

- Third Amendment to Utility Facilities Construction and Water Services Agreement between LCRA and KD Rocky Creek, L.P.; dated Dec. 4, 2007; CAS ID: 5994
- Assignment of Rights between KD Rocky Creek, L.P. and RC Travis, L.P., dated Aug. 27, 2010; CAS ID 5994
- Consent and Estoppel Certificate between KD Rocky Creek, L.P. and RC Travis, L.P., dated Aug. 27, 2010; CAS ID 5994
- Water Facilities Lease and Services Agreement with RC Travis, L.P., and Travis County MUD 16 re Rocky Creek; CAS ID 17345

Utility Facilities Construction and Water Services Agreement between LCRA and William L. Formby, dated Dec. 7, 2004; CAS ID: 125

- Assignment of Contract from William Formby to Hamilton Bee Cave, L.P., dated March 30, 2005; CAS ID 125
- First Amendment to Utility Facilities Construction and Water Services Agreement, dated March, 30, 2005; CAS ID: 125
- Second Amendment to Utility Facilities Construction and Water Services Agreement, dated Nov. 16, 2005; CAS ID 125
- Third Amendment to Utility Facilities Construction and Water Services Agreement, dated Nov. 16, 2005; CAS ID: 125

Water Facilities Lease and Services Agreement between LCRA, Belvedere MUD, and Hamilton Bee Cave, LP, dated Jul. 18, 2006; CAS ID: 42

Cost Sharing and Reimbursement Agreement for Phase II of the Sawyer Ranch Road Pipeline between LCRA, Pulte Homes of Texas, L.P., Rock Creek Holdings (assigned to N-Hays Investors), LSM Ranch Ltd., SGL Investments Ltd. (assigned to WFCRW, LLC), Hays Reunion Ranch LP, and Greenhawe WCID No. 2, dated Jan. 5, 2005; CAS ID: 4739

Agreement for Construction and Conveyance of, and Reimbursement for Phases One and Three of Sawyer Ranch/Darden Hill Water Line between LCRA, Rock Creek Holdings (N-Hays Investors), LSM Ranch Ltd., SGL Investments Ltd., Hays Reunion Ranch LP, and Greenhawe WCID No. 2, dated May 4, 2005; CAS ID: 6600

- Assignment by SGL Investments Ltd. to WFCRW, LLC, dated Dec. 12, 2005; CAS ID 6600
- Assignment by WFCRW, LLC to Wilson Family Communities, Inc., dated April 8, 2009

Wholesale Wastewater Service Agreement between LCRA and Travis County WCID No. 17, dated May 17, 2007; CAS ID: 6134

Utility Facilities Acquisition Agreement between LCRA and Bee Cave Road Associates, a California limited partnership, dated January 28, 2000; CAS ID 7430

Treated Effluent Disposal Easement granted by Falconhead West, L.P., and recorded as Instrument no. 2006238213 in the Official Public Records of Travis County, Texas.

First Revised and Amended Water Services Agreement between the Uplands Company (LCRA as successor) and Barton Creek West Water Supply Corporation, dated June 11, 2003; CAS ID: 21

Agreement Concerning Emergency Water Interconnect between LCRA, Barton Creek West WSC, and Travis County MUD No. 4, dated Feb. 11, 1997; CAS ID: 453

Agreement Concerning Emergency Water Interconnect between LCRA and Travis County Water Control and Improvement District No. 20, dated May 2003; CAS ID 269

Delivery Agreement between LCRA and West Travis County MUD No. 3, dated Sept. 30, 2009; CAS ID: 16629

Agreement Regarding Provision of Water and Wastewater Service between LCRA and Hays County, Texas, dated Sept. 5, 2000; CAS ID: 473

Wholesale Water Services Agreement between LCRA and Deer Creek Ranch, LLC dated Sept. 7, 2006; CAS ID: 90

- First Amendment to Wholesale Water Services Agreement between LCRA and Deer Creek Ranch, LLC, dated June 19, 2007; CAS ID: 6043
- Second Amendment to Wholesale Water Services Agreement between LCRA and Deer Creek Ranch, LLC, dated Feb. 6, 2009; CAS ID: 6043
- Consent and Estoppel Agreement between LCRA and Frost National Bank, dated Aug. 24, 2010; CAS ID 90

Utility Facilities Construction and Water Services Agreement between LCRA and BRSJ, Ltd., dated Dec. 7, 2004; CAS ID: 54

- First Amendment to Utility Facilities Construction and Water Services Agreement between LCRA and BRSJ, Ltd., dated Nov. 16, 2005; CAS ID: 54

Utility Facilities Acquisition Agreement between LCRA and Glen Rose Development

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Corporation, dated July 14, 2000; CAS ID: 5790

Utility Facilities Acquisition Agreement between LCRA and Southwest Travis County, Ltd., dated July 14, 2000; CAS ID: 5793

Water Services Agreement between LCRA and Hays Reunion Ranch, LP, dated effective March 31, 2003; CAS ID: 3845

- Assignment from Hays Reunion Ranch, L.P. to Reunion Ranch WCID, dated Aug. 28, 2006; CAS ID 3845

Cost Sharing and Reimbursement for Phase IV of the Sawyer Ranch Road Pipeline between LCRA and Hays Reunion Ranch, LP, dated Dec. 14, 2006; CAS ID: 13

Agreement for Interim Water Service between LCRA, 6D Ranch, Ltd., and City of Austin, dated November 26, 2001; CAS ID 18

Utility Facilities Construction and Water Services Agreement between LCRA and Lee F. and Beth Ann Signor, dated Dec. 4, 2004; CAS ID: 6050
HDC Utility Facilities Construction Conveyance Agreement dated 2008 with HDC, Inc.; CAS ID 12906

Utility Facilities Construction & Convey Agreement dated 2007 with Bryan Joseph Jamail re Cedar Ridge Estates; CAS ID 4727

Utility Facilities Construction & Conveyance Agreement dated 2008 with Kratzer Family Trust; CAS ID 15827

Utility Facilities Acquisition Conveyance Agreement dated 2008 with Summit Austin 56, Ltd.; CAS ID 14011

Utility Facilities Acquisition Conveyance Agreement dated 2009 with Texas Research International, Inc.; CAS ID 16196

Utility Facilities Acquisition Conveyance Agreement dated 2008 with Village at Kirby Springs, L.P.; CAS ID 12908

Utility Facilities Acquisition Conveyance Agreement dated 2008 with The Westbank Community Library District; CAS ID 15829

Utility Facilities Acquisition Conveyance Agreement dated 2008 with Mitchell Wong, M.D., and Rose T. Wong; CAS ID 15378

Utility Facilities Acquisition Conveyance Agreement dated 2008 with AT&T Services, Inc.; CAS ID 16123

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Utility Facilities Acquisition Conveyance Agreement dated April 29, 2009, with CCNG Real Estate Investors, II, L.P.; CAS ID 16190

License Agreement Between LCRA and Village of Bear Creek, Texas, dated July 20, 2009; CAS ID 16513

Restated and Amended Agreement for Use of Public Places for Construction of Water Supply System with City of Bee Cave; CAS ID 39

Restated and Amended Wastewater Service Agreement with City of Bee Cave; CAS ID 38

Wastewater Easement and Right-of-Way granted on April 30, 2002, from CCNG Development Co., L.P., and recorded as Instrument No. 2002128786 in the Official Public Records of Travis County, Texas.

Wastewater Easement and Right-of-Way granted on July 6, 2001, from CCNG Properties, L.P., and recorded as Instrument No. 2001133001 in the Official Public Records of Travis County, Texas.

Wastewater Easement and Right-of-Way granted on November 3, 2000, from CCNG Development Co., L.P., and recorded as Instrument No. 2000178157 in the Official Public Records of Travis County, Texas.

Wastewater Easement and Right-of-Way granted on November 3, 2000, from CCNG Development Co., L.P., and recorded as Instrument No. 2000178156 in the Official Public Records of Travis County, Texas.

Water and Wastewater Easement and Right-of-Way granted on November 8, 2000, from Daniel B. Porter and recorded as Instrument No. 2001005609 in the Official Public Records of Travis County, Texas.

