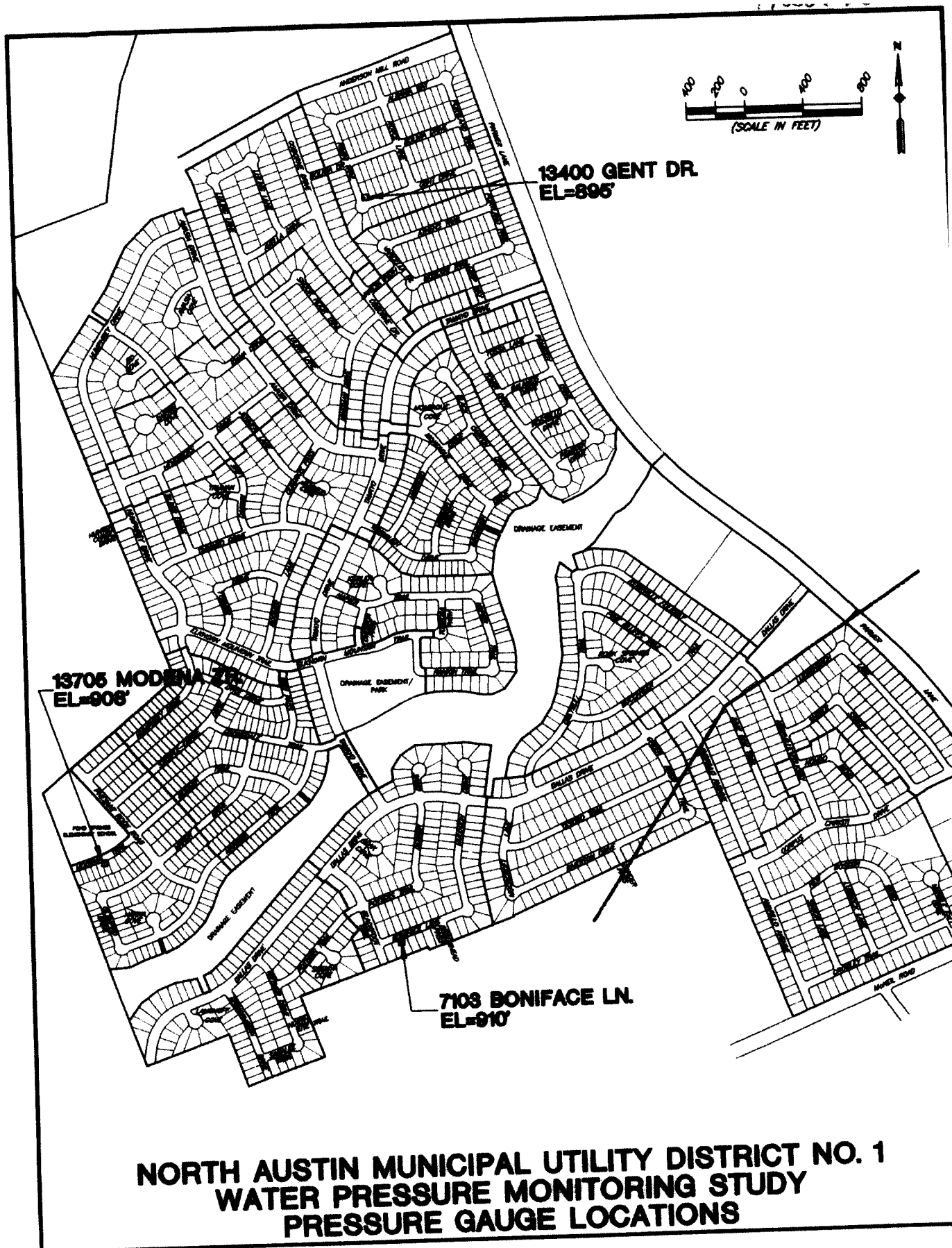
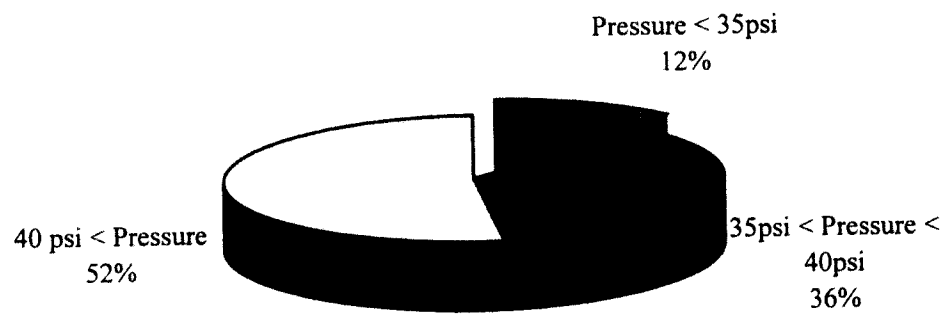


