair and equitable manner through the rates and charges of LCRA to the customers of the LCRA System.
7. LCRA and District No. 12 now wish to execute this Agreement to evidence the agreement of LCRA to provide Wholesale Water Services to District No. 12 on behalf of the Districts under the conditions described in this Agreement.

AGREEMENTS

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, LCRA and District No. 12 agree as follows:

ARTICLE I DEFINITIONS

Section 1.01. Definitions of Terms. As used in this Agreement, except as otherwise provided, the following terms have the meanings ascribed in this section.

"Agreement" means this agreement.

"AWWA" means the American Water Works Association.

"Connection Fee" means the charge described in Section 4.01.a. of this Agreement.

"Costs of the LCRA System" means all of LCRA's reasonable and necessary costs of acquiring, constructing, developing, permitting, implementing, expanding, improving, enlarging, bettering, extending, replacing, repairing, maintaining and operating the LCRA System, including, without limiting the generality of the foregoing, the costs of reasonable water losses within the LCRA System as well as the costs of property, interests in property, capitalized interest, land, easements and rights-of-way, damages to land and property, leases, facilities, equipment, machinery, pumps, pipes, tanks, valves, fittings, mechanical devices, office equipment, assets, contract rights, wages and salaries, employee benefits, chemicals, stores, material, supplies, power, supervision, engineering, testing, auditing, franchises, charges, assessments, claims, insurance, engineering, financing, consultants, administrative expenses, auditing expenses, legal expenses and other similar or dissimilar expenses and costs required for the LCRA System. The Costs of the LCRA System shall include reasonable amounts for an operation and maintenance reserve fund, debt service reserve fund, required coverage of debt service, working capital and appropriate general and administrative costs. The foregoing notwithstanding, because LCRA is providing Wholesale Water Services to District No. 12 under this Agreement and retail potable water service to other customers from the LCRA System, the term "Costs of the LCRA System"

shall not include any costs properly attributable to the provision of retail potable water service by LCRA from the LCRA System, such as costs of retail distribution lines and related valves, pressure reducing devices, pressure boosting facilities, and improvements; retail meters and taps; individual retail customer service lines; water losses within LCRA's retail service area, costs associated with retail customer service, retail billing and collection costs or any other costs, whether similar or not, that are reasonably related to the distribution of water and provision of water service to LCRA's retail customers. The Costs of the LCRA System will be reduced by any credits, including, but not limited to, proceeds from insurance or recovery of any claims, properly allocable to the LCRA System. Further, LCRA will use diligent efforts to assure that the Costs of the LCRA System to be paid by the customers of the LCRA System, including District No. 12, are at all times reasonable and justified.

"Delivery Point" means the point at which LCRA will deliver treated water to District No. 12 under this Agreement, as depicted on Exhibit A.

"District Service Area" means the Districts' retail service areas as depicted on Exhibit A.

"District Shared Facility Agreement" means the agreement, to be entered into between the Districts, relating to the sharing of certain facilities and services, including the services to be provided by LCRA to District No. 12 under this Agreement.

"District Systems" means the Districts' water distribution and delivery systems that provide service through the Wholesale Water Services provided under this Agreement, including any facilities required to extend service to the District Service Area from District No. 12's side of the Delivery Point. The District Systems do not include the Master Meter or any facilities on LCRA's side of the Delivery Point.

"Districts" means Travis County Municipal Utility District No. 11, District No. 12 and District No. 13.

"Effective Date" means the date (i) this Agreement has been executed by both District No. 12 and LCRA, (ii) LCRA has accepted the Highlands master meter and the 16-inch water line between LCRA's Highway 71 water line and the Highlands master meter and (iii) LCRA has provided a copy of its acceptance letter for the Highlands master meter and the 16-inch water line to District No. 12.

"Elevated Water Storage Tank" means the elevated water storage tank that will be constructed by or on behalf of LCRA outside of the District Service Area in a location along LCRA's Highway 71 water line, which tank will include a minimum capacity of one million gallons, will be owned by LCRA and become part of the LCRA System.