Water and Wastewater Easement and Right-of-Way granted on November 8, 2000, from CCNG Development Co., L.P., and recorded as Instrument No. 2001005608 in the Official Public Records of Travis County, Texas.

Water Intake Easement and Right of Way granted on December 23, 2008, from City of Austin, Texas, and recorded as Instrument No. 2008203086 in the Official Public Records of Travis County, Texas.

Easement granted by GTE Mobilnet of Austin, LLC, on November 10, 2000, and recorded as Instrument No. 2000185922 in the Official Public Records of Travis County, Texas.

Emergency Water Interconnect Agreement between LCRA and Travis County WCID No. 17, dated June 18, 2009

EXHIBIT A

ASSETS

SCHEDULE 5—REQUIRED APPROVALS

EXHIBIT A

ASSETS

SCHEDULE 5—REQUIRED APPROVALS

TCEQ approval of transfer of Certificate of Convenience and Necessity no. 11670 as it pertains to the Assets

TCEQ approval of transfer of TCEQ TLAP Permit No. WQ0013594001 (30 Tex. Admin. Code sec. 305.64) in addition to transfer of any TCEQ effluent disposal authorizations issued under 30 Tex. Admin. Code chap. 210 related to the Assets

United States Environmental Protection Agency approval of Risk Management Plan Facility ID number 1000 0005 7582 or issuance of a new Facility ID number.

City of Austin approval of the following Barton Spring Zone Operating Permits:

<u>Site</u>	<u>CoA I.D. Number</u>
11100 FM 1826	OP-00-0524A2
9409 Morning Hill Drive	OP-00-0524A1
12118 West Hwy. 290	OP-00-0524A3

EXHIBIT B
EXCLUDED ASSETS

EXHIBIT B

EXCLUDED ASSETS

- A. all facilities owned by LCRA other than those Facilities identified on Schedule 1 of Exhibit A;
- B. all Intangible Assets of LCRA that do not relate to the Facilities identified on Schedule 1 of Exhibit A;
- C. all real property interests owned by LCRA other than those identified on Schedule 3 of Exhibit A;
- D. all cash, financial accounts, financial investments and debt of LCRA unless expressly identified in the Intangible Assets described on Schedule 2 of Exhibit A;
- E. any and all benefits and assets held in trust for the benefit of the participants and beneficiaries of LCRA's eligible defined benefit and contribution plans;
- F. all personnel records and other records that LCRA is required by law to retain in its possession or transfer to the Texas State Library; and,
- G. all motor vehicles owned by LCRA unless expressly identified in the Facilities described on Schedule 1 of Exhibit A.

EXHIBIT C
OPERATIONS TO BE TRANSFERRED ON OPERATIONS TRANSFER DATE

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EXHIBIT C
OPERATIONS TO BE TRANSFERRED ON OPERATIONS TRANSFER DATE

Operations to be assumed and provided by Buyer by or on the Operations Transfer Date shall include, but not be limited to:

1. Facility Operation and Maintenance, including, but not limited to:
 - a. Daily operations, inspections and routine, preventative and predictive maintenance for all Assets;
 - b. Payment of costs associated with all utilities (electric, telephone, etc.), outside services, materials and supplies, transportation and vehicle costs, leases, permits, licenses, communication equipment, chemicals, and fees necessary for operation and maintenance of all Assets;
 - c. Repair, rehabilitation, replacement and decommissioning as necessary of all Assets;
 - d. Flushing, leak repair;
 - e. Effluent storage pond monitoring and reporting; and,
 - f. Reading, maintenance, calibration and replacement, as necessary, of all retail and wholesale meters.
2. Customer service activities for all retail and wholesale customers, including, but not limited to:
 - a. Billing and collection;
 - b. Response to customer complaints, inquiries, requests for service;
 - c. New connects, disconnects and service transfers; and,
 - d. Line locates, line extensions and customer service inspections.
3. Regulatory reporting including, but not limited to:
 - a. Monthly operating reports;
 - b. Annual conservation and unaccounted for water reports required by Texas Water Development Board;
 - c. Annual consumer confidence reports, including the 2011 report due to retail customers by July 1, 2012, provided that the Operations Transfer Date has occurred by this date; and,
 - d. Permit monitoring and compliance.
4. System development and contract compliance, including but not limited to:
 - a. Engineering plan review for new developments, line extensions and existing contractual commitments;
 - b. Construction inspection;
 - c. Monitoring for compliance with the Memorandum of Understanding between U.S. Department of the Interior, U.S. Fish and Wildlife Service and LCRA For Providing Surface Water for Residents in Western Travis and Northern Hays Counties; and,
 - d. Collection and payment of all contractually required franchise and/or right-of-way use fees.

EXHIBIT D
CLAIMS AGAINST LCRA AFFECTING ASSETS

EXHIBIT D
CLAIMS AGAINST LCRA AFFECTING ASSETS

Letter from David Armbrust on behalf of CCNG Development Company, L.P., dated December 19, 2011, RE: Request for Reimbursement According to the Facilities Acquisition Agreement ("Agreement") between LCRA and CCNG Development Company, L.P. ("CCNG"), dated November 19, 1999

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EXHIBIT E
DISCLOSURES REGARDING LCRA ASSETS

EXHIBIT E
DISCLOSURES REGARDING LCRA ASSETS

Letter from Donald C. Walden on behalf of Palisades Developers, Ltd., dated September 15, 2011, RE: Utility Facilities Acquisition and Construction Agreement, as amended, by and between Lower Colorado River Authority ("LCRA") and Palisades Developers, Ltd. ("Palisades"), dated effective as of June 7, 2002; Notice of Annual Internal Facilities Reimbursement Obligation

Letter from Stephen W. Gurasich, Jr. on behalf of Southwest Travis County Ltd., dated September 15, 2011, RE: Utility Facilities Acquisition and Construction Agreement, as amended, by and between Lower Colorado River Authority ("LCRA") and Southwest Travis County Ltd. ("SWTC"), dated effective as of July 14, 2000; Notice of Annual Internal Facilities Reimbursement Obligation

Letter from Brad Philp, President, Travis County Municipal Utility District No. 16, dated September 29, 2011, RE: Travis County Municipal Utility District No. 16 – Lower Colorado River Authority

Asset ID 4005108 in the wastewater facilities is listed as 1.0 acres of land associated with the 620 WW Interceptor Project, but search for associated easement is pending.

Easement granted by GTE Mobilnet of Austin, LLC, on November 10, 2000, and recorded as Instrument No. 2000185922 in the Official Public Records of Travis County, Texas.

EXHIBIT F
OPINION LETTER OF LCRA COUNSEL

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January 17, 2012

West Travis County Public Utility Agency
c/o Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Avenue, Suite 1900
Austin, Texas 78701

Re: Utility Installment Purchase Agreement dated January 17, 2012 between Lower Colorado River Authority and West Travis County Public Utility Agency

Ladies and Gentlemen:

In my capacity as General Counsel for the Lower Colorado River Authority ("LCRA"), I am delivering this opinion in connection with the sale of certain water and wastewater utility system assets to the West Travis County Public Utility Agency pursuant to that certain "Utility Installment Purchase Agreement" dated January 17, 2012 entered into by LCRA and Buyer (the "Asset Purchase Agreement").

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Asset Purchase Agreement.

Assumptions and Bases for Opinions and Assurances

For purposes of rendering the opinions set forth herein, I have examined originals or copies, certified or otherwise identified to my satisfaction, of the following (collectively, the "Documents"):

- (a) The Asset Purchase Agreement;
- (b) All creation and organization documents of LCRA as such are in effect as of the date hereof ("LCRA's Organizational Documents"); and
- (c) Such other documents, records, agreements and certificates of LCRA and such other parties as I have deemed necessary or appropriate to render the opinions expressed below.

In basing the opinions and other matters set forth herein on "my knowledge," the words "my knowledge" signify that, in the course of representing LCRA in regard to the Asset Purchase Agreement, I do not have actual knowledge or actual notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which I have relied are not accurate and complete. Except as otherwise stated herein, I have undertaken no independent investigation or certification of such matters.

