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SOAH DOCKET NO. 473-14-5138

PUC DOCKET NO. 42857

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FILED

PETITION OF NORTH AUSTIN §  
MUNICIPAL UTILITY DISTRICT NO. 1, §  
NORTHTOWN MUNICIPAL UTILITY §  
DISTRICT, TRAVIS COUNTY WATER §  
CONTROL AND IMPROVEMENT §  
DISTRICT NO. 10 AND WELLS §  
BRANCH MUNICIPAL UTILITY §  
DISTRICT §  
FROM THE RATEMAKING ACTIONS §  
OF THE CITY OF AUSTIN §  
AND REQUEST FOR INTERIM RATES §  
IN WILLIAMSON AND TRAVIS §  
COUNTIES §  
BEFORE THE STATE OFFICE  
OF  
ADMINISTRATIVE HEARINGS

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PETITIONERS' EXHIBITS 1-4

ON BEHALF OF PETITIONERS  
OCTOBER 17, 2014

64

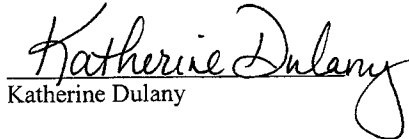
**NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1**  
**c/o Armbrust & Brown, PLLC**  
**100 Congress Avenue, Suite 1300**  
**Austin, Texas 78701**

**AFFIDAVIT OF CUSTODIAN OF RECORDS**

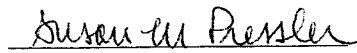
BEFORE ME, the undersigned notary public, on this day personally appeared Katherine Dulany, who, being by me duly sworn, did depose and say as follows:

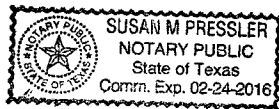
"My name is Katherine Dulany. I am over 18 years of age, of sound mind, have never been convicted of a felony and am otherwise capable of making this affidavit. I am personally acquainted with the facts stated in this affidavit.

I am the custodian of the records of North Austin Municipal Utility District No. 1, a political subdivision of the State of Texas (the "District"). Attached hereto are 234 pages of copies of records of the District that are kept by the District in the regular course of business. The attached copies are exact duplicates of the original records."

  
Katherine Dulany

Sworn to and subscribed before me, the undersigned authority, on this the 22<sup>nd</sup> day of August, 2013.

  
Notary Public



{W0591987 1}

AGREEMENT CONCERNING CREATION AND OPERATION  
OF  
NORTH AUSTIN MUNICIPAL  
UTILITY DISTRICT NO. 1

THE STATE OF TEXAS   §

COUNTIES OF TRAVIS   §

AND WILLIAMSON       §

KNOW ALL MEN BY THESE PRESENTS:

THIS AGREEMENT is made and entered into by and between the City of Austin, Texas (hereinafter referred to as the "City"), a municipal corporation situated in Travis County, Texas, acting herein by and through its undersigned duly authorized City Manager, as authorized by specific action of its City Council; North Austin Municipal Utility District No. 1 (hereinafter referred to as the "District"), a municipal utility district created on the 15 day of November, 1983, by order of the Texas Water Commission and operating pursuant to Chapter 54 of the Texas Water Code; and Milwood Joint Venture, Robinson Ranch, and Austin White Lime Company (hereinafter collectively referred to as "Milwood"), the holders of legal title to all of the land comprising the District, which consists of approximately 997 acres situated partially within Williamson County, Texas, and partially within Travis County, Texas, a portion of which lies within the City and a portion of which lies within the extraterritorial jurisdiction of the City.

For and in consideration of the premises and the mutual agreements, covenants, and conditions hereinafter set forth, the parties hereto hereby contract and agree as follows, to wit:

ARTICLE I

ISSUANCE OF BONDS BY THE DISTRICT

A. Bonds For District Facilities

1. The City has granted its unconditional consent to the creation of the District in accordance with the Water District Ordinance adopted by the City Council of the City on August 19, 1981, by Ordinance Number 810819-E, a true and correct copy of which is attached hereto as Exhibit "A" and incorporated herein by reference (the "Water District Ordinance"); subject, however, to a variance granting the District the bonding authority provided in the Water District Ordinance for Growth Area III. The terms and conditions of the Water District Ordinance are made a part of this Agreement for all purposes to the extent allowed by law. The District agrees that it shall only issue bonds and notes, including bond anticipation notes, in the manner provided by the Water District Ordinance and the rules and requirements of the Texas Water Commission. All bonds and notes of the District shall be approved by the City Council of the City prior to the

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issuance thereof; provided, however, that the authorization granted herein by the City of a principal amount (plus interest) of bonds proposed to be issued by the District shall be deemed to include the approval of bond anticipation notes not to exceed the amount of principal and interest of the bonds so authorized. It is specifically agreed that the District's bonds, when issued, shall be secured by a pledge of the District's taxes and revenues.

2. The parties hereto acknowledge and agree that this Agreement and the Water District Ordinance, as now in effect and hereafter amended, have the effect of restricting the general statutory purposes for which the District may issue bonds and notes. The parties further recognize and agree that neither this Agreement nor the Water District Ordinance otherwise restrict or limit the powers and authority of the District to acquire, own, operate and maintain water or wastewater systems, drainage facilities, recreational facilities, or any other systems, facilities, assets or properties of or serving the District. The District may use funds and assets from any other available, lawful source to provide for such acquisition, ownership, maintenance and operation, as well as to accomplish any purpose or to exercise any function, act, power or right authorized by law. Such funds and assets shall include, without limiting the generality of the foregoing, revenues from any of the systems, facilities, properties and assets of the District not otherwise committed for the payment of indebtedness of the District; maintenance taxes; loans, gifts, grants and donations from public or private sources; and revenues from any other source lawfully available to the District. Bonds and notes of the District may be issued for any purpose not specifically prohibited by this Agreement or the Water District Ordinance, subject to the provisions of the Texas Water Code and the rules and requirements of the Texas Water Commission.

B. Bonds for Special Facilities

1. To enable the City to supply water to the District and to receive and treat wastewater from the District in accordance with the provisions of Articles II and III hereof, the parties hereby acknowledge that major extensions and improvements to the City's existing water and sewer facilities shall be necessary. The parties agree that, subject to the approval of the Texas Water Commission, the necessary improvements and extensions shall be accomplished as more fully described and identified in the Utility Construction Contract (the "Preferred Contract") by and between the District and the City, a copy of which is attached hereto as Exhibit "B" and incorporated herein by reference. The parties further agree that, in the event the

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approval of the Texas Water Commission to the oversizing of the facilities described in the Preferred Contract is not obtained, the District shall construct improvements and extensions to the City's system sized only as necessary to provide service to the District, and the District shall purchase capacity from the City's water and wastewater utility system for a purchase price equivalent to the difference between the cost of construction of the oversized facilities, as described in the Preferred Contract, and the cost of facilities sized only to serve the District. The parties hereto acknowledge and agree that the value to the City of the District's oversizing certain utility facilities as provided in the Preferred Contract, is equivalent to the value to the District of the capacity to be allocated to the District by the City from the City's water and sewer utility systems. The Preferred Contract shall be deemed approved by the City Council of the City simultaneously with the City's approval of this Agreement.

2. It is expressly acknowledged and agreed that the approval of the Texas Water Commission of facilities described in the Preferred Contract will be requested at the time a petition for creation of the District is presented to the Texas Department of Water Resources. The parties mutually covenant and agree to cooperate in making such modifications to the Preferred Contract as may be reasonably necessary in order to obtain the approval of the Texas Water Commission thereof. In the event that the Texas Water Commission does not approve the construction of the facilities described in the Preferred Contract, the parties covenant and agree to cooperate with each other in order to develop a utility construction proposal which will satisfy the requirements of the District and the City in order to provide service to the land within the District and which will be acceptable to the Texas Water Commission.

3. The term "Construction Contract", as hereinafter utilized in this Agreement, shall mean and refer to the Preferred Contract or any subsequent utility construction agreement between the City and the District which provides for the construction of the utility facilities and improvements necessary to serve the District, and which is approved by the Texas Water Commission.

4. It is expressly acknowledged that the "Project", as such is defined in the Construction Contract, shall include approach mains necessary to serve the District and that no additional City approval of such approach mains shall be required upon completion of the Project.

5. To finance the cost of acquiring and constructing the Project, the District is hereby authorized to issue bonds and bond anticipation notes, subject to the terms, conditions and

procedures set forth in the Construction Contract. The Project shall be constructed by the District in accordance with the provisions of the Construction Contract and, upon completion thereof, shall be dedicated to the City. Upon such dedication, all right, title and interest of the District in and to the Project shall vest in the City. The City agrees that, upon completion of the Project, adequate distribution capacity shall be reserved by the City to serve all land within the District.

#### ARTICLE II

##### WATER SUPPLY

A. At the times and in the manner requested by the District, the City agrees to sell and deliver to the District all water which may be reasonably required by inhabitants of the District for domestic and commercial purposes. The City agrees that water service to the District shall immediately, upon execution of this Agreement by the City, be made available to the District from the City's Jollyville Reservoir. All such water shall be supplied from the City's water distribution system, as extended by the District, to a point or points of delivery adjacent to the boundaries of the District, as designated by the District's engineer and approved by the City. The sale and furnishing of water to the District shall be nondiscriminatory and uniform with the policy or policies of the City relating to utilities inside the City's utility service area as established by Ordinance Number 810820-B, as now in effect or hereafter amended. Water supplied to the District pursuant to this Agreement shall be at the rate or rates established by the City for water supplied to water districts generally. The District specifically agrees that the supply of water to the District may be reasonably limited by the City on the same basis and to the same extent as the supply of water to any other customer within the City's service area. "Water", as used in this Article II, shall mean potable water meeting the requirements of the Texas Department of Health for human consumption and other domestic uses. The City agrees to use reasonable efforts to acquire and maintain a supply of water adequate to provide service to the District. This Agreement shall serve in lieu of an approved approach main request for water service under the City's approach main policy.