"Emergency" means a sudden unexpected happening; an unforeseen occurrence or condition; exigency; pressing necessity; or a relatively permanent condition or insufficiency of service or of facilities resulting from causes outside of the reasonable control of LCRA. The term includes Force Majeure and acts of third parties that cause the LCRA System to be unable to provide the Wholesale Water Services agreed to be provided herein.

"Force Majeure" means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of any governmental entity other than LCRA or any civil or

military authority, acts, orders or delays of any regulatory authorities with jurisdiction over the parties, insurrections, riots, acts of terrorism, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or any other conditions which are not within the control of a party.

"Improvements" means the installation of the tap and Master Meter at the Delivery Point, and any valves and pressure reducing devices required for District No. 12 to connect to and receive service from the LCRA System, but does not include any facilities on LCRA's side of the Delivery Point and does not include any facilities comprising the District Systems.

"LCRA" means Lower Colorado River Authority.

"LCRA Rate Schedule" means the West Travis County Regional System Schedule for Rates, Fees, Charges and Terms and Conditions of Retail Treated Water and Wastewater Service, as amended by the LCRA Board of Directors from time to time, as applicable to District No. 12 under the express provisions of this Agreement.

"LCRA Service Area" means the service area for the LCRA System, as depicted in Exhibit B, together with such other service areas contiguous thereto as may be added by LCRA in the future.

"LCRA System" means the facilities owned and operated by LCRA, as described in Recital No. 1 above, together with all extensions, expansions, improvements, enlargements, betterments and replacements to provide water or Wholesale Water Services to LCRA's customers in the LCRA Service Area. The LCRA System does not include any improvements on District No. 12's side of the Delivery Point or any facilities on any other wholesale customer's side of its delivery point and, for purposes of this Agreement, does not include any facilities used by LCRA solely to provide retail potable water service, such as costs of retail distribution lines and related valves, pressure reducing devices, pressure boosting facilities and improvements; retail meters and taps and individual retail customer service lines.

"LCRA Water Conservation and Drought Plan" means, collectively, the LCRA Water Conservation Plan and the LCRA Water Utilities Drought Contingency Plan as both were adopted in 2009 and as may be amended.

"LUE" means an amount of Wholesale Water Services sufficient for one living unit equivalent based on meter size, as defined from time to time in the LCRA Rate Schedule.

"Master Meter" means the master meter that shall be installed by District No. 12 at the Delivery Point as described in Section 2.01.

"Monthly Charge" means the charge described in Section 4.01.d. of this Agreement.

"Raw Water Contract" means the Water Sale Contract entered on or about September 25, 2008, between LCRA and District No. 12, as it may be amended, superseded or supplemented.

"TCEQ" means the Texas Commission on Environmental Quality or its successor agency.

"Volume Rate" means the charge described in Section 4.01.e. of this Agreement.

"Wholesale Water Services" means the diversion of raw water from the Colorado River, the transmission of the raw water to a place or places of treatment, the treatment of the water into potable form and the transmission of the potable water to the Delivery Point.

Section 1.02. Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement.

Section 1.03. Wholesale Water Services. LCRA agrees to provide Wholesale Water Services to District No. 12 for up to 2,125 LUEs in accordance with the flow limitations and other provisions of this Agreement all as hereafter specified. District No. 12 will be responsible for providing service to the Districts, and the Districts will be responsible for providing retail service within the District Service Area.

ARTICLE II

METERING; ESTIMATING WATER DELIVERIES

Section 2.01. Master Meter. District No. 12 shall install the Master Meter at or near the Delivery Point. The design, location and installation of the Master Meter is subject to prior review and approval by LCRA, which approval shall not be unreasonably withheld or delayed. LCRA acknowledges that timely review and approval of the plans for the Master Meter are necessary in order for District No. 12 to begin providing service as contemplated by this Agreement. Accordingly, LCRA agrees to review the plans and either approve them or provide written comments specifically identifying any required changes within ten working days of receipt of the plans. If LCRA fails to either approve the submitted plans or provide the required written comments within this ten-day period, the plans will be deemed approved. After completion of installation of the Master Meter, District No. 12 shall dedicate and convey the Master Meter (together with associated easements, rights-of-way, permits, licenses or appurtenances) to LCRA free and clear of any liens, claims and encumbrances and execute an appropriate document in form and substance reasonably acceptable to LCRA evidencing the dedication and conveyance. Thereafter, the Master Meter will be part of the LCRA System and LCRA will repair, maintain and replace the Master Meter.