In rendering the opinions set forth herein, I have assumed, without independent investigation, that (i) all persons other than LCRA have duly and validly executed and delivered each instrument, document, and agreement executed in connection with the Documents to which

January 17, 2012
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such party is a signatory, and each such party's obligations set forth therein are its legal, valid, and binding obligations, enforceable in accordance with the terms thereof; (ii) each person executing any such instrument, document, or agreement other than is duly authorized and has the legal power to do so; (iii) each natural person executing any such instrument, document, or agreement is legally competent to do so; (iv) all representations of fact set forth in the Documents are complete and accurate, insofar as such facts pertain to the subject matter of the opinions rendered hereby; and (v) all documents submitted to us as originals are complete and authentic, all documents submitted to us as certified, conformed or photostatic copies conform to the original documents, all signatures on all documents submitted to us for examination are genuine, and all public records and certificates of public officials are accurate and complete.

I assume, except where I have received written disclosure regarding same, that none of the parties to the Documents (excluding LCRA) is a party to any court or regulatory proceeding relating to or otherwise affecting the Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. I assume that each of the parties to the Documents (excluding LCRA) has full authority to close this transaction in accordance with the terms and provisions of the Documents.

I assume that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, I am of the opinion that:

1. LCRA is existing and in good standing under the laws of the State of Texas.
2. LCRA is a duly created conservation and reclamation district under Article XVI, Section 59 of the Texas Constitution, and has the full legal right, power and authority to execute, deliver and perform its obligations under each of the Documents to which it is a party and has taken all necessary actions to authorize the execution, distribution and delivery by it of such Documents and the performance by it of such obligations.
3. The execution, delivery and performance by LCRA of the Documents to which it is a party, and compliance and performance by LCRA with the terms and provisions thereof and obligations thereunder, will not:
 - (i) to my knowledge, violate or conflict with any provision of any existing law, statute, rule or regulation applicable to LCRA by reason of the general conduct of its business and operation of its assets;

January 17, 2012
Page 3

(ii) based solely upon my knowledge, conflict with or result in the breach of any court decree or order of any governmental body binding upon or affecting LCRA, the conflict with which or breach of which would have a material, adverse effect on the ability of LCRA to perform its obligations under the Documents to which it is a party; or

(iii) contravene or conflict with LCRA's Organizational Documents.

4. To my knowledge, no consent, approval, authorization or other action by, or filing with, any governmental authority is required for the execution and delivery by LCRA of the Documents to which LCRA is a party or the performance of its obligations thereunder except for those "Required Consents" and "Required Approvals" identified in the Documents.

5. LCRA has duly executed and delivered each of the Documents to which it is a party, and each of such Documents constitutes the legal, valid and binding obligation of LCRA, enforceable against LCRA in accordance with its terms, subject to applicable law.

6. To my knowledge after reasonable inquiry, there are no actions, suits or proceedings pending against LCRA in any court of law or equity, or before or by any governmental instrumentality with respect to (i) its organization or existence; (ii) its authority to execute or deliver the Documents to which it is a party; (iii) the validity or enforceability against it of such Documents or the transactions contemplated thereby; (iv) the titles of its officers executing the Documents; or (v) the execution and delivery of the Documents on behalf of LCRA.

7. To my knowledge, and subject to the "Required Consents" and "Required Approvals" identified in the Documents and limited to "Property" (or portions thereof) that relates to "Material Facilities" (as those terms are defined in the Asset Purchase Agreement), the execution and delivery of the Documents do not, and the transactions contemplated thereby may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, or any other agreement to which LCRA is a party or is otherwise subject, which violation, breach or default would materially adversely affect LCRA or the transactions contemplated by the Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of LCRA, except as expressly contemplated by the Documents.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

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(a) I have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.

(b) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and my knowledge of the facts relevant to such opinions on such date. In this regard, I am a member of the Bar of the State of Texas, I do not express any opinion herein as to matters governed by the laws of any other jurisdiction, I do not purport to be expert in any other laws and I can accept no responsibility for the applicability or effect of any such laws. In addition, I assume no obligation to supplement the opinions expressed herein if any applicable laws change after the date hereof.

(c) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.

(d) Notwithstanding anything contained herein to the contrary, I express no opinion whatsoever concerning the status of title to any real or personal property.

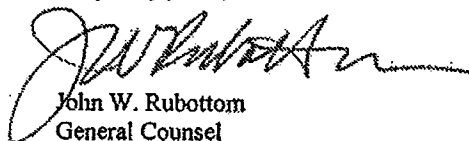
(e) I assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if I become aware of any facts that might change the opinions expressed above after the date of this opinion.

(g) The opinion expressed herein as to the enforceability of the Documents is specifically subject to the qualification that enforceability of the Documents is limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally.

(h) I express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Document.

This opinion is furnished to you solely in connection with the transactions, for the purposes, and on the terms described above and may not be relied upon by you for any other purpose or by any other person in any manner or for any purpose.

Very truly yours,



John W. Rubottom
General Counsel

EXHIBIT G
OPINION LETTER OF BUYER'S COUNSEL

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816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532
www.lglawfirm.com

Ms. Kalisek's Direct Line: (512) 322-5847
lkalisek@lglawfirm.com

January 17, 2012

Lower Colorado River Authority
P.O. Box 220
Austin, Texas 78767-0220

RE: Utilities Installment Purchase Agreement dated January 17, 2012 between Lower Colorado River Authority and West Travis County Public Utility Agency

Ladies and Gentlemen:

We have acted as legal counsel for the West Travis County Public Utility Agency ("Buyer") in connection with the purchase of certain water and wastewater utility system assets from the Lower Colorado River Authority ("LCRA") pursuant to that certain "Utilities Installment Purchase Agreement" dated January 17, 2012 entered into by LCRA and Buyer (the "Asset Purchase Agreement"). This opinion is being delivered pursuant to Section 8.4(C) of the Asset Purchase Agreement.

All capitalized terms used herein and not otherwise defined shall have the meanings ascribed thereto in the Asset Purchase Agreement.

Assumptions and Bases for Opinions and Assurances

In our capacity as legal counsel to Buyer, and for purposes of rendering the opinions set forth herein, we have examined originals or copies, certified or otherwise identified to our satisfaction, of the following (collectively, the "Documents"):

- (a) The Asset Purchase Agreement;
- (b) All creation and organization documents of Buyer as such are in effect as of the date hereof ("Buyer's Organizational Documents"); and
- (c) Such other documents, records, agreements and certificates of Buyer and such other parties as we have deemed necessary or appropriate to enable us to render the opinions expressed below.

In basing the opinions and other matters set forth herein on "our knowledge," the words "our knowledge" signify that, in the course of our representation of Buyer, the principal attorneys in this firm involved in the current actual transaction do not have actual knowledge or actual

Lloyd Gosselink Rochelle & Townsend, P.C.

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notice that any such opinions or other matters are not accurate or that any of the documents, certificates, reports and information on which we have relied are not accurate and complete. Except as otherwise stated herein, we have undertaken no independent investigation or certification of such matters. The words "our knowledge" and similar language used herein are intended to be limited to the knowledge of the attorneys within our firm who have worked on the matters contemplated by our representation as legal counsel to Buyer.

In rendering the opinions set forth herein, we have assumed, without independent investigation, that (i) all persons other than Buyer have duly and validly executed and delivered each instrument, document, and agreement executed in connection with the Documents to which such party is a signatory, and each such party's obligations set forth therein are its legal, valid, and binding obligations, enforceable in accordance with the terms thereof; (ii) each person executing any such instrument, document, or agreement other than the Buyer is duly authorized and has the legal power to do so; (iii) each natural person executing any such instrument, document, or agreement is legally competent to do so; (iv) all representations of fact set forth in the Documents are complete and accurate, insofar as such facts pertain to the subject matter of the opinions rendered hereby; and (v) all documents submitted to us as originals are complete and authentic, all documents submitted to us as certified, conformed or photostatic copies conform to the original documents, all signatures on all documents submitted to us for examination are genuine, and all public records and certificates of public officials are accurate and complete.