NORTH AUSTIN M.U.D. #1



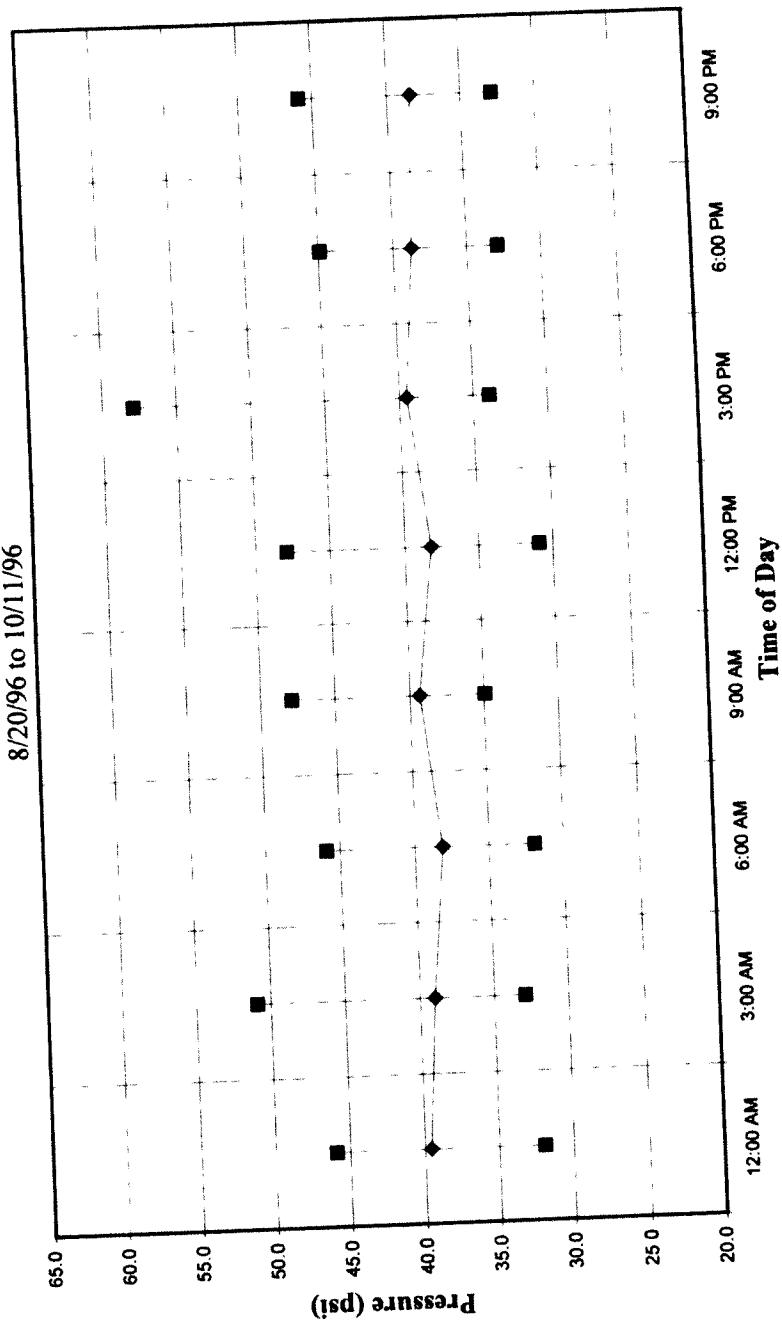
North Austin M.U.D. No. 1 Pressure Study
January 28, 1997