B. Metering equipment and related facilities, including a meter loop, a meter house or pit, and standard-type devices required for properly measuring the quantity of water delivered to the District, shall be installed at each point of delivery of water to the District. The District, at its expense, shall install and provide the meter loop and the meter house or pit. The City, at the District's expense, shall provide and install



the meter. The City, at its expense, shall operate and maintain the metering equipment and related facilities and shall calibrate the metering equipment upon request by the District; provided, however, that the cost of calibrating the metering equipment shall be borne by the District if requested more frequently than once every twelve (12) months. Any meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered during the corresponding period immediately preceding such failure, subject to reasonable adjustments for seasonal and climatic considerations, unless the City and the District otherwise agree. The metering equipment shall be read once each calendar month.

C. 1. Rates charged to customers of the District for water delivered pursuant to this Article II shall be set by the District and shall not be less than those normally charged by the City for comparable customers within the City, as established from time to time by the City Council of the City. It is agreed and understood that the District shall charge the surcharge provided in Article VII hereof in addition to such water service rates.

2. The City and the District agree that the District shall comply with the City's Capital Recovery Fee Ordinance, Ordinance Number 821216-H, as hereafter amended from time to time, and shall be entitled to any credits and offsets for construction of offsite facilities set forth therein.

D. The District's billing and payment procedures shall substantially conform with the procedures established by the City as set forth in the City of Austin Utility Service Regulations, as now in effect or hereafter amended; provided, however, that the District may vary such procedures if required by law and that the District and the City may enter into a contract providing that the City may handle billings for the District in such a manner and for such compensation as may be mutually agreeable.

#### ARTICLE III

##### SEWAGE TREATMENT

A. The City agrees to receive, treat, and dispose of all sewage which is collected by the District and delivered to a point or points of delivery into the City's sanitary sewer trunk line, as extended by the District. Said point or points of delivery shall be designated by the District's engineer and approved by the City. Sewage treatment and disposal services provided to the District shall be nondiscriminatory and uniform with the policy or policies established by the City Council of the City relating to utilities in the City's utility service

area, as established by Ordinance Number 810820-B, as now in effect or hereafter amended. Sewage received from the District and treated by the City pursuant to the terms of this Agreement shall be at the rate or rates established by the City for sewage received from water districts generally. The District specifically agrees that the treatment of sewage received from the District may be reasonably limited by the City on the same basis and to the same extent as the treatment of sewage received any other customer within the City's service area. The City agrees to use reasonable efforts to acquire and maintain sewage treatment capacity adequate to provide service to the District. This Agreement shall serve in lieu of an approved approach main request for sewer service under the City's approach main policy.

B. The District is authorized to contract with any firm, corporation, person or governmental entity for the temporary disposal of sewage until such time as the facilities contemplated hereunder have been constructed by the District. The reasonable cost and expense of such temporary sewage disposal shall be a bondable expense of the District to the extent permissible under the rules and regulations of the Texas Water Commission. No package treatment plant shall be used within the District on either a temporary or permanent basis.

C. 1. Rates charged to customers of the District for sanitary sewer service shall be set by the District and shall not be less than those normally charged by the City for comparable customers within the City, as established from time to time by the City Council of the City. It is agreed and understood that the District shall charge the surcharge provided in Article VII hereof in addition to such sanitary sewer service rates.

2. The City and the District agree that the District shall comply with the City's Capital Recovery Fee Ordinance, Ordinance Number 821216-H, as hereafter amended from time to time, and shall be entitled to any credits and offsets for construction of offsite facilities set forth therein.

D. The District's billing and payment procedures shall substantially conform with the procedures established by the City as set forth in the City of Austin Utility Service Regulations, as now in effect or hereafter amended; provided, however, that the District may vary such procedures if required by law and that the District and the City may enter into a contract providing that the City may handle the billings for the District in such a manner and for such compensation as may be mutually agreeable.

E. Industrial waste, if any, received by the District shall be processed in a manner consistent with the provisions of the City's Industrial Waste Ordinance, Ordinance Number 821209-F.

#### ARTICLE IV

##### OPERATION AND MAINTENANCE

A. The District shall operate and maintain the water and wastewater system located within the District, unless the City and the District enter into a contract for the City to operate the system in such manner and for such compensation as may be mutually agreeable. All water and wastewater connections within the District shall be inspected by the District for compliance with the requirements of the City and the requirements of the Texas Department of Water Resources. Water meters shall be purchased by the District from the City's Water and Wastewater Department at cost.

B. The District shall operate and maintain the park and recreational facilities located within the District to the extent permitted by applicable law; provided, however, that in the event it is ever determined by the Texas Water Commission or any court of competent jurisdiction that the District is incapable of legally operating and maintaining such facilities, the City may accept the parks and recreational facilities located within the District for operation and maintenance under a time schedule mutually acceptable to the District and the City, or, if an agreement is not reached between the City and the District, the District may convey such facilities to Milwood, its successors or assigns, pursuant to the terms and conditions of restrictive covenants which are to be imposed against the property situated within the District. In either event, the District shall thereafter have no further obligation with respect to the operation and maintenance of such facilities.

#### ARTICLE V

##### AREA OF AND LIMITATIONS ON SERVICE

Unless the prior approval of the City Council of the City is obtained, the District shall not: (1) construct or install water or wastewater lines or facilities to serve areas outside the District; (2) sell or deliver City water or wastewater service to areas outside the District; or (3) annex any additional lands to the District.

#### ARTICLE VI

##### LIMITATION ON LIABILITY

The City shall not be liable to Milwood, the District, or any customer of the District for any failure of the City to provide water or sewer service: (1) where such failure results from impairment of facilities, strikes or other conditions beyond the City's control, so long as the City uses reasonable efforts to promptly correct such condition or conditions, or (2) as otherwise provided in Articles II and III hereof.

ARTICLE VII

ANNEXATION

A. The parties hereto acknowledge and agree that the land comprising the District lies partially within the extraterritorial jurisdiction of the City and partially within the City; is not bordered by another city, town, or village; and that the portion which is not currently within the City is scheduled for annexation by the City in accordance with the Annexation Plan of the City. The parties further acknowledge that the creation of the District, and the City's consent thereto, are for the purpose of promoting the orderly development of and extension of municipal services to the land comprising the District.

B. In furtherance of the purposes of this Agreement, the District and Milwood, and their respective successors and assigns, covenant and agree to the extent allowed by law that, except upon written consent of the City Council of the City they will not: (1) seek or support any effort to incorporate any land within the District, or any part thereof; or (2) sign, join in, associate with, or direct to be signed any petition seeking to incorporate any land in the District or to include any of such land within the boundaries of the City or any other incorporated entity.

C. All parties to this Agreement respectively agree that one of the purposes of this Agreement is to effectuate the provisions of Section 54.016(f) of the Texas Water Code regarding annexation pursuant to the terms and conditions of a contract between a district and a city. It is further understood that, by enacting the ordinance granting consent to the creation of the District and by executing this Agreement, the City has begun the legal process of annexation of the District, and it is mutually agreed that all parties hereto shall use their best efforts to bring about the conclusion of that process in accordance with the terms hereof.

D. It is expressly understood and agreed that the City may complete the annexation process and annex the District upon the following terms and conditions:

1. At any time following the installation of the "requisite percentage of District facilities", as hereinafter defined, the annexation process may be completed and the District included within the corporate boundaries of the City. For purposes of this Subsection D, the term "requisite percentage of District facilities" shall mean ninety percent (90%) by dollar amount of the total facilities for which District bonds have been approved by the voters within the District. The District shall be dissolved on the date and in the manner specified in the ordinance

completing such annexation, but in no event more than ninety (90) days after the effective date of such annexation. Upon the dissolution of the District, the City shall immediately succeed to all properties, powers, duties, assets, debts, liabilities, and obligations of the District.

2. Notwithstanding the provisions of the preceding Subparagraph D-1, if, prior to the installation of the requisite percentage of District facilities, the City is presented with a valid petition for annexation in aid of incorporation which complies with the provisions of the Municipal Annexation Act (Article 970a, V.T.C.S.) and all other statutes, ordinances, and charter provisions relating to incorporation, the City shall be authorized to complete the annexation process and include the District within the corporate boundaries of the City. In such event, the District shall continue to exist following the effective date of such annexation; provided, however, that:

(a) The provisions of this Agreement shall remain in full force and effect until the District is dissolved in accordance with the provisions of this subsection;

(b) The total ad valorem taxes collected by the City and the District from taxable property within the District during any year between annexation of the District and dissolution of the District shall not exceed an amount greater than the City's ad valorem tax on property within the City limits. As between the City and the District, the District shall be entitled to levy and collect an ad valorem tax which, when added to the projected revenues of the District for the next year, will yield an amount sufficient to meet all financial obligations of the District and provide a ten percent (10%) contingency fund. The City shall be entitled to levy and collect an ad valorem tax which, when added to that which the District is entitled to levy and collect, shall not cause the total ad valorem taxes on taxable property within the District to exceed the limitation set forth above. It is provided, however, that if the foregoing limitation upon the total amount of ad valorem taxes shall be declared invalid by a court of competent jurisdiction and no appeal is or can be taken from that decision, then such limitation shall not apply and the City and District may each levy such ad valorem taxes as may be authorized by law.