We assume, except where we have received written disclosure regarding same, that none of the parties to the Documents (excluding Buyer) is a party to any court or regulatory proceeding relating to or otherwise affecting the Documents or is subject to any order, writ, injunction or decree of any court or federal, state or local governmental agency or commission that would prohibit the execution and delivery of the Documents, or the consummation of the transactions therein contemplated in the manner therein provided, or impair the validity or enforceability thereof. We assume that each of the parties to the Documents (excluding Buyer) has full authority to close this transaction in accordance with the terms and provisions of the Documents.

We assume that no party upon whom we have relied for purposes of this opinion letter has perpetrated a fraud.

Opinions and Assurances

Based solely upon the foregoing, and subject to the assumptions and limitations set forth herein, we are of the opinion that:

1. Buyer is existing and in good standing under the laws of the State of Texas.
2. Buyer is a duly created public utility agency under Chapter 572, Texas Local Government Code, and has the full legal right, power and authority to execute, deliver and perform its obligations under each of the Documents to which it is a party and has taken all

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January 17, 2012
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necessary actions to authorize the execution, distribution and delivery by it of such Documents and the performance by it of such obligations.

3. The execution, delivery and performance by Buyer of the Documents to which it is a party, and compliance and performance by the Buyer with the terms and provisions thereof and obligations thereunder, will not:

(i) to our knowledge, violate or conflict with any provision of any existing law, statute, rule or regulation applicable to Buyer by reason of the general conduct of its business and operation of its assets;

(ii) based solely upon our knowledge, conflict with or result in the breach of any court decree or order of any governmental body binding upon or affecting Buyer, the conflict with which or breach of which would have a material, adverse effect on the ability of Buyer to perform its obligations under the Documents to which it is a party; or

(iii) contravene or conflict with Buyer's Organizational Documents.

4. To our knowledge, no consent, approval, authorization or other action by, or filing with, any governmental authority is required for the execution and delivery by Buyer of the Documents to which Buyer is a party or the performance of its obligations thereunder, except for those "Required Consents" and "Required Approvals" identified in the Documents.

5. Buyer has duly executed and delivered each of the Documents to which it is a party, and each of such Documents constitutes the legal, valid and binding obligation of Buyer, enforceable against Buyer in accordance with its terms, subject to applicable law.

6. To our knowledge after reasonable inquiry, there are no actions, suits or proceedings pending against Buyer in any court of law or equity, or before or by any governmental instrumentality with respect to (i) its organization or existence; (ii) its authority to execute or deliver the Documents to which it is a party; (iii) the validity or enforceability against it of such Documents or the transactions contemplated thereby; (iv) the titles of its officers executing the Documents; (v) the execution and delivery of the Documents on behalf of Buyer; or (vi) the operations or financial condition of Buyer that would materially adversely affect those operations or the financial condition of Buyer.

7. To our knowledge, and subject to the "Required Consents" and "Required Approvals" identified in the Documents, the execution and delivery of the Documents do not, and the transactions contemplated thereby may be consummated and the terms and conditions thereof may be observed and performed in a manner that does not conflict with or constitute a breach of or default under any loan agreement, indenture, bond note, resolution, or any other agreement to which Buyer is a party or is otherwise subject, which violation, breach or default would materially adversely affect Buyer or the transactions contemplated by the Documents; nor will any such execution, delivery, adoption, fulfillment, or compliance result in the creation or

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imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of Buyer, except as expressly contemplated by the Documents.

Qualifications

In addition to any assumptions, qualifications and other matters set forth elsewhere herein, the opinions set forth above are subject to the following assumptions and qualifications:

- (a) We have not examined any court dockets, agency files or other public records regarding the entry of any judgments, writs, decrees or orders or the pendency of any actions, proceedings, investigations or litigation.
- (b) The opinions expressed herein are based upon and limited to the applicable laws of the State of Texas, excluding the principles of conflicts of laws thereof, as in effect as of the date hereof, and our knowledge of the facts relevant to such opinions on such date. In this regard, we note that we are members of the Bar of the State of Texas, we do not express any opinion herein as to matters governed by the laws of any other jurisdiction, we do not purport to be experts in any other laws and we can accept no responsibility for the applicability or effect of any such laws.
- (c) This letter is strictly limited to the matters expressly set forth herein and no statements or opinions should be inferred beyond such matters.
- (d) Notwithstanding anything contained herein to the contrary, we express no opinion whatsoever concerning the status of title to any real or personal property.
- (e) We assume no obligation to supplement this opinion if any applicable laws change after the date of this opinion, or if we become aware of any facts that might change the opinions expressed above after the date of this opinion.
- (f) The opinion expressed herein as to the enforceability of the Documents is specifically subject to the qualification that enforceability of the Documents is limited by bankruptcy, insolvency, reorganization, fraudulent conveyance, moratorium, liquidation, probate, conservatorship and other laws applicable to creditors' rights or the collection of debtors' obligations generally.
- (g) We express no opinion as to whether a court would grant specific performance or any other equitable remedy with respect to the enforcement of the Document.

Lower Colorado River Authority
January 17, 2012
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This opinion is furnished to you solely in connection with the transactions, for the purposes, and on the terms described above and may not be relied upon by you for any other purpose or by any other person in any manner or for any purpose.

Sincerely,



Lauren Kalisek

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cc West Travis County Public Utility Agency
Board of Directors

WTCPUA000008166

EXHIBIT H
ARBITRATION PROCEDURES

EXHIBIT H
ARBITRATION PROCEDURES

Absent further agreement of the parties, the arbitration shall be conducted pursuant to the Commercial Finance Rules of the American Arbitration Association ("Rules"). Notwithstanding the foregoing: (1) a three-party arbitration panel shall be selected as follows: each party shall select an arbitrator from a list supplied by the American Arbitration Association after each party has stricken from the list any names to which they object, and then the two panel-members selected by the parties shall select a third arbitrator; and, (2) any arbitration shall be conducted in Travis County, Texas. Finally, to the extent not in conflict with any of the provisions above or the Commercial Finance Rules of the American Arbitration Association, any arbitration shall be conducted pursuant to Chapter 171, Texas Civil Practice and Remedies Code.

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APPENDIX G

ACQUISITION, WATER SUPPLY, WASTEWATER TREATMENT AND CONDITIONAL PURCHASE AGREEMENT

From: Lauren Kalisek [mailto:lkalisek@lglawfirm.com]

Sent: Tuesday, February 28, 2012 9:46 AM

To: Sue Brooks Littlefield

Cc: Judy Bentley; Stefanie Albright

Subject: MUD 12 consent for PUA assignment

Sue

Attached for your convenience is a copy of the Wholesale Agreement and a draft resolution for your Board's consideration. Judy in my office will email you a copy of the PUA's Purchase Agreement with LCRA. As I mentioned, PUA folks would be happy to meet with representatives from the District to answer any questions or go over any issues you guys may have right now regarding the contract or the provision of service. But we would like to get the consent to assignment before March 19 which is the date operations are to transfer over from LCRA to the PUA

Thanks!

Lauren

IRS CIRCULAR 230 NOTICE: To the extent this communication contains a statement relating in any way to federal taxes, that statement is not a "covered opinion" and was not written or intended to be used, and it cannot be used, by any person (I) as a basis for avoiding federal tax penalties that may be imposed on that person, or (II) to promote, market or recommend to another party any transaction or matter addressed herein.

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**RESOLUTION BY THE BOARD OF DIRECTORS OF TRAVIS COUNTY
MUNICIPAL UTILITY DISTRICT NO. 12 CONSENTING TO THE
ASSIGNMENT OF THE WHOLESALE WATER SERVICES AGREEMENT
WITH THE LOWER COLORADO RIVER AUTHORITY**

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

WHEREAS, Travis County Municipal Utility District No. 1 (the "District") is a conservation and reclamation district operating pursuant to Chapters 49 and 54 of the Texas Water Code;

WHEREAS, the District and Lower Colorado River Authority ("LCRA") entered into a certain "Wholesale Wastewater Service Agreement" dated October 22, 2009 (the "Agreement") for the provision of wholesale water service from the LCRA's West Travis County Wastewater System;

WHEREAS, the LCRA has entered into that certain "Utilities Installment Purchase Agreement" with the West Travis County Public Utility Agency (the "PUA") transferring ownership and operation of the West Travis County Water System to the PUA by March 19, 2012;

WHEREAS, that the LCRA desires to assign the Agreement to the PUA;

WHEREAS, Section 7.08 of the Agreement provides that LCRA may not assign the Agreement without the written consent of the District; and

WHEREAS, the Board of Directors of the District desires to provide its consent to such assignment.