NORTH AUSTIN M.U.D. NO.1 PRESSURE STUDY

12711 Modena Trail
8/20/96 to 10/11/96

◆ Average
■ High
■ Low



mattpres-s/d

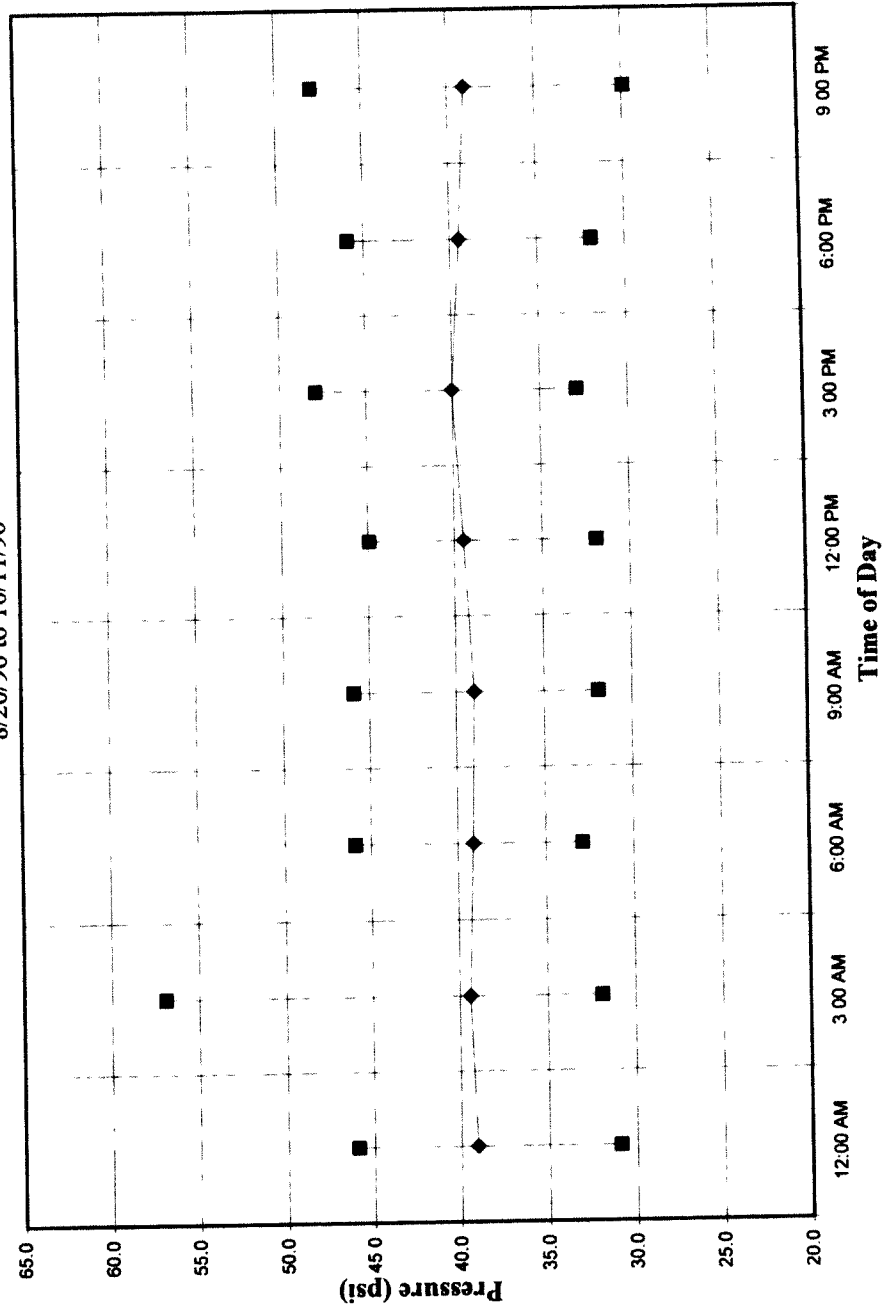
2/11/97

NORTH AUSTIN M.U.D. NO.1 PRESSURE STUDY

7203 Boniface Lane

8/20/96 to 10/11/96

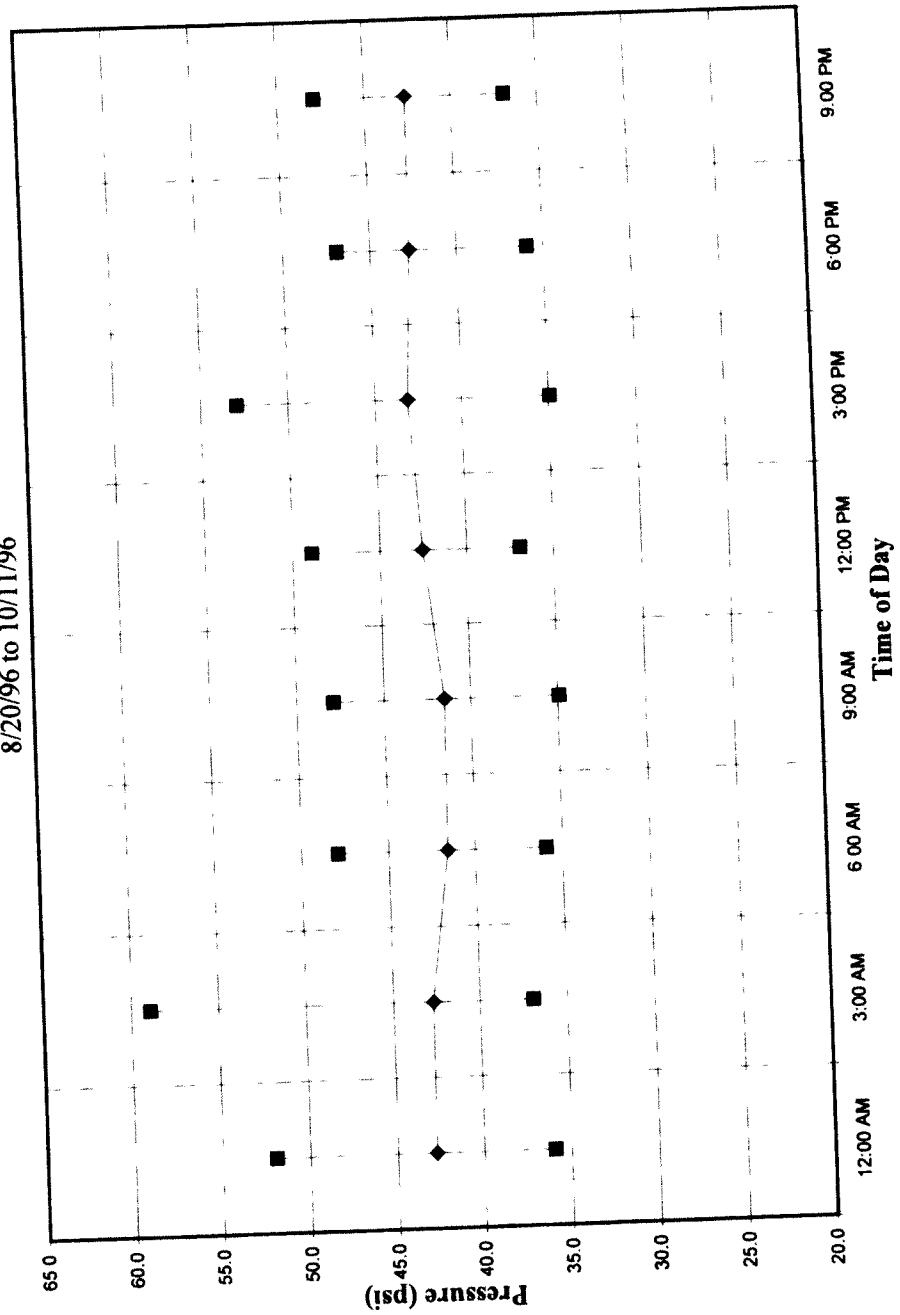
◆ Average
■ High
■ Low



NORTH AUSTIN M.U.D. NO.1 PRESSURE STUDY

**13400 Gent Drive
8/20/96 to 10/11/96**

◆ Average
■ High
■ Low



matt@pres-sid

2/11/97



Murfee Engineering Company

May 24, 1996

George Green
City of Austin
PO. Box 1088
Austin, Texas 78767

RE: Water Pressure Monitoring
North Austin MUD #1 - Wells Branch MUD

Dear Mr. Green:

Following our meeting on April 30, 1996, I have developed a water pressure monitoring plan within North Austin MUD #1 and Wells Branch MUD. I intend to have the Districts' operators take pressure readings at the designated fire hydrants shown on the attached figures at least twice per week. Their readings along with the time and date of the reading will be forwarded to you to coordinate with your operations. It is my understanding that the City of Austin's operations staff intends to use this information in the effort to provide adequate pressure within the Districts, more specifically a minimum pressure of 35 psig.