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(c) During the period following annexation but preceding dissolution of the District, the District shall, to the extent permitted by law, be responsible for providing water and wastewater service to residents of the District. The City shall be responsible for the provision of all other governmental services, including the operation and maintenance of parks and recreational areas, to residents of the District until dissolution of the District, at which time the City shall become responsible for the provision of all governmental services to residents of the District.

(d) The District shall be dissolved and the City shall succeed to all the remaining properties, powers, duties, assets, debts, liabilities, and obligations to the District upon: (i) the retirement of the District's bonded indebtedness or (ii) the expiration of forty (40) years from the date this Agreement is executed by the District, whichever occurs first. In accordance with the procedures established by applicable law, the City may elect to forfeit the collection of the surcharge described in Article VII, Section E of this Agreement and dissolve the District prior to the installation of the requisite percentage of District facilities. In such event, the City shall give notice to the District in the same manner as provided in Subparagraph 3, of this Article VII, Section D, below, of its election to dissolve the District, and such dissolution shall take effect six (6) months after such notice; provided, however, that if the installation of any items of authorized facilities financed with the proceeds from the sale of bonds has been commenced in good faith, in compliance with and in reliance on the provisions of this Agreement, and is in progress upon the date the City notifies the District of its election, dissolution of the District shall be postponed until: (i) installation of such items has been completed, or (ii) the expiration of one (1) year, whichever occurs first.

3. The City may annex the District at such time as the City finds such annexation to be feasible; provided, however, that if the installation of any items of authorized facilities financed with the proceeds of bonds has commenced in good faith in compliance with and in reliance upon the provisions of this Agreement and is in progress at the time the City finds annexation of the District to be feasible, the City shall give written notice of its intent to proceed

to annex the District, by registered or certified mail, return receipt requested, to the address of the District designated in the registration statement on file with the Texas Department of Water Resources, with a copy to the District's attorney of record, and annexation of the District to the City shall be postponed until: (i) the installation of the items has been completed; or (ii) the expiration of one (1) year, whichever occurs first.

4. Milwood shall notify each person or entity purchasing property within the District from Milwood of the annexation provisions of this Agreement and shall obtain from each such purchaser a written acknowledgement that any attempt to incorporate all or any part of the District would be contrary to the intent and purpose of this Agreement.

E. Unless otherwise prohibited by applicable law, the District shall charge and collect a special water and sewer rate in the amount of \$18.20 per month from each single family dwelling unit or its equivalent to which water and sewer services are provided. Such special rate shall be assessed and collected from each customer in the manner specified above. The special rate may continue to be charged by the City after annexation and dissolution of the District, in addition to the City's normal water and sewer rates, as authorized by Section 54.016(h) of the Texas Water Code, until the bonded indebtedness of the District has been retired. If the total principal amount of bonds for District facilities is greater or less than the total estimated amount of bonds which was used to calculate the special rate, or if it becomes evident as a result of the subdivision process that the total number of single family dwelling units or their equivalents within the District will be greater or less than the total number used to calculate the special rate, then the District and the City agree to recalculate the special rate accordingly, and such recalculated special rate shall be charged and collected as provided herein. It is specifically acknowledged and agreed that the special rate described above has been calculated and that any recalculation thereof shall be calculated as provided in the Water District Ordinance for Growth Area III, in accordance with the terms and conditions of the ordinance of the City granting consent to the creation of the District.

G. Except as otherwise provided herein, all contract obligations and responsibilities of Milwood and the District pursuant to this Agreement shall terminate when the land within the District is annexed to the City; provided, however, that any obligations which have accrued prior to annexation shall not be affected by such termination.

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#### ARTICLE VIII

##### ADDITIONAL REQUIREMENTS

Milwood and the District hereby respectively agree to comply with all applicable requirements contained in the Water District Ordinance; provided, however, that where the requirements of this Agreement are more specific than, but not inconsistent with, the provisions of the Water District Ordinance, the provisions of this Agreement shall control.

#### ARTICLE IX

##### CONSTRUCTION OF DISTRICT FACILITIES

With the consent of the District and the City, Milwood, or Milwood's successors or assigns, may serve as the project manager for the construction of all water, wastewater and drainage facilities to be constructed or acquired by the District. It is provided, however, that no construction of any facility shall commence unless the plans and specifications therefor have been approved by the City and all other governmental entities having jurisdiction. Upon the issuance and sale of its bond anticipation notes or bonds for such purposes, the District shall pay Milwood the cost of construction of any facilities constructed by Milwood to the extent authorized by the Texas Department of Water Resources and permitted by the Water District Ordinance. To the extent the District is not permitted to pay Milwood for any facilities, Milwood shall dedicate such facilities to the District without compensation.

#### ARTICLE X

##### LAND AND EASEMENT COSTS

Land, easements, and rights-of-way needed for District purposes within the District, which purposes are to be financed by issuance of bonds and notes, shall be dedicated to the District by Milwood, its successors or assigns. The District may acquire land from Milwood in accordance with the rules of the Texas Department of Water Resources and the provisions of the Water District Ordinance. Land, easements, and rights-of-way outside the District needed by the District shall be acquired by the District in accordance with the usual and customary public purchasing standards and procedures applicable to the District.

#### ARTICLE XI

##### LAND USE AND DEVELOPMENT

A. Milwood covenants and agrees to dedicate the following amenities to the District: (1) approximately sixty-four (64) acres of park and greenbelt areas; (2) a two (2) acre fire station site; and (3) a five (5) acre solid waste transfer site which shall be adjacent to the District's frontage along Highway 620, in either the area designated for industrial use or the area designated for retail use on the Conceptual Plan, as defined



below. Prior to development of the solid waste transfer site, the City shall submit a site plan showing all proposed structures, buffering, setbacks and uses on the site and the District shall have the right to approve, modify or disapprove such site plan as necessary, in the opinion of the Board of Directors of the District, to maintain compatibility with adjoining land and uses; provided, however, that such site plan approval shall not be unreasonably withheld. Milwood further agrees to provide park and recreational facilities for the residents within the District having a value of at least \$750,000.00, and to construct, at its sole cost, a bridge across Lake Creek at the location to be selected by Milwood and approved by the Director of Public Works.

B. All land within the District shall be developed in accordance with the conceptual plan attached hereto as Exhibit "C" and incorporated herein by reference, as the same may be amended from time to time with the concurrence of a majority of the members of the Planning Commission of the City and Milwood, its successors and assigns (the "Conceptual Plan"), except as otherwise hereinafter provided. Milwood, its successors and assigns shall comply with all requirements set forth in such Conceptual Plan. The Conceptual Plan shall be updated as each section of land within the District is platted, and all land located within the District shall be platted in accordance with the requirements of Article 970a, Texas Revised Civil Statutes, prior to development of such land. The City's Director of Planning shall determine whether a plat is in substantial compliance with the Conceptual Plan. Any person aggrieved by the decision of the Director of Planning may appeal such determination by filing a written appeal with the City Clerk of the City within ten (10) days from the date of such decision. The City Council of the City shall then hold a public hearing and render a decision either affirming or reversing such determination within fifteen (15) days from the date of such appeal.

C. Any increases in the overall gross density of development or any changes increasing the intensity of the land uses shown on the Conceptual Plan may only be made with the concurrence of a majority of the members of the City Council of the City and Milwood, its successors and assigns. Any decreases in land use intensity to a residential land use designation of "AA", "A", or "A-2" under the current zoning ordinance of the City, or the equivalent zoning classifications under any future zoning ordinance enacted by the City, shall not require approval by the City Council or Planning Commission of the City except as to plat approval by the Planning Commission as hereinabove provided.

D. Milwood shall have the right to designate additional school sites without prior approval of either the City Council or Planning Commission.

E. All land within the District shall be developed in accordance with the Landscape Ordinance of the City, Ordinance Number 820408-E, as hereafter amended from time to time. In addition, the land within the District fronting onto Ranch Road 620 and Farmer Lane shall be developed in accordance with the requirements of the Austin City Code, Chapter 13-2, Article VI, as hereafter amended from time to time. Each site within the District developed for use for industrial purposes shall be developed as a Planned Development Area pursuant to Article 970a, Section 5, Texas Revised Civil Statutes. All buildings constructed within the District shall be constructed in accordance with City standards.

All land within the District which is located within the fully developed one hundred (100) year flood plain of the main stem of either Rattan Creek or Lake Creek shall contain no development other than development associated with District park and recreational facilities, roads, and utilities. No parking, other than parking provided in association with park and recreational facilities, shall be included within the one hundred (100) year flood plain. Land located within the one hundred (100) year flood plain shall not be included within lots or considered in making calculations of density.

F. Milwood agrees to construct the roadway designated as Anderson Mill Road to City standards, to the extent that such roadway is situated within the boundaries of the District.