NOW THEREFORE, it is resolved by the Board of Directors of Travis County Municipal Utility District No. 12 as follows:

Section 1: The above recitals are true and correct and are incorporated into this Resolution for all purposes.

Section 2: The District's Board of Directors hereby consents to LCRA's assignment of the Agreement to the PUA.

Section 3: The District's [General Manager/Board President] is authorized to execute such documents as approved by the District's General Counsel as may be necessary evidencing such assignment consistent with this Resolution.

PASSED AND APPROVED this _____ day of February, 2012.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

**WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY
BOARD OF DIRECTORS MEETING
May 3, 2012**

Present:

Larry Fox, President
Michael Murphy, Vice President
Ray Whisenant, Secretary/Treasurer

Consultants:

Don Rauschuber (Donald G. Rauschuber and Associates), Agency General Manager
Lauren Kalisek (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
Stefanie Albright (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
David Klein (Lloyd Gosselink Rochelle & Townsend, P.C.), Agency General Counsel
George Murfee (Murfee Engineering Company, Inc.), Agency Engineer

Call to Order and Announce a Quorum is Present

With a quorum present, the Regular Meeting of the Board of Directors was called to order by President Fox, at 10:01 a.m. on Thursday, May 3, 2012 in the Council Chambers of the City of Bee Cave City Hall, 4000 Galleria Parkway, Bee Cave, Texas.

I. Discussion / Action Items

A. Discuss, consider and take on report from Severn Trent Environmental Services, Inc. regarding system operations and billing, including:

Kristi Hester provided a report on this item. She first introduced Jason Tyler as Manager and Henry Ochoa as Assistant Manager, both working with Severn Trent on Agency issues. Ms. Hester reported that over 5,300 bills had gone out to Agency customers, although the bills had formatting omissions that would need to be corrected before the next bills were released. She expected that Compass Bank would have the electronic bill payment options available in 2-3 weeks and that Severn Trent was preparing documents for the attorney's review regarding setting up payment options for bills to be paid through automatic draft on a credit card.

Ms. Hester next requested approval for the following operational projects and repairs. She stated that the water treatment plant currently has a pallet of media for the Trident filters and that the Agency could also pull and treat media from the backwash lagoon at a cost of \$8,000. Next she requested that the Board approve a valve replacement for Trident Unit 3 in the amount of \$2,300. Regarding the wastewater treatment plant, Ms.

Hester stated that there is an "island" in a digester that should be removed, and she recommended a project to drain and clean the digester as well as remove the island at a cost of \$10,000 - \$15,000. Finally Ms. Hester requested that the Agency purchase two (2) spare radios for Agency personnel to have should there be a break in communications at a total cost of \$6,000.

MOTION: A motion was made by Director Murphy, seconded by Director Whisenant, to approve the operational projects and repairs as presented by Ms. Hester and subject to final review by the Agency General Manager.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

B. Discuss, consider and take action on report from engineer and/or general manager on water and wastewater facility operations and maintenance, including:

1. Water system operations and maintenance;
2. Wastewater system operations and maintenance; and
3. Fire hydrant/bulk water service variance requests.

Don Rauschuber provided the report on this agenda item. Mr. Rauschuber stated that he had received several requests from individuals to have an agenda item for public comment, and that such an item would be included on the May 27 agenda.

Mr. Rauschuber next discussed that the Bee Cave pump station was having issues with waterlog, and Severn Trent is now reviewing the possibility of automation as a solution.

The Agency had, as of the date of the Board meeting, awarded three (3) landscape irrigation variances to customers.

Mr. Rauschuber reported next on issues with the wastewater system, stating that Severn Trent was in the process of cleaning the lift stations and inspecting the wastewater treatment plant, and that much of the Lake Pointe odor issues were perceived to have been mitigated. In Plant One an excess of foam had been noted and even though no odor issues were observed, there is a possibility that the plant is overloaded with sludge.

Mr. Rauschuber next addressed fire hydrant meter variance requests. The first request was in regards to the Cielo Project, which was requesting a 4-6 month variance for

construction and site clearing. Next was a request from Texas Bulk Water who was requesting a meter for private water hauling on the hydrant at the Dripping Springs storage tank near Highway 290. Director Whisenant stated that the requested meter would only be half a mile from the Dripping Springs Water Supply Corporation bulk meter station. Director Murphy stated that hydrant meters should typically only be for construction projects.

MOTION: A motion was made by Director Murphy, seconded by Director Whisenant, to approve a temporary hydrant meter for the Cielo Project for a term of four (4) months.

The vote was taken on the motion with the following result:

Voting Aye:	President Fox, Directors Murphy and Whisenant
Voting Nay:	None
Absent:	None

The motion carried.

C. Discuss, consider and take action on approval of Preliminary Official Statement for West Travis County Public Utility Agency Revenue Bonds, Series 2012.

Jennifer Douglas with Specialized Public Finance presented the Preliminary Official Statement for the 2012 Bond Series, stating that the document was substantially complete with only small changes still needed. Ms. Douglas stated that the Preliminary Official Statement would be presented to the market on May 14 after the Agency received a credit rating, and that the current schedule would be for the bonds to close on June 21. Ms. Douglas stated that of the proposed \$48 million bonds to be issued, \$26,450,000 would be designated for the first installment payment to be made to the LCRA, and the remainder for CIP projects for the next year, debt service reserve funds, cost of issuance and capitalized interest.

MOTION: A motion was made by Director Murphy, seconded by Director Whisenant, to approve the Preliminary Official Statement in substantially the form presented, allowing for modifications regarding factual information therein by Agency consultants.

The vote was taken on the motion with the following result:

Voting Aye:	President Fox, Directors Murphy and Whisenant
Voting Nay:	None
Absent:	None

The motion carried.

D. Discuss, consider and take action on construction projects, including:

1. Uplands Water Treatment Plant Trident Unit Nos. 1, 2 & 3 Refurbishment Project; and
2. Bohls Wastewater Treatment Plant and System Expansion, including approval of proposal for design of next phase of facility expansion; and
3. Southwest Parkway Pump Station, including approval of construction contract.

Dennis Lozano with Murfee Engineering first reported on the Trident Units, stating that that bids regarding the filter refurbishment would be opened on May 10. Director Fox asked whether Mr. Lozano had confidence that the plant would not exceed capacity in the summer months with certain filters taken off line, to which Mr. Lozano replied that they were monitoring the increased plant usage as the summer months approached.

Mr. Murfee next reported on the Bohls Wastewater Treatment Plant and System Expansion, stating that the Agency had requested two (2) variances from the City of Bee Cave to receive site plan approval for the construction of the wastewater system expansion facilities on the Bohls Tract. The site plan variance had already been approved by the City Planning and Zoning Commission, and would now go before the full City Council on May 8 with the additional request for a variance to City setback requirements. Director Murphy discussed the mitigation proposals suggested by the Hill Country Galleria, including having the entry fence located off the main road, enhanced landscaping and no visible signage. Director Murphy discussed the variance request to the 75-foot setback requirement, and provided history regarding the Bohls Tract, stating that the land was bought by LCRA in 2001 when there were no setback requirements as there was no road, and the Hill Country Galleria had not been in existence. The drawing and plans for the wastewater system expansion for the Bohls Tract had been submitted to the City of Bee Cave in 2003. Mr. Murfee stated that abiding by the full setback would require downsizing the effluent pond proposed for the site. Director Murphy emphasized the urgency of moving the wastewater project on the Bohls Tract forward, because based on the highest flows from the summer of 2011, development in the area could be hindered without the construction of the effluent pond and wastewater plant on the Bohls Tract.

Mr. Murfee next addressed the Southwest Parkway pump station improvements, and recommended that the Agency move forward in approving entering into a contract with Doyenne Construction for the construction of the pump station improvements.