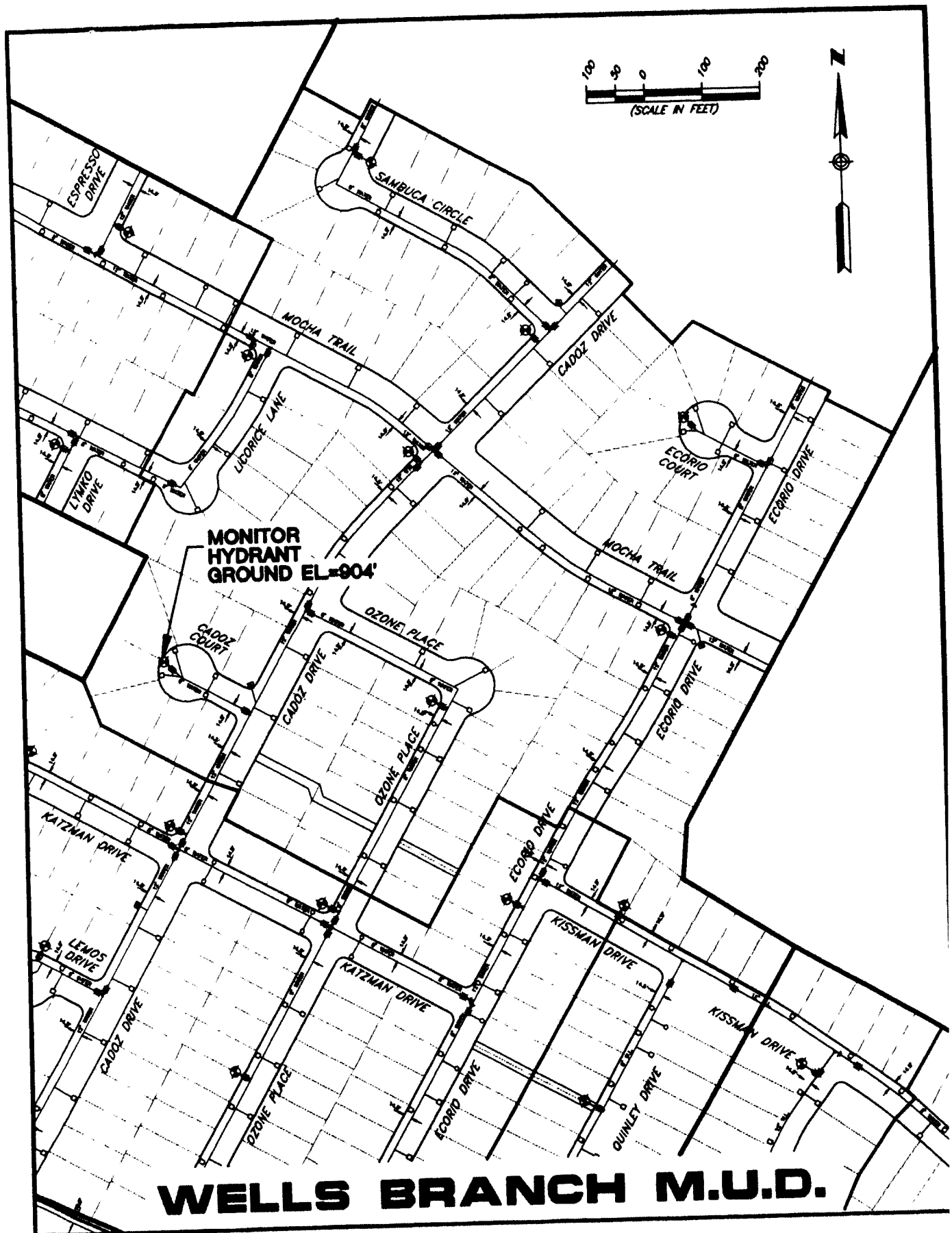
For your information, the North Austin MUD No. 1 operator is Eco Resources, Inc. with Mr. Gary Spoons (335-7580) as the primary contact. The Wells Branch MUD operation is ST Environmental with Ms. Margaret Wingrove (219-9191) as the primary contact. If you have any questions or need additional information please call.

Sincerely,

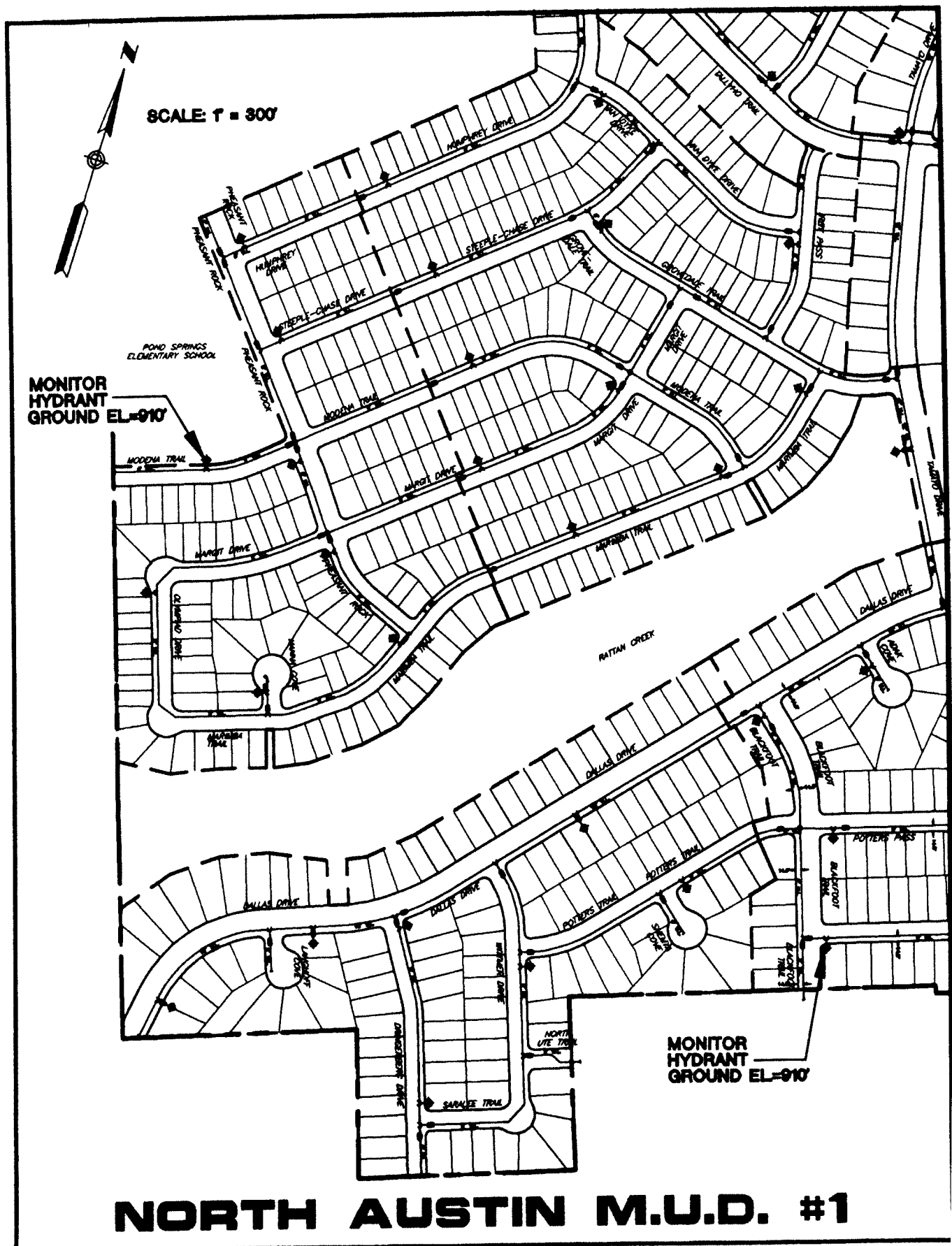
A handwritten signature in black ink, appearing to read 'D. Malish'.