G. The terms and provisions of this Article XI shall continue in effect after annexation of the District by the City.

#### ARTICLE XII

##### ASSIGNMENT OF AGREEMENT

Milwood, or any party to this Agreement, or the successors or assigns of any such party, may from time to time, transfer, convey or assign all or any part of its rights and obligations under this Agreement with respect to all or any part of the land within the District owned by such party. Upon approval by the City of the assignee or assignees, which approval shall not be unreasonably withheld, and provided that the assignee or assignees assume the liabilities, responsibilities and obligations of the assignor under this Agreement, the party assigning its rights and obligations under this Agreement shall be released from the liabilities, responsibilities and obligations hereof to the extent of the land involved in such assignment or assignments, or to the extent otherwise approved by the City. Neither the District nor the City shall assign this Agreement without written

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consent of each of the other parties hereto. Milwood is specifically authorized to assign this Agreement to the District upon its creation; provided, however, that such assignment shall not relieve Milwood or its successors or assigns from the obligation to comply with the land use requirements and the other provisions contained herein affecting the use and conditions of sale of property within the District.

#### ARTICLE XIII

##### TERM OF AGREEMENT

This Agreement shall be effective from the date of execution hereof by the City and Milwood, and shall continue in effect for a period of forty (40) years from the date of the execution hereof by the District; provided, however, that if the District is not created within one (1) year after execution of this Agreement by the City, this Agreement shall terminate and be of no effect.

#### ARTICLE XIV

##### JOINT CONTRACTING

The District is authorized to contract with any firm, corporation, person, governmental entity or political subdivision for the construction, operation and maintenance of any water or wastewater facilities or any other facilities which are within the powers of the District to construct, operate or maintain.

#### ARTICLE XV

##### SEVERABILITY AND ENFORCEABILITY

In the event that any provision hereof is subsequently determined to be invalid, illegal or unenforceable such provision shall be severed from the remaining portions of this Agreement and the remainder of the Agreement shall remain in full force and effect.

If the Texas Water Commission or any court of competent jurisdiction determines that any portion of this Agreement is beyond the scope or authority of the Texas Water Code or other applicable Texas law, the City, Milwood and the District agree to immediately amend this Agreement so as to conform to such ruling or decision in such a manner as is most consistent with the original intent hereof as may be legally possible.

#### ARTICLE XVI

##### BENEFITS OF AGREEMENT

This Agreement is for the benefit of the City; the District; and Milwood, its successors and assigns, and shall not be construed to confer any benefit on any other party except as expressly provided herein. This Agreement may be executed by the City and Milwood prior to creation of the District and shall be binding upon the City and Milwood for a period of one (1) year following such execution by the City, pending creation and

confirmation of the creation of the District and approval and execution of this Agreement by the Board of Directors of the District.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its undersigned duly authorized representative, in multiple copies, each of equal dignity, on the date or dates indicated below.

APPROVED AS TO FORM:

By *Albert DeLaRosa*  
Albert DeLaRosa  
City Attorney

CITY OF AUSTIN, TEXAS

By *Nickolas D. Hinger*  
City Manager  
Executed on MAY 20 1983, 1983

NORTH AUSTIN MUNICIPAL  
UTILITY DISTRICT NO. 1

By *Stuart Davis*  
President,  
Board of Directors  
Executed on February 21, 1984

AUSTIN WHITE LIME COMPANY

BY: *A.H. Robinson, Jr.*  
A.H. ROBINSON, JR., Partner  
BY: *George E. Robinson*  
GEORGE E. ROBINSON, Partner  
Executed on Jan. 30, 1984

ROBINSON RANCH

BY: *A.H. Robinson, Jr.*  
A.H. ROBINSON, JR., Partner  
BY: *George E. Robinson*  
GEORGE E. ROBINSON, Partner  
Executed on Jan. 30, 1984

MILWOOD JOINT VENTURE

BY: *Bill Milburn*  
BILL MILBURN, Venturer

BY: PALMAR ASSOCIATES, Venturer  
BY: *A.H. Robinson*  
Executed on Jan. 30, 1984

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## ORDINANCE NO. 81 2816-2

AN ORDINANCE REPEALING ORDINANCE NO. 800320-2; ESTABLISHING A POLICY RELATING TO POLITICAL SUBDIVISIONS CREATED PURSUANT TO ARTICLE III, SECTION 52 OF THE TEXAS CONSTITUTION OR ARTICLE XVI, SECTION 59 OF THE TEXAS CONSTITUTION FOR THE CITY OF AUSTIN; ESTABLISHING THEREIN BASIC QUALIFICATIONS FOR CONSENT TO THE CREATION OF A WATER DISTRICT; PROVIDING PERCENTAGES ALLOWED FOR BOND FINANCING; ESTABLISHING THE PROVISIONS OF THE BONDING PACKAGE; PROVIDING FOR THE PROVISION OF SPECIAL WATER AND SEWER RATES WITHIN THE CONSENT AGREEMENT AS AUTHORIZED BY SECTION 54.016(h) OF THE TEXAS WATER CODE; ESTABLISHING VARIOUS REQUIREMENTS; DECLARING A POLICY STATEMENT; SUSPENDING THE RULE REGARDING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The City Council, of the City of Austin, Texas, wishes to allow the prudent utilization of Water Districts to encourage development in accordance with its Growth Management Plan, and

WHEREAS, The City Council wishes to develop policies to curtail the rising costs of housing and the size of purchase-money mortgages, and

WHEREAS, The City Council wishes to develop a policy for creation of Water Districts in a manner that will not burden the citizens of Austin with future debt, and

WHEREAS, The City Council wishes to develop a policy for the creation of Water Districts in a manner that will discourage urban sprawl; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. That Ordinance No. 800320-2, as amended, be and it is hereby repealed.

PART 2. That this policy relating to the political subdivisions created pursuant to Article III, Section 52 of the Texas Constitution or Article XVI, Section 59 of the Texas Constitution, be adopted pursuant to the applicable provisions of the Texas Water Code and the Texas Municipal Annexation Act of the State of Texas, to be equitably applied to all petitioners for new Water Districts within the City's Extra-Territorial Jurisdiction.

- I. BASIC QUALIFICATIONS FOR CONSENT TO THE CREATION OF A WATER DISTRICT INCLUDING BUT NOT LIMITED TO MUNICIPAL UTILITY DISTRICTS (MUD), WATER CONTROL AND IMPROVEMENT DISTRICTS (WCID), AND FRESH WATER SUPPLY DISTRICTS (FWSB).

- EXHIBIT "A" TO CREATION AGREEMENT  
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- A. The Water District shall contain acreage necessary to assure the economic viability of the District, but in no event shall a Water District contain less than 100 acres.
- B. The land to be included within the water District must lie entirely outside the City limits; provided however, that land within the City by virtue of strip-annexation along major thoroughfares may be included with the Water District if such land within the City, constitutes no more than 5% of the total acreage of the Water District.
- C. The economic viability of the district must be shown in the same manner as required by the State.
- D. The consent resolution and agreement must reflect, and conform to, all the applicable stipulations of this policy.
- E. The City Council must determine that the district is not likely to be annexed by the City within three (3) years. Such determination shall not be binding on the City, however.
- F. When the City Council receives a petition for creation of a Water District within the City's Extra-Territorial Jurisdiction, it shall be evaluated in accordance with the policy set forth herein.

II. PERCENTAGES ALLOWED FOR BOND FINANCING.

- A. A Municipal Utility District will be allowed to issue bonds equal in amount to the bonding package outlined in Section III. hereof, times the appropriate percentage determined in Exhibit "A", attached hereto. All other forms of Water Districts including Water Control and Improvement Districts and Fresh Water Supply Districts in Growth Management Areas I, II and III will be allowed bonding authority equal to one half the percentages for the following items only listed in Exhibit "A" Municipal Utility Districts: 1) internal water lines, 2) regional drainage, 3) water approach mains, and 4) water facilities. All such other forms of Water Districts located in Growth Management Area V will be allowed bonding authority equal to three quarters of the percentages for the items listed. Exceptions to the percentage limitations in Exhibit "A" may be granted by the City Council only where a proposed Water District will serve established residential areas and is not being created primarily to serve undeveloped land. Further, when a petition is received for creation of a Municipal Utility

EXHIBIT "A" TO CREATION AGREEMENT

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Districts in Area V which in the estimation of the City Council will not have a deleterious effect on the urban planning decisions including annexation, extension of utility service, protection of the environment, the fiscal integrity of the City of Austin and other goals delineated in the Austin Tomorrow Comprehensive Plan, it shall be evaluated on a case by case basis and considered individually on its merits and not necessarily subject to the provisions of this policy.

- B. Where a Water District overlaps any of the boundary lines in Exhibit "A", the percentage shall be apportioned according to the number of living unit equivalents in each area. The percentage shall be determined with respect to area designation and City limits at the date the consent agreement is approved by the City Council.
- C. The following definitions shall apply when used in Exhibit "A":
  1. "Growth management area" refers to an area as described within the Master Plan of the City of Austin.
  2. "Extra-territorial jurisdiction area" refers to that area between the City limits and 5 miles beyond that as defined in appropriate state enabling legislation.
  3. "Internal water lines" or "Internal wastewater lines" means those lines, constructed within the Water District, including any oversize required which will not be recovered under the City's oversize policy since that policy shall be applicable to the developer.
  4. "Storm sewer/drainage" is limited to the cost of storm sewer pipe and open channels and their installation where impervious channel surfaces are required.
  5. "Regional drainage" means regional type storm water retention/detention features designed and constructed to control and/or manage storm water, a substantial portion of which issues from one or more watersheds outside the Water District, and provided such construction is approved by the Engineering Department of the City of Austin.