MOTION: A motion was made by Director Whisenant, seconded by Director Murphy, to approve moving forward on the Southwest Parkway Pump Station improvements and to enter into a construction contract with Doyenne Construction for such project.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

E. Discuss, consider and take action on non-standard service extension request from Planet Earth Music.

Mr. Rauschuber presented the site plan components for The Backyard, stating that there were certain items the Agency still needed from Planet Earth Music before the Agency could establish permanent service. Lauren Kalisek stated that Planet Earth Music previously had submitted a service extension request to the LCRA, but permanent service had never been established. She stated that there were also issues that needed to be resolved regarding the use of the wastewater line servicing the property, which was currently located on an adjacent property tract without an easement. Ms. Kalisek stated that the two options for wastewater service would be (1) for Planet Earth Music to get permission from the property owners to use the wastewater line, or (2) to re-route the wastewater line.

Terry Irion, attorney for Planet Earth Music, next spoke to the Board of Directors, confirming that a customer service agreement had never been signed with the LCRA prior to the operations and maintenance transfer from the LCRA to the Agency. He stated that the project engineer is preparing the additional items requested by the Agency, but that service to The Backyard was necessary due to ongoing operations and events, and a lack of service would be detrimental to the business. Director Fox responded that the Agency was responsible for an operational system, and appropriate easements needed to be secured for the wastewater line.

John Paul Dijoria next spoke to the Board and detailed the investments he had made in the project and was willing to work with the owners of the adjacent tract of land regarding the wastewater line issues. Mr. Dijoria stated that he would investigate the possibility of an alternate line if these discussions with the adjacent property owners were not successful, and would meet with engineers to ensure that a contingency was in place should a wastewater line break occur.

F. Discuss, consider and take action on establishment of Agency office, including approval of Letter of Intent for office space with TransWestern.

Mr. Rauschuber presented a letter of intent with TransWestern and draft three-year lease for office space in the Triton Building. Mr. Rauschuber recommended entering into a three year lease agreement.

MOTION: A motion was made by Director Murphy, seconded by Director Whisenant, to approve the Letter of Intent to lease office space at the Triton Building, and authorized the execution of a three-year lease agreement with TransWestern, subject to final review and approval by the Agency's attorney and General Manager.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

G. Discuss, consider and take action on approval of service agreements including assignments of and/or amendments to existing service agreements and new service agreements, including:

1. Sweetwater;
2. Greenhawe / Rim Rock / Rutherford West;
3. Rocky Creek / Belvedere / Madrone Ranch;
4. Highpointe; and
5. Deer Creek Ranch Water Company, LLC.

Ms. Kalisek provided a report on this item. She briefed the Board on Deer Creek Ranch Water Company, which is a wholesale water customer and currently behind on payments to LCRA. Randy Wilburn spoke to the Board as Deer Creek Ranch Water Company's attorney, and stated that the Company is in the process of resolving issues with LCRA regarding the raw water payments.

H. Discuss, consider and take action on Agreement Regarding Transfer of Operations of the West Travis County Water System from the Lower Colorado River Authority to the West Travis County Public Utility Agency with Travis County MUD No. 12.

Ms. Kalisek proposed an Agreement with Travis County MUD No. 12 regarding the consent to assignment of the LCRA service agreement to the Agency. Ms. Kalisek stated that this agreement did not provide a full release of LCRA by MUD 12 and recommended approval.

MOTION: A motion was made by Director Whisenant, seconded by Director Murphy, to approve the Agreement Regarding Transfer of Operations of the West Travis County Water System from the Lower Colorado River Authority to the West Travis County Public Utility Agency with Travis County MUD No. 12 as presented.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

I. Discuss, consider and take action on Hays County Municipal Utility District No. 5 Contract for Billing and Disconnection of Retail Water Services.

Ms. Kalisek presented a proposed agreement with Hays County MUD No. 5 to provide billing services. MUD No. 5 provides wastewater service to the Highpointe Subdivision, but is seeking an agreement with the Agency whereby the Agency may disconnect retail water service to MUD No. 5 customers for failure to pay wastewater bills.

MOTION: A motion was made by Director Murphy, seconded by Director Whisenant, to approve the Hays County Municipal Utility District No. 5 Contract for Billing and Disconnection of Retail Water Services as presented.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

J. Discuss, consider and take action on approval of a Memorandum of Understanding with CCNG and LCRA regarding assignment of service agreements for Spanish Oaks.

Ms. Kalisek stated that no action is needed on this item.

K. Discuss, consider and take action on Utility Facility Construction and Conveyance Agreement and Water Services Agreement with Jeremiah Ventures, L.P. for provision of wholesale water service to Jeremiah Hudson Ranch.

Ms. Kalisek provided draft copies of the agreement with Jeremiah Ventures and stated that Jeremiah Ventures currently has firm water contracts approved by the LCRA, but these contracts had not yet been executed because Jeremiah Ventures wanted to ensure that service contracts would be entered into with the Agency. Ms. Kalisek stated that the total project is proposed to be 1,000 LUEs, but the current agreement is only for 550 LUEs.

Ed McCarthy, attorney for Jeremiah Ventures, addressed the Board and stated that previous contracts had been approved by LCRA and Jeremiah Ventures, but LCRA had delayed execution due to the divestiture. He stated that Jeremiah Ventures is reserving its own raw water, will pay for treated water from the Agency, is funding necessary infrastructure, and is not requesting reimbursement.

Ms. Kalisek recommended that the Board approve the proposed agreement with Jeremiah Ventures, provided that the Agency's engineer and General Manager be provided the opportunity to make any final nonsubstantive changes.

MOTION: A motion was made by Director Murphy, seconded by Director Whisenant, to authorize the negotiation and execution of the Utility Facility Construction and Conveyance Agreement and Water Services Agreement with Jeremiah Ventures, L.P. for 550 LUEs of treated water service in substantially the form presented to the Board of Directors, allowing for final nonsubstantive edits and final review by the Agency's General Manager, General Counsel and engineer.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

L. Discuss, consider and take action on Equipment Use Agreement with Severn Trent Environmental Services, Inc.

Ms. Kalisek stated that no action is needed on this item.

M. Discuss, consider and take action regarding sale of certain surplus Agency vehicles.

Ms. Kalisek stated that no action is needed on this item.

N. Discuss, consider and take action on adding future Board members.

No action was taken on this item.

O. Discuss, consider and take action on approving previous meeting minutes.

MOTION: A motion was made by Director Whisenant, seconded by Director Murphy, to approve the minutes of the April 19 Board of Directors meeting.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

P. Discuss, consider and take action regarding scheduling future meetings.

After discussion, the Board scheduled its next meeting dates for May 17, May 24, June 14 and June 21, all to be held at 10:00 a.m. at Bee Cave City Hall.

MOTION: A motion was made by Director Murphy, seconded by Director Whisenant, to direct Agency staff to post notice of a quorum of Agency Directors to be present at the May 8, 2012 Bee Cave City Council meeting.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

II. EXECUTIVE SESSION

Director Fox announced that the Board would convene in executive session as 12:29 p.m. regarding the following items:

A. Convene in Executive Session pursuant to the Open Meetings Act, Tex. Gov't Code Ann. § 551.071 – Consultation with Attorney, regarding Agency construction projects, and to deliberate the conveyance of real and personal property associated therewith in accordance with Tex Gov't Code Ann. § 551.072. (Action Item No. I.D)

B. Convene in Executive Session pursuant to the Open Meetings Act, Tex. Gov't Code Ann. § 551.071 – Consultation with Attorney, regarding assignments of and/or amendments to service agreements, and to deliberate the conveyance of real and personal property associated with such agreements, in accordance with Tex. Gov't Code Ann. § 551.072. (Action Item No. I.G)

At 1:58 p.m. President Fox announced that the Executive Session was closed and reconvened the Agency Board in Open Session. No action was taken in Executive Session.

Director Fox stated that the Board would re-address items I.E. Ms. Kalisek recommended that the Board authorize correspondence to Planet Earth Music requesting that The Backyard obtain the following: approval for the use of the wastewater line from the adjacent property owners; an agreement to indemnify and hold the Agency harmless regarding the use of the wastewater line prior to entering into a permanent service agreement. Also included in this correspondence would be an authorization to provide service to The Backyard through a temporary hydrant meter through May 24.