David Malish, P. E.

cc: Steve Pena
Bill Glass



WELLS BRANCH M.U.D.



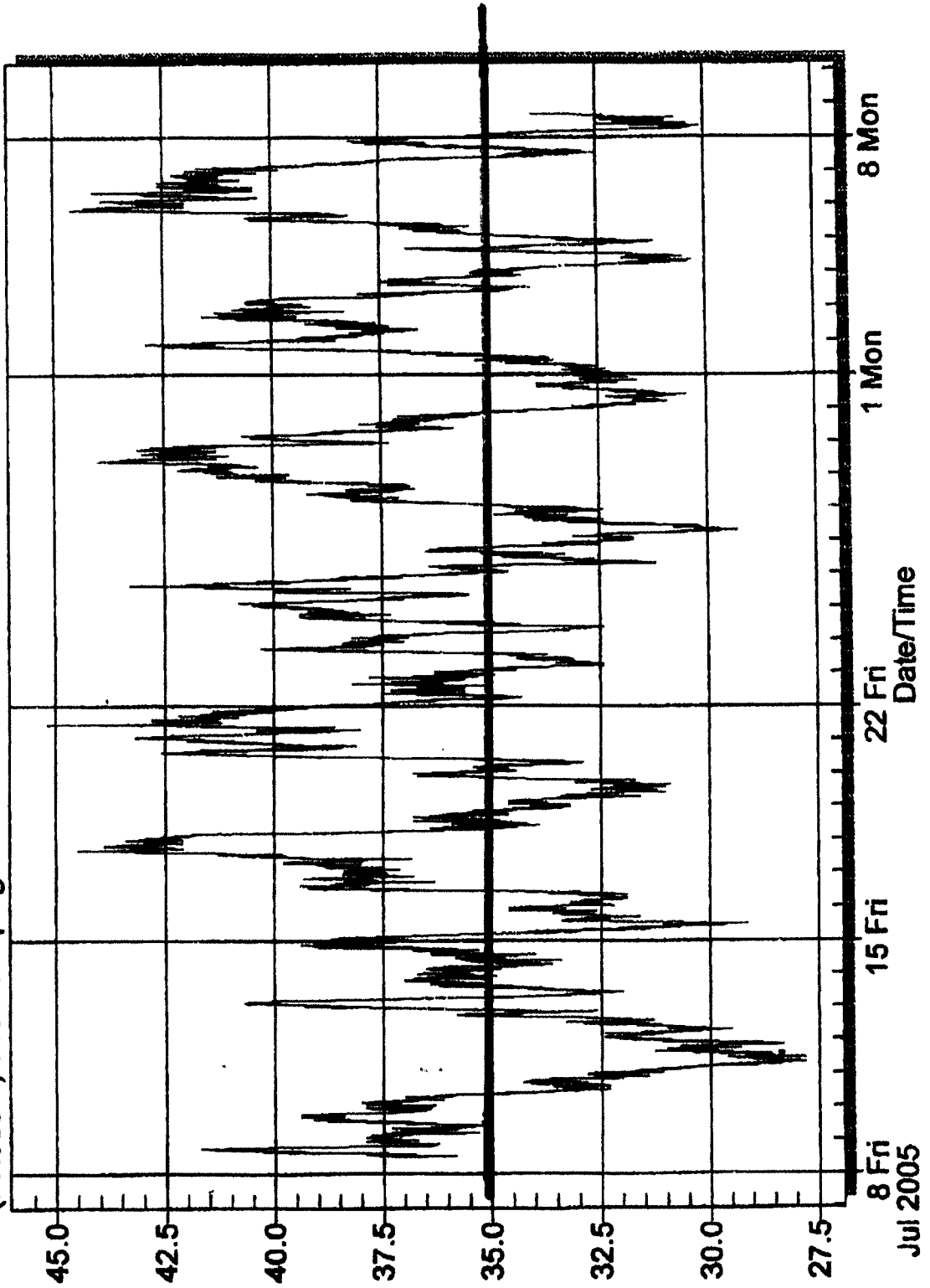
Low Pressure Measurements

Significance: Shows pressure is below State standards

Downloaded Data - Monday, August 08, 2005

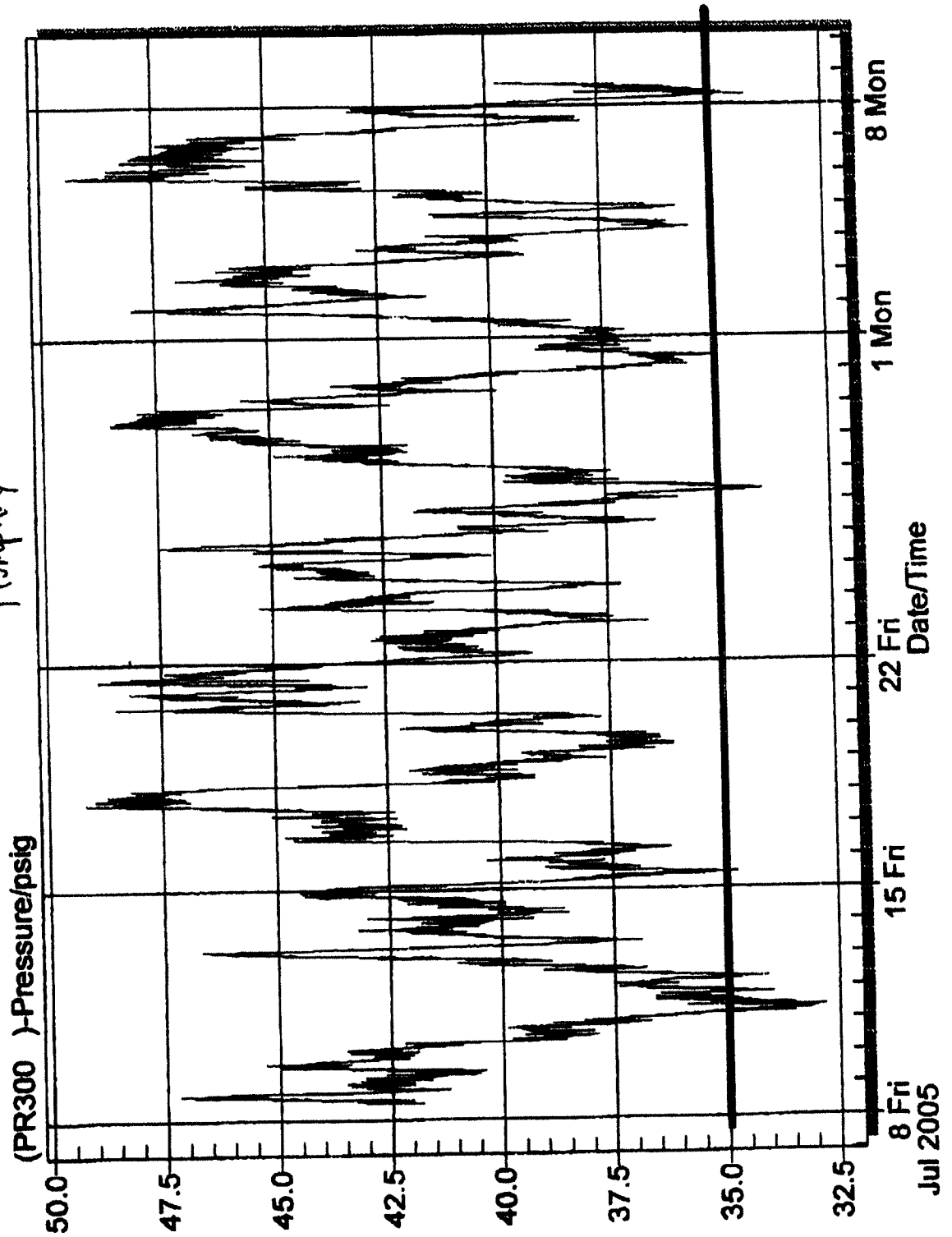
Cent

(PR300)-Pressure/psig



Downloaded Data - Monday, August 08, 2005

Humphrey



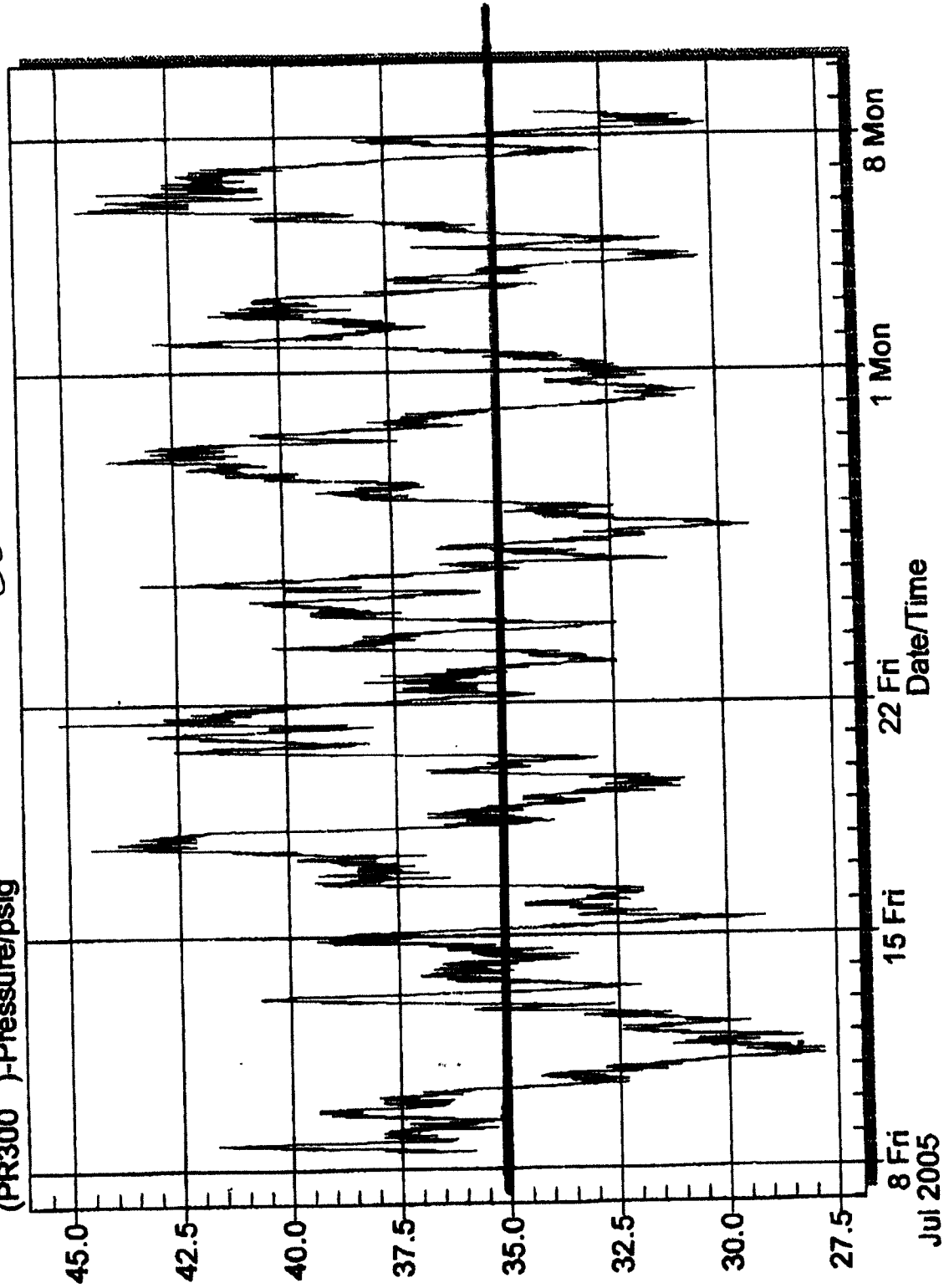
Low Pressure Measurements

Significance: Shows pressure is below State standards

Downloaded Data - Monday, August 08, 2005

Cent

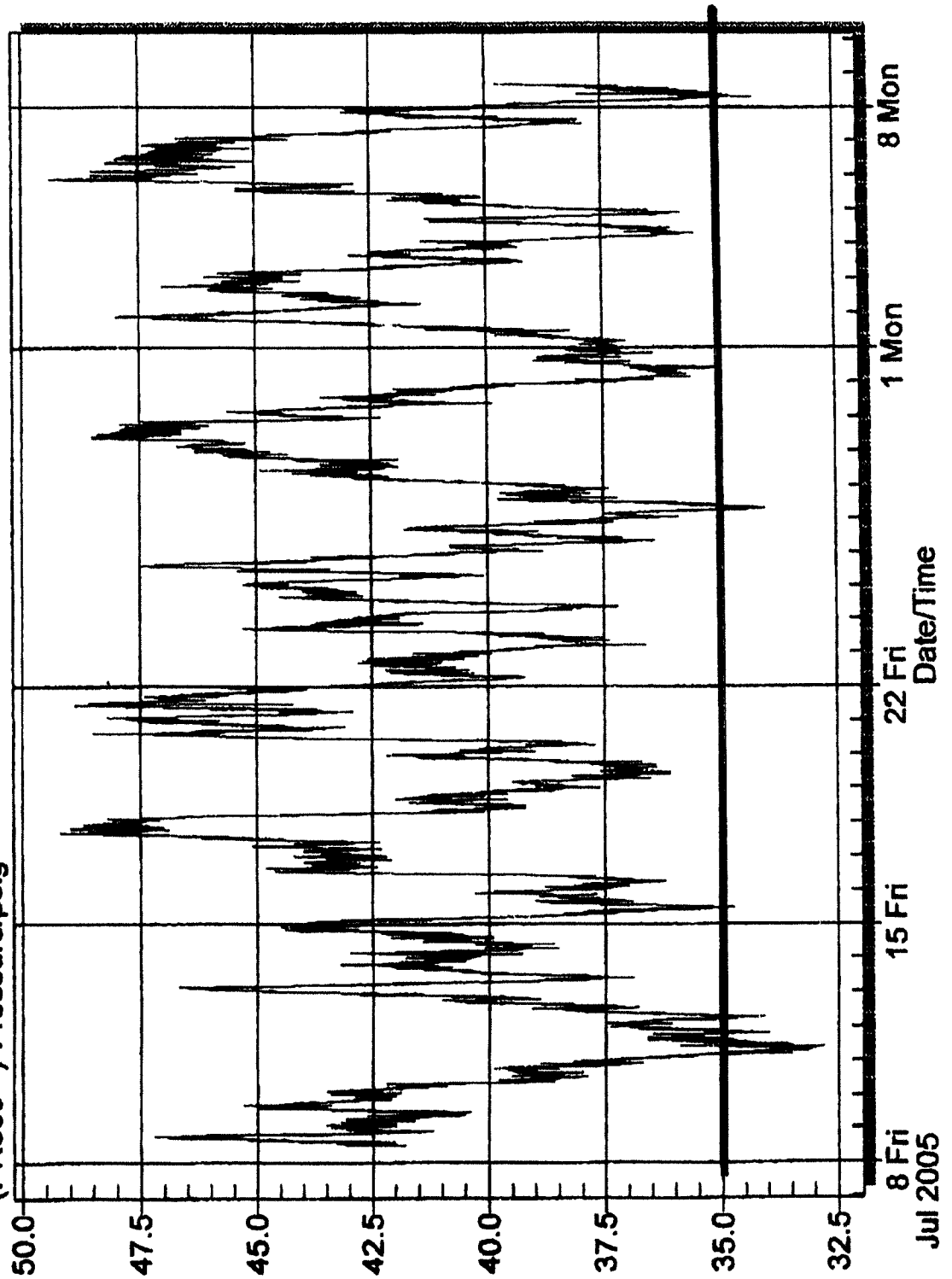
(PR300)-Pressure/psig



Downloaded Data - Monday, August 08, 2005

Humphrey

(PR300)-Pressure/psig



**CITY OF AUSTIN'S OBLIGATION / FAILURE
TO PROVIDE ADEQUATE WATER SERVICE TO
NORTH AUSTIN MUD NO. 1**

Agreement for Creation

Significance: As a condition of creation the City of Austin agreed “to sell and deliver to the District all water which may be reasonably required by inhabitants of the District for domestic and commercial purposes”

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

COPY

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 15th 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

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

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

**Second Amendment to Consent Agreement and
Ordinance for Approval**