Section 2.02. Master Meter Accuracy; Calibration.

- a. The Master Meter may be calibrated at any reasonable time by either party to this Agreement, provided that the party making the calibration notifies the other party in writing at least five days in advance and allows the other party to witness the calibration. Further, the Master Meter shall be tested for accuracy by, and at the expense of, LCRA, at least once each calendar year, at intervals of approximately 12 months, and a report of such test shall be furnished to District No. 12. In the event any question arises at any time as to the accuracy of the Master Meter, then the Master Meter shall be tested by LCRA promptly upon demand of District No. 12. The expense of such test shall be borne by District No. 12 if the Master Meter is found to be within AWWA standards of accuracy for the type and size of meter and by LCRA if the Master Meter is found to not be within AWWA standards for the type and size of meter.

- b. If, as a result of any test, the Master Meter is found to be registering inaccurately (in excess AWWA standards for the type and size of meter), the readings of the Master Meter shall be corrected at the rate of their inaccuracy for any period which is definitely known or agreed upon and LCRA shall pay for the testing or, if no such period is known or agreed upon, the shorter of:

- (1) a period extending back either 60 days from the date of demand for the test or, if no demand for the test was made, 60 days from the date of the test; or
- (2) a period extending back one-half of the time elapsed since the last previous test;

and the records of the readings, and all payments which have been made on the basis of such readings, shall be adjusted accordingly.

ARTICLE III
CONDITIONS REGARDING PROVISION OF WHOLESALE WATER SERVICES

Section 3.01. Diversion of Water; Primary Source.

- a. LCRA agrees to provide Wholesale Water Services to District No. 12 on behalf of the Districts for raw water purchased from LCRA pursuant to the Raw Water Contract in accordance with the terms provided in this Agreement.
- b. The Raw Water Contract currently provides for the reservation and/or purchase of 1,680 acre-feet per year of raw water. It shall be District No. 12's sole responsibility to secure any amendments to the Raw Water Contract necessary in order for District No. 12 to purchase any additional raw water required for full development of the District Service Area. Water made available under the Raw Water Contract and provided through the Wholesale Water Services provided by LCRA pursuant to this Agreement will be used by the Districts in order to provide potable water service within the District Service Area prior to the use of potable water obtained from any other source.
- c. District No. 12 acknowledges that it is solely responsible for securing, maintaining and increasing its right to divert and use water under the Raw Water Contract and for complying with all the terms and conditions of the Raw Water Contract. District No. 12 shall make all payments under the Raw Water Contract directly to LCRA. LCRA shall never be liable for any amount payable by District No. 12 under the Raw Water Contract, and all such payment obligations shall remain exclusively with District No. 12 unless assigned by District No. 12 pursuant to the provisions of the Raw Water Contract. It is specifically agreed, however, that LCRA shall divert, treat and transport the water made available under the Raw Water Contract to District No. 12 in accordance with the terms and conditions of this Agreement.
- d. LCRA, by entering into this Agreement with District No. 12, does not confer upon District No. 12, and District No. 12, as a result of this Agreement, shall never have or claim, any interest in raw water owned or controlled by LCRA except to the extent of

District No. 12's rights under the Raw Water Contract. In no event will LCRA be obligated pursuant to this Agreement to divert or supply (1) any water in excess of the specific amount stated in, or in violation of any of the provisions of, the Raw Water Contract, or (2) any water LCRA is otherwise entitled to divert or use.