MOTION: A motion was made by Director Whisenant, seconded by Director Murphy, to authorize temporary service to Planet Earth Music through a fire hydrant meter through May 24, 2012, and to authorize Agency consultants to send correspondence to Planet Earth Music as recommended by Ms. Kalisek.

The vote was taken on the motion with the following result:

Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

The motion carried.

III. Adjournment

MOTION: A motion was made by Director Murphy seconded by Director Whisenant to adjourn.

The vote was taken on the motion with the following result:

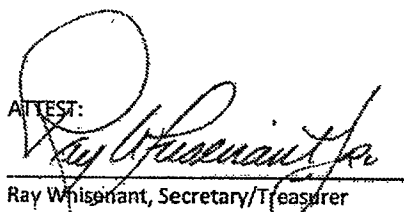
Voting Aye: President Fox, Directors Murphy and Whisenant
Voting Nay: None
Absent: None

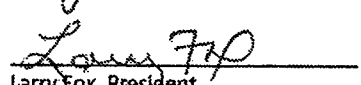
The motion carried.

The Board meeting adjourned at 2:12 p.m.

PASSED AND APPROVED this 17th day of May, 2012.

ATTEST:


Ray Whisenant, Secretary/Treasurer


Larry Fox, President

**ORDER ADOPTING WATER IMPACT FEES FOR THE WEST
TRAVIS COUNTY PUBLIC UTILITY AGENCY HIGHWAY 71
WATER SYSTEM SERVICE AREA AND HIGHWAY 290 WATER
SYSTEM SERVICE AREA**

THE STATE OF TEXAS

§

§

COUNTY OF TRAVIS

§

The Board of Directors of West Travis County Public Utility Agency ("**PUA**") met in a regular session, open to the public, after due notice, in the Council Chambers of the City of Bee Cave City Hall, 4000 Galleria Parkway, Bee Cave, Texas, 78738, an official meeting place within the boundaries of the PUA, on November 1, 2012; whereupon the roll was called of the members of the Board of Directors, to wit:

Larry Fox	President
Michael Murphy	Vice President
Honorable Ray Whisenant, Jr.	Secretary

All members of the Board were present.

WHEREUPON, among other business conducted by the Board, Director Whisenant introduced the order set out below and moved its adoption, which motion was seconded by Director Fox, and, after full discussion and the question being put to the Board of Directors, said motion was carried by the following vote:

"Aye" 3; "No" .

The Order thus adopted is as follows:

WHEREAS, the PUA is a public utility agency created by concurrent ordinance of Hays County, the City of Bee Cave, and West Travis County Municipal Utility District No. 5, and it is governed by Chapter 572 of the Texas Local Government Code;

WHEREAS, on January 17, 2012, the PUA and Lower Colorado River Authority ("**LCRA**") entered into a certain "Utilities Installment Purchase Agreement", whereby LCRA in part agreed to convey its West Travis County Water System ("**System**") to the PUA;

WHEREAS, on March 19, 2012, the PUA commenced operating such water System, and this System is capable of providing water service within the boundaries of the PUA's water certificate convenience and necessity, No. 13207 (the "**Water Service Area**");

WHEREAS, the PUA's Water Service Area is divided into two distinct service areas: the Highway 71 Water System Service Area ("*Highway 71 Service Area*") and the Highway 290 Water System Service Area ("*Highway 290 Service Area*"); and these Areas are subdivided by distinct pressure planes;

WHEREAS, the PUA desires to update the water impact fees related to the System and Highway 71 and 290 Service Areas, in accordance with Chapter 395 of the Texas Local Government Code;

WHEREAS, the PUA has previously received a report (the "*LUA/CIP Report*") from its Engineer, making recommendations regarding land use assumptions and providing the capital improvements plan for the System as a whole, the portion of the System within the Highway 71 Service Area, and the portion of the System within the Highway 290 Service Area;

WHEREAS, at the September 27, 2012 regular meeting of the Board of the Directors, the PUA approved such land use assumptions and capital improvements plan, as provided in the LUA/CIP Report;

WHEREAS, after adopting such land use assumptions and capital improvements plan, the Board of Directors approved an order scheduling a public hearing regarding the adoption of water impact fees for the Highway 71 and 290 Service Areas;

WHEREAS, the PUA has received a report from its consultant entitled, "West Travis County Public Utility Agency- Impact Fee Study," (the "*Study*"), attached hereto as Exhibit A, in part calculating the maximum water impact fee amounts for the Highway 71 and 290 Service Areas; where the impact fee for the Highway 71 Service Area is the sum of the System-wide impact fee plus the impact fee for the Highway 71 portion of the System, and the impact fee for the Highway 290 Service Area is the sum of the System-wide impact fee plus the impact fee for the Highway 290 portion of the System;

WHEREAS, the LUA/CIP Report and Study were made available to the public in accordance with Chapter 395 of the Texas Local Government Code;

WHEREAS, the PUA has previously appointed an impact fee advisory committee ("*Committee*"), and such Committee met on October 10, 2012, October 17, 2012, and October 23, 2012, to review and consider the Study and proposed maximum allowable water impact fees for the Highway 71 and 290 Service Areas;

WHEREAS, the Committee has prepared written recommendations regarding such water impact fees (attached hereto as Exhibit B), and it has provided such recommendations to the PUA's Board of Directors in a timely manner;

WHEREAS, after providing proper notice to the public, the PUA held a public hearing on November 1, 2012, regarding the adoption of water impact fees for the Highway 71 and 290 Service Areas;

WHEREAS, the Board of Directors has reviewed the LUA/CIP Report, Study, all public input provided at the public hearing, and the recommendations from the Committee regarding the proposed water impact fees for the Highway 71 and 290 Service Areas; and

WHEREAS, the Board of Directors desires to adopt the water impact fee as provided herein.

NOW THEREFORE, it is ordered by the Board of Directors of the West Travis County Public Utility Agency as follows:

Section 1: The above recitals are true and correct and are incorporated into this Order for all purposes.

Section 2: After considering the LUA/CIP Report, Study, public input from the public hearing, and recommendations of the Committee, the Board of Directors has determined that for the Highway 71 Service Area, a water impact fee in the amount of \$5,992 per living unit equivalent ("**LUE**") is reasonable and necessary to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development, in accordance with Chapter 395 of the Texas Local Government Code, so that the PUA can provide water service to Highway 71 Service Area. This impact fee is the sum of the System-wide impact fee plus the impact fee for the Highway 71 portion of the System, as provided in the Study and approved capital improvements plan.

Section 3: After considering the LUA/CIP Report, Study, public input from the public hearing, and recommendations of the Committee, the Board of Directors has determined that for the Highway 290 Service Area, a water impact fee in the amount of \$8,809 per LUE is reasonable and necessary to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to new development, in accordance with Chapter 395 of the Texas Local Government Code, so that the PUA can provide water service to Highway 290 Service Area. This impact fee is the sum of the System-wide impact fee plus the impact fee for the Highway 290 portion of the System, as provided in the Study and approved capital improvements plan.

Section 4: The Board of Directors of the PUA hereby approves, adopts, and orders a water impact fee in the amount of \$5,992 per LUE, which shall apply to the Highway 71 Service Area, effective November 1, 2012 ("**Highway 71 Water Impact Fee**"). The Highway 71 Water Impact Fee is the sum of the System-wide impact fee plus the impact fee for the Highway 71 portion of the System, as provided in the Study and approved capital improvements plan.

Section 5: The Board of Directors of the PUA hereby approves, adopts, and orders a water impact fee in the amount of \$8,809 per LUE, which shall apply to the Highway 290 Service Area, effective November 1, 2012 ("**Highway 290 Water Impact**").

Fee”). The Highway 290 Water Impact Fee is the sum of the System-wide impact fee plus the impact fee for the Highway 290 portion of the System, as provided in the Study and approved capital improvements plan.

Section 6: The Highway 71 and 290 Water Impact Fees shall be assessed and collected by the PUA in compliance with Chapter 395 of the Texas Local Government Code and other applicable laws.

Section 7: All funds collected from the Highway 71 and 290 Water Impact Fees shall only be used for the purposes for which such impact fees were imposed, in accordance with the PUA’s approved capital improvements plan and Chapter 395 of the Texas Local Government Code.