Significance: Ordinance approving Second Amendment reiterates City of Austin's agreement to "provide reliable water service to the District".

ORDINANCE NO. 890601-^D

AN ORDINANCE AMENDING ORDINANCES NOS. 890420-B, 880505-E, 860130-D, AND 830505-O TO AMEND UTILITY CONSTRUCTION CONTRACT BETWEEN THE CITY OF AUSTIN AND NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1; WAIVING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE (3) SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, by Ordinance No. 830505-O, the City consented to the creation of the North Austin Municipal Utility District No. 1 (hereinafter the "District") and authorized the execution of the "Agreement Concerning Creation and Operation of the North Austin Municipal Utility District No. 1" (hereafter the "Consent Agreement") and the "Utility Construction Contract between the City of Austin and the North Austin Municipal Utility District No. 1" (hereafter the "Construction Contract") by and among the parties thereto; and

WHEREAS, the Consent Agreement and the Utility Construction Contract were executed by the City, the District and the landowner to be effective February 21, 1984; and

WHEREAS, the Construction Contract was previously amended by Ordinance No. 890420-B to make changes in certain obligations of the City and the District with respect to water utility facilities and services to benefit all parties and provide reliable water service in the District; and

WHEREAS, the parties now desire to amend certain obligations of the parties as to the issuance of bonds for the projects of the Construction Contract to include refunding bonds and to modify the City's approval of bond resolutions for such refunding bonds; and

WHEREAS, the parties to the Construction Contract, as previously amended, desire to execute a second amendment to the Contract; Now, Therefore,

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

PART 1. That the Second Amendment to the Utility Construction Contract Between the City of Austin and North Austin Municipal Utility District No. 1, attached hereto as Exhibit "A" is hereby approved.

PART 2. The City Manager or her authorized designee, is hereby authorized to execute such Amendment Utility Construction Contract and to do all things necessary to carry out such Contract.

PART 3. The requirement imposed by Section 2-2-3 of the Austin City Code of 1981 that this Ordinance be read on three (3) separate days shall be waived by the affirmative vote of five (5) members of the City Council to pass this Ordinance through more than one reading on a single vote.


PART 4. This Ordinance shall be effective ten (10) days following the date of its final passage.