EXHIBIT "A" TO CREATION AGREEMENT

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6. "Wastewater facilities" means treatment plants, storage facilities and other items not included in 3 or 9 of this section.
7. "Water facilities" means treatment plants, storage facilities, wells and other items not included in 3 or 10 of this section.
8. "Water Facilities Using Ground Water from Edward's Aquifer" means all such facilities listed in definition 7 above which, in this case, derive their raw water source from the Edward's Aquifer.
9. "Irrigation land" means land irrigated in connection with a sewage treatment plant. The bonds allowed for this land are to be determined by the raw land cost. When land or irrigation is no longer used for that purpose, and it is sold, the proceeds from the sale shall be placed in the Debt Retirement Fund of the district. If annexation has occurred, such proceeds shall be placed in the Utility Enterprise Debt Retirement Fund of the City of Austin.
10. Approach mains are defined as those water and/or wastewater lines which lead up to but not within the property to be served and as further defined, by the Cost Participation Ordinance of the City of Austin.

III. BONDING PACKAGE.

A. WATER, WASTEWATER AND DRAINAGE

A Water District shall be permitted the bonding permitted under the State Law and the rules of the Texas Water Development Board for 1) construction, and for 2) Land and easement costs for water, sewer, and drainage improvements (in accordance with Exhibit "A"). Further, the "30% rule" instituted by the Texas Water Commission shall apply in determining the bonding allowed for Water, Wastewater and Drainage. The percentages in Exhibit "A" shall apply after limits imposed by that rule and the delineation between types of districts and allowable bonding percentages established in Section II.A. of this Ordinance. The developer must pay 30% of the cost of internal lines and drainage. Additionally, that oversize portion of a water or wastewater approach main which the City of Austin has required to be constructed to serve areas outside of the

EXHIBIT "A" TO CREATION AGREEMENT

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boundaries of the Water District may be financed with bonds. In such cases, the City shall repay the Water District annually for the City's pro rata share of the debt retirement cost of such facility. The City shall retain the right to allocate its pro rata share of the facility and collect subsequent users fees as defined in the Cost Participation Ordinance of the City of Austin. Provided, however, that the following items shall not be allowed to be financed by the issuance of bonds, and therefore, shall not be included in the bonding package:

1. Land or easements within the Water District, or any property owned by the developers of the Water District, dedicated for any water or wastewater line or facility, including treatment plants for any function related to drainage. Provided, however, that bonds may be authorized for the purchase of land for irrigation purposes connected with a package treatment plant (in accordance with the chart in Exhibit "A"). Provided further that irrigation land purchased from the developers of the Water District must be purchased at book value.
2. Curbs, gutters, inlets, culverts, and bridges.
3. Drainage improvement, except storm sewers and regional facilities, in accordance with Exhibit "A".

### B. INTANGIBLES

1. A contingency factor of 10% shall be allowed on all water, wastewater and drainage costs.
2. Construction costs shall include 10% for engineering, and shall include all fees.
3. Interest during construction and capitalized interest shall be allowed to the full extent of the State Law for all costs that qualify for bond financing.
4. Other non-construction costs allowed for bond financing are: fiscal agent fees, legal fees and administration organizational expense and printing the bonds, as allowed by State Law.

### C. BONDED AMENITIES

Additional bonding authority may be used as the City Council specifies for any of the following items. The City Council must approve the need for each item, the

EXHIBIT "A" TO CREATION AGREEMENT

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size location and design. The aggregate of the City requirements shall be limited by the economic viability of the District. Bonded authority for any land under this section shall be based on raw land cost and carrying expenses.

1. Solid waste disposal sites.
2. Fire station sites.
3. Park lands, nature preserves, creek preservation easements, hike and bike trails, lakes and greenbelts in addition to those required by City ordinance.
4. Water quality monitoring stations, holding ponds and storm water treatment facilities.
5. Other items which might be mutually agreed upon by the City Council and the petitioners, and are permitted by the State.

D. NON-BONDED AMENITIES

The following amenities are required and shall not be financed by the issuance of bonds or by the incurrence of debt by the district.

1. Traffic control signs and devices constructed within the Water District.
2. Street signs.
3. Street lights.
4. Sidewalks, installed in accordance with Chapter 41 of the Austin City Code (Subdivision Ordinance), when developing by urban standards.
5. Recreational facilities on park land equal to 10% of the value assigned to the park land.

- IV. Consent agreements for Municipal Utility Districts shall provide, in adequate detail as required by Section 54.016(h) of the Texas Water Code that the water and sewer rates for properties within the MUD be specifically set so as to compensate the City of Austin for assuming the district's indebtedness after annexation. These special rates shall be in effect until the bonded indebtedness of the MUD is fully retired. If the bonds are called, these special rates shall nevertheless be in effect for the full projected life of the original bonds. These special rates shall consist of a component calculated to retire all or part of the bonded indebtedness incurred by the MUD as set out in "A" below. The component shall be determined by calculating the monthly debt retirement

EXHIBIT "A" TO CREATION AGREEMENT

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payment for the appropriate bonded indebtedness and dividing the monthly payment by the number of planned living unit equivalents within the district. After annexation, this special rate shall be charged in addition to the water and sewer rates paid by other city consumers of similar customer classification.

If the Municipal Utility District requests City Council approval of subsequent, additional bonding authority beyond that agreed to in the original consent agreement, the special rates agreed to in this section will be recalculated as determined above to reflect the additional bonded indebtedness.

In addition, if it becomes evident via the subdivision approval process or otherwise, that the number of planned living unit equivalents within the district will exceed or be less than the figure originally used as the basis for computing the surcharge then the district and the City agree to adjust the special charges accordingly.

A. The bonded indebtedness used to calculate the special rate shall be:

- 1) Area III: the total amount of bonded indebtedness for construction, land and easement costs for water and wastewater internal lines, and all drainage as set out in Exhibit "A";
- 2) Area IV: the total amount of bonded indebtedness for construction, land and easement costs for water and wastewater internal lines, all drainage as set out in Exhibit "A"; and fifty percent of the total bonded indebtedness for construction, land and easement costs for water and wastewater approach mains and facilities and irrigation land as set out in Exhibit "A".
- 3) Area V: the total amount of bonded indebtedness for construction, land and easement costs for regional drainage, water and wastewater approach mains, water and wastewater facilities and irrigation land.

B. Since Section 54.016(h) of the Texas Water Code which permits the special rates used in this policy contains a provision which says that the City of Austin cannot annex the district prior to the installation of 90% of the facilities for which district bonds were authorized, the consent agreement must also contain a provision containing

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a date for 90% installation beyond which authorization for all unissued bonds may be terminated at the option of the City Council. If the City Council elects to so terminate, it must concurrently annex the district. To facilitate this requirement the consent agreement must require that bonds be issued to finance only completed and approved facilities and existing items.

- C. Any water and sewer customer within the boundaries of the City may enforce the special rates required to be included in a contract authorized by this policy.
- D. Prior to annexation, the special rate calculated in Section IV shall be charged in addition to the regular rate which shall not be less than that charged by the City within the City limits for consumers of similar customer classification. The revenue from the special rate shall be deposited in the debt retirement fund of the district.
- V. The revenue and ad valorem taxing authority of the district shall be pledged on all bonds as the City's ad valorem taxing authority shall be after annexation has occurred.

#### VI. ADDITIONAL REQUIREMENTS AND POLICY STATEMENT.

The City shall require the following of all Water Districts, and these requirements shall be stipulated by the appropriate set of consent resolutions and agreements.

- A. All development activities within the district shall conform to all existing City of Austin ordinance requirements.
- B. Underground utilities may be required by the City Council.
- C. All development construction by the district or the developers must be done in accordance with the City of Austin standards for similar facilities and copies of plans and specifications must be approved by the City before construction begins.
- D. All planning, designs, and construction of drainage facilities and other facilities and/or features pertinent to drainage shall be done in accordance with the "Drainage

EXHIBIT "A" TO CREATION AGREEMENT

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Criteria Manual" of the City of Austin. Drainage plans must be approved by the Director of Public Works prior to land development.

- E. The City shall have the right to inspect all ~~facilities of the district~~ at any time during construction, and final approval is required. In addition, the City shall have the right to charge inspection fees for review of facilities the cost of which is not covered by other appropriate charges.
- F. Bonds shall be issued only for those purposes specifically authorized by the consent agreement, and bonds authorized for one purpose shall not be used for another.
- G. Before the Water District issues bid invitations for its bonds, the City Council shall have the right of approval of all bond issues and sales, including bond prices, interest rates, and redemption premiums, and copies of all documents submitted to State agencies shall be concurrently submitted to the City.
- H. All records, files, books, information, etc., of the district shall be a matter of public record, and available for City inspection at all times.
- I. The district shall prepare annual reports for the City on the status of construction and bond sales.
- J. All bonds issued by the district shall have a call provision which allows the option to redeem the bonds at par.
- K. The district shall not furnish water or wastewater service to any tract of land unless the Planning Commission of the City of Austin has approved a subdivision plat covering such tract of land and such plat has been recorded in the deed records. The Planning Commission of the City of Austin will not be required to approve any subdivision within a Water District which does not conform to the provisions of the consent agreement.
- L. The district shall not provide service outside its boundaries unless approval is obtained from the City Council. If such permission is granted, no bond funds shall be expended or indebtedness incurred to provide such service without approval of the City Council.