Section 8: None of the funds collected from the Highway 71 and 290 Water Impact Fees shall be used or expended for an improvement or expansion that is not identified in the PUA’s approved capital improvements plan or in a manner inconsistent with Chapter 395 of the Texas Local Government Code.

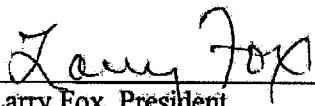
Section 9: All funds collected from the Highway 71 and 290 Water Impact Fees shall be deposited in interest-bearing accounts clearly identifying the category of capital improvements or facility expansions within each respective Service Area.

Section 10: All interest earned on the Highway 71 and 290 Water Impact Fees shall be considered funds of the account in which it is earned and will be subject to all restrictions placed on use of those fees as provided in Chapter 395 of the Texas Local Government Code.

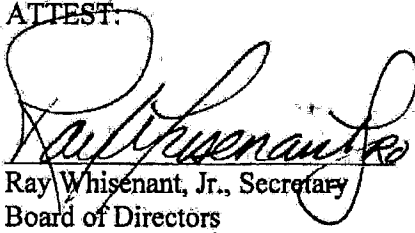
Section 11: The records of the accounts into which the Highway 71 and 290 Water Impact Fees are deposited shall be open for public inspection and copying during ordinary business hours.

Section 12: The PUA’s Board President, General Manager, engineer, legal counsel, and other consultants are authorized to take all actions consistent with the purposes of this Order, including amending the PUA’s Tariff to reflect the directives included herein.

PASSED AND APPROVED this 1st day of November, 2012.



Larry Fox, President
Board of Directors

ATTEST:


Ray Whisenant, Jr., Secretary
Board of Directors

**ORDER REGARDING PROPOSED INCREASES TO RATES FOR WHOLESALE
WASTEWATER, WHOLESALE WATER AND EFFLUENT RAW WATER
IRRIGATION CUSTOMERS**

**THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §**

The Board of Directors of the West Travis County Public Utility Agency (the "Agency") met in a regular session, open to the public, after due notice, at City of Bee Cave, City Hall, 4000 Galleria Parkway, Bee Cave, Texas 78738, an official meeting place within the boundaries of the Agency, on November 15, 2012; whereupon the roll was called of the members of the Board of Directors, to wit:

Larry Fox	President
Michael Murphy	Vice President
Ray Whisenant, Jr.	Secretary

All members of the Board were present.

WHEREUPON, among other business conducted by the Board, Director Fox introduced the order set out below and moved its adoption, which motion was seconded by Director Whisenant, and, after full discussion and the question being put to the Board of Directors, said motion was carried by the following vote:

"Aye" X ; "No" .

The Order thus adopted is as follows:

WHEREAS, the Agency's fiscal year ends September 30 of each calendar year;

WHEREAS, the Agency is in the process of evaluating rates for wholesale wastewater, wholesale water and effluent raw water irrigation customers contained in Tariff ("Agency Rate Tariff") as a part of its planning for its next fiscal year;

WHEREAS, the Agency held a public hearing regarding potential amendments to the Agency rates, to ensure that the Agency's customers have the opportunity to provide input and participate in this process; and

WHEREAS, the Agency desires to consider increases to the aforementioned rates to be effective January 1, 2013 to provide additional time for review and to receive additional input from customers impacted by such proposed increases.

NOW THEREFORE, it is ordered by the Board of Directors of West Travis County Public Utility Agency that:

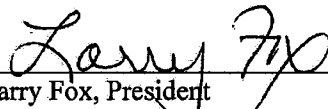
Section 1: The above recitals are true and correct and are incorporated into this Order for all purposes.

Section 2: The increases to rates for wholesale wastewater, wholesale water and effluent raw water irrigation customers are shown in **Attachment A**.

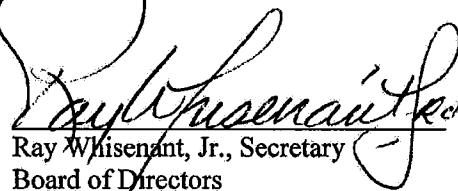
Section 3: The Agency's General Manager, Engineer, and General Counsel are authorized to take all actions necessary to carry out the purposes of this Order, including, but not limited to, providing notice of the proposed increases to Agency customers and amended Tariff, and petitioning the Lower Colorado River Authority ("LCRA") Board of Directors to confirm such rates as required by the Agency's agreements with the LCRA.

Section 4: These proposed rate increases shall be effective as of January 1, 2013.

PASSED AND APPROVED this 15th day of November, 2012.



Larry Fox, President
Board of Directors

ATTEST:


Ray Whisenant, Jr., Secretary
Board of Directors

West Travis County Public Utility Agency

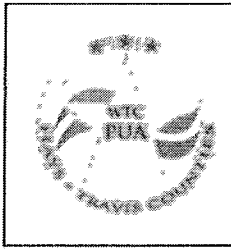
Attachment A

Minimum Bill	Current	Stepped Increase - 15.5%
CRYSTAL MOUNTAIN HOA, INC.	\$ 655.00	\$ 756.53
DEER CREEK RANCH WATER CO., LLC	\$ 2,500.00	\$ 2,887.50
DRIPPING SPRINGS WSC	\$ 4,548.00	\$ 5,252.94
EANES ISD	\$ 175.00	\$ 202.13
HAYS COUNTY WCID #1	\$ 7,450.00	\$ 8,604.75
REUNION RANCH WCID	\$ 3,190.00	\$ 3,684.45
SENNA HILLS MUD #1	\$ 3,730.00	\$ 4,308.15
BARTON CREEK WEST WSC	\$ 2,167.00	\$ 2,502.89
HAYS COUNTY WCID #2	\$ 6,515.00	\$ 7,524.83
CITY OF DRIPPING SPRINGS	\$ 7,000.00	\$ 8,085.00
LAZY NINE MUD #1A	\$ 10,200.00	\$ 11,781.00
TRAVIS COUNTY MUD #12	\$ 9,430.00	\$ 10,891.65

Volumetric Rate	Current	Stepped Increase - 15.5%
Customers With own Raw Water	\$ 2.40	\$ 2.77
Customers Using PUA Raw Water	\$ 2.86	\$ 3.30

Wastewater	Current	Full Cost of Service - 18%
Minimum Charge	\$ 2,500.00	\$ 2,500.00
Volumetric Charge	\$ 2.75	\$ 3.25

Effluent	Current	Stepped Increase - 4.5%
Volumetric Charge	\$ 3.00	\$ 3.14



WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

12117 Bee Cave Road
Building 3, Suite 120
Bee Cave, Texas 78738
Office: 512/263-0100
Fax: 512/263-2289
www.wtcpua.org

December 17, 2013

Travis County Municipal Utility District No. 12
c/o Sue Littlefield
Armbrust & Brown, LLP
100 Congress Ave., Ste. 1300
Austin, TX 78701

RE: Notice of Adjustment to Wholesale Rate for Travis County Municipal Utility District No. 12

Dear Ms. Littlefield:

This notice is to advise you that on November 21, 2013, the Board of Directors of the West Travis County Public Utility Agency (the "Agency" or "WTCPUA"), in accordance with your Wholesale Water Services Agreement, approved adjustment to Travis County Municipal Utility District No. 12's wholesale rate. Your revised wholesale water rate approved by the WTCPUA is as follows:

Minimum Charge: \$8,140.89
Volumetric Rate: \$2.11/1,000 gallons

This revised wholesale rate will be effective January 1, 2014.

As discussed in the Wholesale Customer Committee meetings, the WTCPUA will consider amending your wholesale contract to reduce your maximum reserved capacity, and thus your minimum bill, based on the form contract amendment previously provided by WTCPUA staff to you. If you so desire, I am very happy to meet with you on an individual basis to discuss and finalize wholesale water and/or wastewater contract amendments to reflect your entity's desired reduction in peak day reservation of capacity and LUE absorption schedule, thus possibly lowering the minimum bill to your utility as compared to current wholesale contract terms. In order for your utility to take advantage of a possible lower FY 2014 wholesale water and/or wastewater contract rate prior to the January 1, 2014 Effective Date, we must jointly execute the contract amendment previously provided to you on or before December 27, 2013.