- e. This Agreement in no way modifies or amends the Raw Water Contract, nor the obligations and rights contained therein except with regard to LCRA's ownership, maintenance, repair and replacement, as necessary, of the Master Meter.

Section 3.02. Title to and Responsibility for Water; Delivery Point(s).

- a. Title to the water diverted, treated and transported to District No. 12 by LCRA under this Agreement shall remain with District No. 12 at all times, even when that water is commingled with water belonging to other customers of the LCRA System, but District No. 12 shall have no right of control or dominion over its water until it reaches the Delivery Point.
- b. Water delivered by LCRA shall be delivered at the Delivery Point and at no other points. District No. 12 shall be solely responsible for conveying water from the Delivery Point to the Districts' intended places of use. At its cost and expense, District No. 12 may change the Delivery Point from time to time following prior written notice to and approval by LCRA. The parties may agree to additional Delivery Points in the future.

Section 3.03. Quantity and Pressure.

- a. Subject to the terms of this Agreement, upon completion of construction of the Improvements in a manner approved in advance by LCRA, which approval shall not unreasonably be withheld, conditioned or delayed, LCRA agrees to divert, transport and treat for District No. 12 all water needed and requested by District No. 12 for the District Service Area, up to, but not in excess of (i) a peak hourly flow rate of 414,000 gallons per hour and a maximum daily flow rate of 3,980,000 gallons per day (which is presumed for this Agreement to be sufficient for up to 2,125 LUEs), or (ii) such lesser amount as LCRA may be able to supply in the event of an Emergency. LCRA reserves the right to require District No. 12, at its expense, to install flow restriction devices at such locations as LCRA may reasonably specify if necessary in order to restrict the flow of water to District No. 12 to the specified levels. LCRA acknowledges that timely review and approval of the plans for the Improvements are necessary in order for District No. 12 to begin receiving Wholesale Water Services as contemplated by this Agreement. Accordingly, LCRA agrees to review the plans for the Improvements and either approve them or provide written comments specifically identifying any required changes within ten working days of receipt of the plans. If LCRA fails to either approve the submitted plans or provide the required written comments within this ten-day period, the plans will be deemed approved.
- b. LCRA shall provide water at the Delivery Point from the pressure plane maintained by LCRA at 1280 feet above mean sea level under non-Emergency operating conditions. In addition, LCRA agrees that following construction of the Elevated Storage Tank, LCRA

shall maintain water levels in the Elevated Storage Tank at a minimum of 1250 feet above mean sea level under non-Emergency operating conditions.

- c. If the demands of District No. 12 for Wholesale Water Services ever exceed the amount specified in this Agreement, then District No. 12 shall notify LCRA of such shortage and the amount of additional potable water needed. If LCRA is unable to provide the additional water required by District No. 12, District No. 12, at its option, may acquire water from other sources. Further, if at any time LCRA is unable to provide the amount of Wholesale Water Services required by this Agreement, then LCRA will be in default and District No. 12, at its option, may acquire water from other sources, subject to the default provisions of this Agreement, provided that District No. 12 has adopted and is enforcing the conservation plan and drought contingency plan required by Section 6.02.
- d. Provided that District No. 12 is not in default under this Agreement, District No. 12 may purchase additional Wholesale Water Services from LCRA from the LCRA System on the same terms and conditions as any other similarly situated customer of LCRA to the extent that: (i) District No. 12 obtains any additional raw water required from LCRA through an amendment or supplement to the Raw Water Contract; and (ii) LCRA has additional Wholesale Water Services available within the LCRA System.
- e. LCRA acknowledges that District No. 12 has provided LCRA with a water model for the District Service Area dated October 8, 2007 prepared by Carlson, Brigrance & Doerring based on data provided by LCRA. LCRA confirms its review and approval of District No. 12's water model and that, based on the water model, no water storage other than the Elevated Water Storage Tank and no pressurization will be necessary for the Wholesale Water Services.
- f. District No. 12 acknowledges that the provision of Wholesale Water Services is subject to the availability of raw water in accordance with the Raw Water Contract and the capability of the LCRA System to divert, treat and transport such water to the Delivery Point, provided, however, LCRA shall use diligent, good faith efforts to ensure that the LCRA System is capable at all times of carrying out LCRA's obligations under this Agreement, it being acknowledged that District No. 12 is relying on LCRA's expertise and ability to provide raw water under the Raw Water Contract and Wholesale Water Services in entering into this Agreement and agreeing to pay the sums specified in this Agreement. Furthermore, District No. 12 acknowledges that the Wholesale Water Services provided under this Agreement are subject to the LCRA Water Conservation and Drought Plan and the quantity of water delivered may be curtailed pursuant to the LCRA Water Conservation and Drought Plan, as provided in Section 6.02 of this Agreement.