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- M. The City shall review and approve the adequacy, type and construction of all roadways in the Water District.
- N. The City may require the construction of facilities or improvements for the purpose of mitigating the impacts of storm water runoff.
- O. No land within the Water District shall be allowed, at any time in the future, to incorporate, join in an incorporation, or be annexed into any incorporated city other than the City of Austin.
- P. No land may be annexed to a district without the approval of the City Council.
- Q. Right-of-way, public park land, utility and drainage easements and all other appropriate lands and easements shall be properly dedicated to the public, the district and its ultimate successor.
- R. The net effective interest rate will not exceed 2% above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period preceding the date notice of sale is given.
- S. Any wastewater treatment plant constructed in whole or in part with bond proceeds under this policy, shall not discharge over the Edward's Aquifer recharge zone or in the Barton Creek Watershed but must instead irrigate. Any wastewater treatment plant constructed in whole or in part with bond proceeds under this policy must be reviewed and approved by the City Council prior to the issuance of the State permit or any amendment thereto if it is to discharge instead of irrigate.
- T. Water Districts that are not charging a special rate as described in this Ordinance Part I, IV, shall charge a regular rate for service not less than that charged by the City for service to customers outside of the City as shall be established by the City Council from time to time.
- U. Water service in a WCID, FWSD or any other type of Water District with the exception of a Municipal Utility District will only be provided to lots one (1) acre minimum in size to insure the capability to install and operate an on-site wastewater disposal system over the life of the property.

PART 1. That all ordinances, resolutions and orders heretofore passed, adopted and made, or any part of the same, affecting approach mains, which

are in conflict with this Ordinance, shall be and the same are hereby in all things repealed.

PART 4. Whereas, an emergency is apparent for the immediate preservation of order, health, safety and general welfare of the public, which emergency requires the suspension of the rule providing for the reading of an ordinance on three separate days, and requires that this ordinance become effective immediately upon its passage; therefore, the rule requiring the reading on three separate days is hereby suspended and this ordinance shall become effective immediately upon its passage as provided by the Charter of the City of Austin.

PASSED AND APPROVED

August 16, 1981

I  
I  
I  
I  
I

Mayor

APPROVED: Albert D. L. R.  
Acting City Attorney

ATTEST: Brian Monroe  
City Clerk

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Ground Management Area	Extra territorial jurisdiction	Internal Water Utilization	Internal Wastewater Utilization	Storm Sewer Drainage	Regional Drainage	Water Approach Main	Wastewater Approach Main	Water Facilities	Water Facilities Utilizing Ground Water from Edward's Aquifer	Wastewater Irrigation Facilities	Irrigation Land
III	0-2 ml.	100%	100%	75%	100%	100%	100%	100%	0%	100%	100%
III	2-5 ml.	75%	75%	65%	100%	90%	90%	90%	0%	90%	100%
IV	0-2 ml.	40%	40%	0%	100%	60%	60%	60%	0%	60%	100%
IV	2-5 ml.	30%	30%	0%	100%	40%	40%	40%	0%	40%	100%
V	0-5 ml.	0%	0%	0%	100%	40%	20%	100%	0%	20%	100%

EXHIBIT "A"

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UTILITY CONSTRUCTION CONTRACT  
BETWEEN  
THE CITY OF AUSTIN, TEXAS AND  
NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1

This Contract is made and entered into on the date last herein written, by and between the CITY OF AUSTIN, TEXAS ("the City"), a Home Rule City located in Travis County, Texas, and the NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1 ("the District"), a conservation and reclamation district created pursuant to Article XVI, Section 59, of the Texas Constitution and operating under the provisions of Chapter 54 of the Texas Water Code.

RECITALS

The City owns and operates a water supply system and a sanitary sewer collection and treatment system serving areas within and adjacent to its city limits and has determined to extend its water supply and sanitary sewer facilities into the service area north of its present city limits in order to provide water and sanitary sewer service within said area for the purpose of protecting the health and welfare of present and future residents of the area and of portions of the City in proximity thereto.

The District desires to obtain access to the City's water supply system in order to enable it to provide a dependable supply of potable water to the inhabitants of the District and to obtain access to the City's sanitary sewer system in order to provide for the transportation, treatment, and disposal of sewage from within the District. Pursuant to Chapter 54 of the Texas Water Code, the District is authorized to purchase, construct and acquire, inside or outside its boundaries, works, improvements, and facilities helpful or necessary to supply water for municipal uses, domestic uses, and commercial purposes and to collect, transport, and dispose of waste. The Board of Directors of the District has determined that it is in the best

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interests of the District and its inhabitants to cooperate with the City in the acquisition and construction of certain extensions to the City's water supply and sanitary sewer facilities.

The City and the District are authorized to make and enter into this Contract in accordance with the laws of the State of Texas, including Article 1109j, Texas Revised Civil Statutes, and Chapter 54, Texas Water Code.

NOW THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that for same in consideration of the premises and the mutual obligations and benefits contained herein, the City and the District contract and agree as follows:

#### AGREEMENT

##### I. DEFINITIONS

The terms and expressions used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

1.01 "Project" shall mean and refer to those water main and sanitary sewer main extensions and improvements described in Exhibit "A" to this Contract. The exact alignment and configuration of such water main and sanitary sewer main extensions and the exact location and configuration of the other water and sanitary sewer improvements may vary depending upon the final engineering design which shall be reviewed by the Environmental Board of the City and which shall be approved by the consulting engineers for the District and the Directors or acting Directors of the City's Water and Wastewater and Public Works Departments. It is expressly acknowledged and agreed that, prior to the time engineering design for the Project has been finally determined, the City may, at its option, require the oversizing of any of the facilities comprising the Project, provided: (i) that the City bears the cost of such oversizing and any related engineering expenses; (ii) that the total cost

of the Project to the District is not increased as a result of the oversizing; and (iii) that the construction of the Project is not delayed as a result of such oversizing.

1.02 "Board" and/or "Board of Directors" shall mean and refer to the Board of Directors of the District.

1.03 "Bonds" shall mean and refer to the bonds to be issued by the District, in one or more series or issues, for the purpose of acquiring, by purchase and/or construction, the Projects.

1.04 "Bond Resolution" shall mean and refer to any resolution or trust indenture of the Board of Directors authorizing the issuance of the Bonds and providing for their security and payment, as amended from time to time as therein permitted.

## II. OBLIGATIONS OF DISTRICT WITH RESPECT TO THE ACQUISITION OF THE PROJECT.

2.01 Subject to the limitations hereinafter set forth, the District agrees that it will proceed, as promptly as possible and to the best of its abilities, with the financing and acquisition and/or construction of the Project, all in the manner hereinafter described. The District agrees to promptly pursue the approvals necessary for the District to issue the Bonds and acquire the Project. Upon obtaining said approvals, the District agrees to proceed promptly to issue and sell the Bonds and, thereafter, to purchase and/or construct the Project. The District hereby covenants that it will make a diligent effort to design and to complete the Project as soon as practicable; provided, however, that the District shall not be liable for any damages which may be occasioned by delays not caused by negligence of the District. The District and the City shall agree on the "Consulting Engineers" for the Project, which shall be constructed in accordance with plans and specifications prepared by the Consulting Engineers and approved by the City.

It is further agreed that the Consulting Engineers may be changed, but only with the consent of both the District and the City.

The District may enter into such contracts as may be necessary to provide for the acquisition, by purchase and/or construction, of the Project. Said contracts shall be approved and executed as required by the laws and regulations applicable to municipal utility districts and shall be awarded by competitive bidding in accordance with applicable City policies and procedures. The City shall be given notice of and invited to attend all bid openings, including bid openings for Bonds.

### III. DISTRICT'S OBLIGATION TO PROVIDE

#### FINANCING FOR PROJECTS

3.01 In order to finance the costs of the Projects, the District agrees to issue and sell the Bonds, in one or more series or installments, in such amounts as may be necessary to pay the costs and expenses of acquiring and/or constructing the Project and the costs and expenses of issuing the Bonds including, without limitation, the cost of acquiring all rights-of-way, easements, and land therefor; the funding of all special funds created for the payment and security of the Bonds; reasonable financial and legal fees, as agreed to in writing by the City attorney and the Director of Finance of the City; printing and other expenses incurred in connection of the issuance, sale and delivery of the Bonds; and an amount sufficient to provide for the payment of interest on the Bonds for a period not to exceed two (2) years. The parties agree that all of the Bonds issued by the District pursuant to the provisions hereof shall be payable solely from the contractual payments identified and described in Article V of this Contract.

3.02 Prior to the passage by the Board of Directors of the District of any resolution authorizing the issuance of the Bonds, a draft of such resolution in substantially final form

and content shall be delivered to the City Manager of the City at least thirty (30) days before the proposed date of sale of such Bonds and approved by the City Council of the City. Such draft shall set forth the principal amount and the maturities of the Bonds to be issued, the special funds created for the payment and security of the Bonds, including provisions relating to the creation and establishment of a special escrow fund for the deposit of the proceeds of the sale of the Bonds; and the procedures to be followed for the disbursement or withdrawal of funds deposited in such accounts. The necessity and amount of capitalized interest on the Bonds shall, after the first issue of Bonds, be reviewed and determined by the District and the Director of Finance of the City.

#### IV. OWNERSHIP AND OPERATION OF PROJECT

4.01 It is understood and agreed that the Project, upon final completion of the purchase and/or construction thereof, shall be dedicated to the City and, upon acceptance thereof by the City, all right, title and interest of the District in and to the Project shall vest in the City and the City shall thereafter be responsible for the maintenance and operation of the Project, at its sole expense.

#### V. PAYMENTS BY THE CITY

5.01 For and in consideration of the District's acquiring the Project and conveying the same to the City, the City agrees to pay to the District, in the manner hereinafter set forth, a sum equal to the total of the principal, interest, paying agents' fees, and other charges and expenses which may accrue in connection with the payment and discharge of the Bonds. It is further agreed that the City's obligation to make the payments herein specified shall terminate at such time as: (a) all of the Bonds have been paid in full and are no longer outstanding or (b) the City has irrevocably deposited with the paying agent or trustee, as the case may be, in trust: (1) monies sufficient

to fully pay the principal of, redemption premium, if any, on and interest on the Bonds to the respective due date or dates by reason of maturity, redemption or otherwise; and/or (2) government obligations, certified by an independent public accounting firm of national reputation, which shall mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient funds to pay the principal of; redemption premium, if any, on and interest on all outstanding Bonds to their respective due date or dates by reason of maturity, redemption or otherwise. "Government obligations" as used herein shall mean direct obligations of the United States of America, including obligations upon which principal and interest are unconditionally guaranteed by the United States of America, and United States Treasury obligations such as its State and Local Government Series, which may be in book-entry form. It is further understood and agreed that the District's only source of funds to pay the principal of and interest on the Bonds, and to pay expenses relating to the Bonds, shall be from the payments to be made by the City to the paying agent for the District pursuant to this Contract.

5.02 The City agrees to make the following payments to or on behalf of the District for so long as any of the Bonds issued in connection with the Project are outstanding:

- (a) Such amounts, payable semi-annually on or before the last business day prior to the due date of each payment on the District's Bonds, as may be necessary to pay the principal and/or interest coming due on the District's Bonds on the next succeeding payment date;
- (b) Such amounts, payable upon receipt of a statement therefor, as may be necessary to pay, or to reimburse the District for, the fees and charges of the paying agent for paying or (redeeming the Bonds and/or interest coupons appertaining thereto coming due on such date;
- (c) Such amounts, payable upon receipt of a statement therefor, as may be necessary to pay, or to reimburse the District for: (1) the actual cost of any special accounting audits required by

the City; (2) any extraordinary or unexpected expenses or costs reasonably and necessarily incurred by the District in connection with the Bonds and the Projects, such as expenses of litigation, if any; and (3) costs of special studies and special professional services, if and when required by any governmental directive or regulation, or as may be agreed to by the City and the District; provided, however, that the City shall not be obligated to pay District expenses of litigation if the City is an opposing party in such litigation;

- (d) Such amounts as may be necessary to make all payments into any special fund or reserve fund required to be established and/or maintained by the provisions of any Bond Resolution, as defined in Paragraph 5.05 hereof; and
- (e) Such amounts as may be necessary to pay any deficiency in any fund or account required to be accumulated and/or maintained by the provisions of any Bond Resolution, as defined in Paragraph 5.05 hereof.

5.03 This Contract, and all payments required to be made by the City hereunder, shall constitute a Separate Lien Obligation within the meaning of and as such term is defined in Ordinance Number 820303-A, a copy of which ordinance is attached hereto as Exhibit "B" and incorporated herein by this reference. The capitalized terms set forth in this Section 5.03 and in Section 5.04 of this Article shall have the same meanings assigned to such terms by said Ordinance. The City hereby covenants and agrees that, subject only to the prior lien on and pledge of the Net Revenues of the City's Waterworks and Sewer System to the payment and security of the Priority Bonds, including the establishment and maintenance of the special funds created for the payment and security of the Priority Bonds, the Net Revenues of the Waterworks and Sewer System, with the exception of those in excess of the amounts required for the payments to be made hereunder and required for the payment and security of the Bonds, are hereby irrevocably pledged, equally and ratably, to the payment and security of the Bonds and to the payments required to be made by the City hereunder pursuant to Section 5.02 of this Article V. It is further acknowledged and

agreed that the lien on and pledge of the Net Revenues of the Waterworks and Sewer System securing the payments required to be made by the City under and pursuant to Section 5.02 of this Article V shall be in all respects on a parity and of equal dignity with the lien and pledge of the Net Revenues of the Waterworks and Sewer System securing the payment of the "City of Austin, Texas, Water, Sewer and Electric Refunding Revenue Bonds, Series 1982" and additional obligations issued on a parity therewith (which obligations the City expressly reserves the right to issue, in accordance with the terms and conditions prescribed therefor in said Ordinance Number 820303-A), as well as other Separate Lien Obligations which the City expressly reserves the right to issue and to be payable from and equally secured by a lien on and pledge of such Net Revenues. It is expressly agreed by the parties hereto that the lien and pledge securing the payments to be made hereunder shall be applicable only to the Net Revenues of the Waterworks and Sewer System, and that the Net Revenues of the Electric Light and Power System shall not be deemed to have been pledged or encumbered by any lien to secure the payment of any City obligations under this Contract in any manner. The City agrees to make provision, in each annual City Budget, for the payment of all amounts required to be paid by the City under and pursuant to this Contract.

5.04 The City hereby covenants and agrees to establish and maintain rates and charges for water and wastewater services adequate to annually produce Net Revenues of the Waterworks and Sewer System equal at least to: (a) the sum of all amounts deposited from the Water and Sewer System Fund (1) in any special funds or accounts created for the payment and security of the Priority Bonds and (2) in the Interest and Redemption Fund and Reserve Fund (created and established by Ordinance Number 820303-A) for the payment of principal of and interest on the Series 1982 and Additional Parity Bonds, and to establish



and maintain the Required Reserve as provided in said Ordinance or any other ordinance relating to obligations for which the Reserve Fund was created and established to pay; plus (b) an amount equal to 1.25 times the combined annual payments to be made during a Fiscal Year on all Separate Lien Obligations of the Waterworks and Sewer System for purposes of paying or representing the payment of, principal of and interest on all indebtedness incurred by reason of, resulting from or issued pursuant to such Separate Lien Obligations. In addition, the City hereby covenants and agrees to establish and maintain rates and charges for facilities and services afforded by the Electric Light and Power System and the Waterworks and Sewer System adequate to provide gross revenues in each fiscal year from each System sufficient:

- (a) To pay the respective Maintenance and Operating Expenses thereof;
- ((b) To provide such amounts as may be required to establish, maintain or restore, as the case may be, a required balance in any reserve or contingency fund created for the payment and security of Separate Lien Obligations;
- (c) To produce combined Net Revenues of the System sufficient to pay the amounts required to be deposited in any reserve or contingency fund created for the payment and security of the Priority Bonds, the Series 1982 and Additional Parity Bonds, and any other obligations or evidences of indebtedness issued or incurred that are payable only from and secured solely by a lien on and pledge of the combined Net Revenues of the Systems; and
- (d) To produce combined Net Revenues of the Systems (after payment of the amounts required to be paid by paragraphs (b) and (c), above) equal to at least the sum of (1) 1.25 times the annual principal and interest requirements (or other similar payments) for the then-outstanding Priority Bonds and the Separate Lien Obligations and (2) 1.10 times the total annual principal and interest requirements (or other similar payments) for the then-outstanding Bonds and all other indebtedness (except Priority Bonds and Separate Lien Obligations) payable only from and secured solely by lien on and pledge of the Net Revenues of either or both of the Systems.

5.05 The terms and specifications of the Bonds to be issued by the District pursuant to this Contract shall be set

forth in a bond resolution or resolutions adopted by the Board of Directors (the "Bond Resolution", whether one or more). Approval and execution of this Contract by the proper officers of the City, as authorized by a resolution or ordinance of the City Council of the City shall signify not only the acceptance and final approval of this Contract, but also an acknowledgment that the covenants of such Bond Resolution constitute contractual arrangements between the District and the purchasers of the Bonds. The City agrees faithfully to perform all of its obligations under this Contract in such manner as will permit the District to fully perform all of its obligations under the Bond Resolution. The City further agrees that the District, the purchasers of the Bonds and all others concerned in any manner with the issuance of the Bonds and the security of this Contract in support thereof may rely upon a certified copy of the resolution or ordinance of the City Council approving and authorizing the execution of this Contract as conclusive evidence of the City's approval and acceptance hereof and of its responsibilities and obligations hereunder.

5.06 All payments made by the City pursuant to Section 5.02(a) of this Contract shall be deposited with the depository institution designated as the paying agent for the Bonds, which paying agent shall be approved by the City; provided, however, that such approval shall not be unreasonably withheld. The funds so deposited shall be held and disbursed by the paying agent for the benefit of the holders of the Bonds from time to time in accordance with the terms and provisions of such Bonds.

#### VI. DISTRICT'S PRO RATA COSTS OF PROJECT.

6.01 The City agrees that, upon completion of the Project, adequate water distribution, wastewater collection, and treatment capacity shall be reserved to serve all land within the District and to meet the City's obligations to supply treated water to the District and to collect wastewater

therefrom. For and in consideration of the City reserving adequate distribution capacity on behalf of the District, the District hereby agrees to pay to the City its pro rata share of the principal and/or interest requirements and paying agent fees due on the Bonds issued to finance the Project, as indicated on Exhibit "C", attached hereto and incorporated herein by reference for all purposes.