Section 3.04. Quality of Water Delivered to District No. 12. The water delivered by LCRA at the Delivery Point shall be potable water of a quality conforming to the requirements of any applicable federal or state laws, rules, regulations or orders, including requirements of the TCEQ applicable to water provided for human consumption and other domestic use. Each party agrees to provide to the other party, in a timely manner, any information or data regarding this Agreement or the quality of treated water provided through this Agreement as required for reporting to the TCEQ or other state and federal regulatory agencies.

Section 3.05. Maintenance and Operation; Future Construction. LCRA shall be responsible for operating, maintaining, repairing, replacing, extending, improving and enlarging the LCRA System, including the Master Meter, in good working condition and shall promptly repair any leaks or breaks in the LCRA System. District No. 12 shall be responsible for operating, maintaining, repairing, replacing, extending, improving and enlarging the District Systems in good working condition and shall promptly repair any leaks or breaks in the District Systems.

Section 3.06. Rights and Responsibilities in Event of Leaks or Breaks.

- a. District No. 12 shall be responsible for paying for all water delivered to it under this Agreement at the Delivery Point even if such water passed through the Delivery Point as a result of leaks or breaks in the District Systems. In the event a leak, break, rupture or other defect occurs within the District Systems that could either endanger or contaminate the LCRA System or prejudice LCRA's ability to provide water service to its other customers, LCRA, after providing reasonable notice to District No. 12 and an opportunity for consultation, shall have the right to take reasonable, appropriate action to protect the public health or welfare of the LCRA System or the water systems of LCRA's customers including, without limitation, the right to restrict, valve off or discontinue service to District No. 12 until such leak, break, rupture or other defect has been repaired.
- b. District No. 12 further understands that LCRA delivers water at other points to other customers and has rights under its contracts with those customers that are similar to its rights under Section 3.06.a. of this Agreement. Nothing in this Agreement shall be construed as impairing any of LCRA's rights under its contracts with other customers. LCRA may exercise any of said rights, including those rights similar to its rights under Section 3.06.a. of this Agreement.

ARTICLE IV CHARGES, BILLING AND FINANCIAL MATTERS

Section 4.01. Connection Fees and Minimum Payments; Rates.

- a. District No. 12 shall be obligated to pay LCRA a connection fee per LUE (the "Connection Fee") for each new retail water customer that connects to the District Systems and receives water provided under this Agreement. The Connection Fee is currently \$4,120 per LUE. For the term of this Agreement, the Connection Fee will be the amount established from time to time in the LCRA Rate Schedule for the rate district in which the District Service Area is located, provided that (i) no increase in the Connection Fee will become effective until the LCRA has given at least 60 days' prior written notice of the change to District No. 12, in order to allow the Districts adequate time to make corresponding changes to their rate orders, and (ii) any increase in the Connection Fee shall not apply to subdivisions within the District Service Area for which a final subdivision plat has been approved by the City of Lakeway City Council prior to effective date of the Connection Fee amendment. All approved final plats will be filed with LCRA as provided in Section 4.04. The Connection Fee paid for each new retail water connection to the District Systems shall be due and payable to LCRA within 45 days after the end of the calendar month in which the new retail water connection is made. The foregoing notwithstanding, (i) within 15 days of the Effective Date of this