6.02 The District and the City agree that the pro rata share of the costs of the Project to be borne by the District shall be payable in semi-annual installments on or before five (5) business days prior to the due date of each principal and/or interest payment on the Bonds. The District's obligation to make principal payments on the Bonds shall not commence until the fifth anniversary date of the issuance of such Bonds. Each such semi-annual installment shall be in an amount equal to the percentages hereinabove stipulated as applied to the total principal and/or interest requirements and paying agent fees due on the Bonds on the principal and/or interest date next following the date a semi-annual installment payment is to be made by the District to the City. An example of the manner in which the semi-annual installments to be made by the District to the City are to be calculated is attached hereto as Exhibit "D" and made a part hereof for all purposes.

6.03 The District hereby covenants and agrees that, after payment of all maintenance and operating expenses of the District's water distribution and sewer collection works, plants and facilities (hereinafter called the "System Facilities"), and subject only to any prior lien on and pledge of the income and revenues derived from the operation and ownership of the System Facilities to the payment and security of bonds (other than the Bonds) issued by the District, the revenues and income derived from the operation and ownership of the System Facilities shall be and are hereby irrevocably pledged to the

payments to be made to the City under and pursuant to Section 6.02 above. In this connection and so long as such semi-annual installment payments remain due and owing to the City, the District covenants and agrees to fix and maintain such rates and charges for water and sewer services afforded by the System Facilities as shall be fully sufficient to provide income and revenues at all times adequate to make the contract payments representing the District's pro rata share of the costs of the Project to the City. In addition, the payments to the City under and pursuant to Section 6.02 hereof shall be payable from and secured by an ad valorem tax, imposed by the District, unlimited as to rate or amount, which the District agrees to levy, assess and collect, upon all taxable property within the District at the same time as other District taxes are levied, assessed and collected. All of the foregoing provisions for the payments required under and pursuant to the foregoing Section 6.02 by the District to the City are made pursuant to the authority conferred by Sections 54.218 and 54.219 of the Texas Water Code, and an election duly held within in the District on the \_\_\_\_ day of \_\_\_\_\_, 198\_\_\_\_. The District agrees that the resolution of its Board of Directors approving this Contract and authorizing the execution hereof on behalf of District shall make specific provision for the levy, assessment and collection of the aforementioned taxes during each year and at such rate (full allowance being made for delinquencies and costs of collection) as may be necessary to promptly make the payments herein pledged to City after consideration of all funds on hand or to be on hand from other sources, including those derived from the System Facilities as above set forth. The District hereby pledges the employment of these provisions for taxation as the means of making all payments to the City required under this Contract in each and every year when, for any reason, it shall appear that other available sources will

not produce funds entirely adequate for such purpose in the succeeding fiscal year.

6.04 The City covenants and agrees to enforce any and all existing contractual obligations with other entities and individuals in order to bring about cost participation in the Project on the part of these entities or individuals.

6.05 It is understood and agreed that the City shall have the right to establish and charge a subsequent user fee to all City water or sewer customers connecting to the facilities comprising the Project. In consideration of the District paying a share of the costs of the Project, neither the District nor any customers within the District shall be obligated to pay such subsequent user fee so long as the District is not annexed to the City, it being understood that the District's share of the costs of the Project is to be in lieu of of any such subsequent user fees to be assessed and collected by the City for the Project against other customers of the City's Waterworks and Sewer System. The District shall not have any rights to any such subsequent user fees collected by the City or any interest thereon.

#### VII. CONSTRUCTION AND INSURANCE

7.01 The Environmental Board of the City shall have the right to review the initial plans for the alignment and construction of the Project, and shall be invited to make on-site inspections of the Project during the alignment and construction stages.

7.02 During such time as the District or its contractors engage in construction work in relation to the Project, the District agrees to require all contractors performing such work to provide adequate insurance in relation to the Project and the work being performed as is usually carried by contractors constructing like properties and also to require all contractors to carry worker's compensation insurance. Upon completion of

construction of the Project and the dedication thereto to the City under the terms hereof, the City agrees to carry insurance on the Projects of a kind and in an amount which is customarily carried by municipal corporations in relation to the ownership and operations of utility properties.

#### VIII. CONDITIONS PRECEDENT

The obligation of the District to acquire and/or construct all or any part of the Project shall be conditioned upon the following:

- (a) Approval by the Texas Department of Water Resources, the Texas Department of Health, and any and all other local, state, or federal agencies having jurisdiction;
- (b) Sale of the Bonds in an amount sufficient to pay the costs of the acquisition and the expenses of issuing the Bonds; and
- (c) The District's ability, or the ability of its contractors, using all reasonable diligence, to obtain necessary material, labor, and equipment.

#### IX. USE OF CITY'S PROPERTY

By these presents, the City authorizes the District's use of any and all real property, streets, alleys, public ways and places, and general utility or water easements of the City for the acquisition and/or construction of the Project, so long as such use by the District does not interfere with any lawful use by the City. The City further agrees to provide right-of-way for the Project and to proceed immediately to acquire any necessary right-of-way by purchase, contract, or condemnation. The City's costs of acquiring such right-of-way shall be considered costs of the Project which shall be reimbursed by the District out of the proceeds of the Bonds. Nothing herein shall be construed as limiting the powers of the District to acquire land, easements or right-of-way for any purpose allowed by law. Upon completion of the Project, all easements acquired by the District for the Project shall be dedicated to the City.

X. FORCE MAJEURE

10.01 The term "Force Majeure", as employed herein, shall mean and refer to acts of God; strikes, lockouts, or other industrial disturbances; acts of public enemies; orders of any kind of the Government of the United States, the State of Texas or any civil or military authority; insurrections; riots; epidemics; landslides; lightning; earthquakes; fires; hurricanes; storms; floods; washouts; droughts; arrests; restraint of government and people; civil disturbances; explosions; breakage or accidents to machinery, pipelines, or canals; or other causes not reasonably within the control of the party claiming such inability.

10.02 If, by reason of Force Majeure, any party hereto shall be rendered wholly or partially unable to carry out its obligations under this Contract, then such party shall give written notice and the full particulars of such Force Majeure to the other party within a reasonable time after the occurrence thereof. The obligations of the party giving such notice, to the extent affected by such Force Majeure, shall be suspended during the continuance of the inability claimed, except as hereinafter provided, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch.

10.03 It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the party having the difficulty, and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party or parties when such settlement is unfavorable in the judgment of the party having the difficulty. It is specifically excepted and provided, however, that in no event shall any Force Majeure

relieve the City of its obligation to make the contract payments to the District as required by Article V of this Contract.

#### XI. REGULATORY BODIES

This Contract, and the acquisition of the Projects, shall be subject to all valid rules, regulations, and laws applicable thereto passed or promulgated by the United States of America, the State of Texas, or any governmental body or agency having lawful jurisdiction thereof.

#### XII. PARTIES IN INTEREST

This Contract shall be for the sole and exclusive benefit of the City, the District and the owners or holders of the Bonds from time to time, and shall not be construed to confer any benefit or right upon any other parties.

#### XIII. SEVERABILITY

The provisions of this Contract are severable, and if any word, phrase, clause, sentence, paragraph, section or other part of this Contract, or the application thereof to any person or circumstance, shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such word, phrase, clause, sentence, paragraph, section or other part of this Contract to other persons or circumstances shall not be affected thereby.

#### XIV. TERM OF CONTRACT

This Contract shall be in force and effect for so long as the Bonds, or any of them, remain outstanding and unpaid; provided, however, that in no event shall the term of this Contract exceed forty (40) years from the date of execution hereof by the District.

#### XV. EXECUTION OF CONTRACT

This Contract may be executed by the City prior to the creation of the District and shall be binding upon the City for a period of one (1) year following the approval of this Contract



or the Project by the Texas Water Commission, whichever occurs first, and execution of this Contract by the Board of Directors thereof, and shall thereafter be binding upon the City and District in accordance with its terms.

IN WITNESS WHEREOF, the District and the City, each acting under authority of their respective governing bodies, have caused multiple originals of this Contract to be duly executed, each of such to be of equal dignity, on the date or dates indicated below.

APPROVED AS TO FORM:

CITY OF AUSTIN, TEXAS

\_\_\_\_\_  
Albert DeLaRosa  
City Attorney

By \_\_\_\_\_  
City Manager

Date: \_\_\_\_\_

NORTH AUSTIN MUNICIPAL UTILITY  
DISTRICT NO. 1

By \_\_\_\_\_  
President, Board of Directors

Date: \_\_\_\_\_

2663R/SBL

EXHIBIT "A"

DISTRICT ITEMS

WATER

1. 36 inch Jollyville Transmission Main (along McNeil Road from Jollyville Reservoir to Parmer Lane)
2. 24 inch Parmer Lane Transmission Line (from existing 24 inch main in Milwood 6-11 to McNeil Road)
3. 36 inch Transmission Line (from 36 inch main in McNeil Road to Proposed Reservoir)
4. 24 inch FM 620 Transmission Main (from 36 inch in Parmer at Reservoir to FM 620)

WASTEWATER

Temporary Lift Station and Force Main System (from North Austin M.U.D. #1 to Bull Creek Lateral "A")

CONTRACT BOND ITEMS

1. Northwest "A" System Reservoir (2,700,000 Gallons Effective Storage)
2. 48 inch Spicewood Springs Transmission Main and Discharge Piping (from Spicewood Springs Pump Station to U.S. Highway 183)
3. Oversize Research Boulevard Transmission Main from 36 inch to 48 inch Diameter.

WASTEWATER

Permanent Wastewater System including Anderson Mill and Forest North (from North Austin M.U.D. #1 to Bull Creek Interceptor)

REAL9/43-1:SBL