PASSED AND APPROVED:

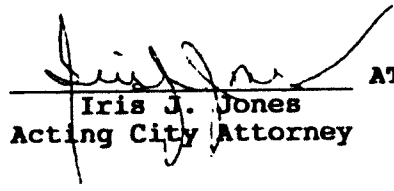
June 1

, 1989

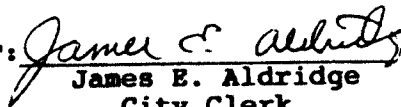
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Lee Cooke
Mayor

APPROVED:


Iris J. Jones
Acting City Attorney

ATTEST:


James E. Aldridge
City Clerk

01JUN89
SKL:jkg
2839

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

STATE OF TEXAS	§	
	§	KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF TRAVIS AND	§	
WILLIAMSON	§	

This Second Amendment to Utility Construction Contract between the City of Austin, Texas and North Austin Municipal Utility District No. 1 (this "Amendment") is made and entered into as of the _____ day of _____, 1989, by and between the City of Austin, Texas (the "City"), a home-rule city located in Travis County, Texas, acting herein by and through its undersigned duly authorized City Manager, as authorized by specific action of its City Council and North Austin Municipal Utility District No. 1 (the "District"), a conservation and reclamation district created on the 15th day of November, 1983, by order of the Texas Water Commission and operating pursuant to Chapter 54 of the Texas Water Code.

W I T N E S S E T H:

WHEREAS, by Ordinance adopted by the City Council of the City on May 5, 1983, the City consented to the creation of the District and authorized the execution of an "Agreement Concerning Creation of North Austin Municipal Utility District No. 1" (the "Consent Agreement") and the "Utility Construction Contract" ("Construction Contract"); and

WHEREAS, the City and the District executed the Agreement Amending Agreement Concerning Creation and Operation of North Austin Municipal Utility District No. 1 and "Utility Construction Contract between the City of Austin and North Austin Municipal Utility District No. 1" which served as the first amendment to the Construction Contract; and

WHEREAS, the City and the District desire to issue contract revenue refunding bonds to refund a portion of the outstanding contract revenue bonds issued in 1985; and

WHEREAS, the parties desire to amend the Construction Contract to include within the definition of "Bonds" the issuance of refunding bonds; and

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

- - - - -

NOW, THEREFORE, that for and in consideration of the mutual obligation, promises and benefits contained herein, the sufficiency of which is hereby acknowledged, the City and the District agree to amend the Construction Contract as follows:

I.

Article I, Definitions, Section 1.03 is amended to read as follows:

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

II.

Article III, District's Obligation to Provide Financing for Projects, Section 3.02 is amended to read as follows:

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 the resolution in substantially final form and content shall be delivered to the City Manager of the City in conformity with the timetable set out in Interim Land Development Code Secs. 13-1-370 and 13-1-371 before the proposed date of sale of such Bonds and approved by the City Council with the City. Such draft shall set forth the principal amount and the maturities of the Bonds to be used. In the event of a negotiated bond sale for refunding bonds such draft shall set forth the estimated principal amount and the anticipated maturities of the Bonds to be issued. It is recognized and agreed that when pricing is done on a negotiated sale for refunding bonds, that the principal amount of the bonds and the maturity schedule may change. In such event, the City's approval of such substantial draft of the Bond Resolution shall constitute approval of such changes so long as a present net value savings is accomplished as set forth in the City's approval of such substantial draft of the Bond Resolution or Order and such savings are approximately uniform for each year of maturity of the Bonds. Such draft shall also set forth the special funds created from the payment and security of the Bonds, including provision 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 the 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 Director of Finance of the City.

III.

All other provisions of the Construction Contract shall be and remain in full force and effect as therein written, except as otherwise expressly provided herein.

EXECUTED in multiple counterparts, each of which shall constitute an original, to be effective on the latest day this Amendment is executed by a party hereto, being the ____ day of _____, 1989.

ATTEST:

CITY OF AUSTIN:

By: _____
City Clerk

By: _____
City Manager

APPROVED:

BY: _____
Assistant City Attorney

ATTEST:

NORTH AUSTIN MUNICIPAL UTILITY
DISTRICT NO. 1.

By: _____
Secretary
Board of Directors
(Seal)

By: _____
President
Board of Directors

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of
_____, 1989, by _____,
_____ of the City of Austin, Texas, on behalf of said City.

Notary Public, State of Texas

(Name - Typed or Printed)

My Commission Expires: _____

STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was acknowledged before me on the ____ day of
_____, 1989, by _____,
_____ of North Austin Municipal Utility District No. 1, on
behalf of said District.

Notary Public, State of Texas

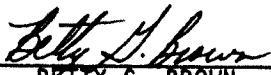
(Name - Typed or Printed)

My Commission Expires: _____

THE STATE OF TEXAS §

COUNTY OF TRAVIS §

I, Betty G. Brown, Deputy City Clerk of the City of Austin, Texas,
do hereby certify that the foregoing instrument is a true and correct
copy of Ordinance No. 890601-D, consisting of 6 page(s),
passed by the City Council of Austin, Texas, at a regular meeting on the
1st day of June, 19 89, as on file in the
City Clerk's Office this 20th day of June, 19 89.



BETTY G. BROWN
DEPUTY CITY CLERK, CITY OF AUSTIN, TEXAS

Third Amendment to Consent Agreement

Significance: In exchange for District dedicating utilities to City and canceling a water pressure project, the City agrees to provide adequate water service for full development of the District.

AGREEMENT CONCERNING THE THIRD AMENDMENT TO THE
AGREEMENT CONCERNING CREATION AND OPERATION OF
NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1 AND THE
FIRST AMENDMENT TO THE UTILITY CONSTRUCTION CONTRACT BETWEEN
THE CITY OF AUSTIN AND
NORTH AUSTIN MUNICIPAL UTILITY DISTRICT NO. 1

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTIES OF TRAVIS §
AND WILLIAMSON §

This agreement ("Agreement") amending "Agreement Concerning Creation and Operation of North Austin Municipal Utility District No. 1" and amending "Utility Construction Contract Between the City of Austin and North Austin Municipal Utility District No. 1" is made and entered into by and among North Austin Municipal Utility District No. 1 (the "District"), a municipal utility district created by order of the Texas Water Commission on November 15, 1983, and operating pursuant to Chapter 54 of the Texas Water Code, the City of Austin (the "City"), a home-rule City located in Travis and Williamson Counties, Texas and Austin White Lime, a Texas general partnership, Robinson Ranch, a Texas general partnership and Milwood Joint Venture, a Texas joint venture (hereinafter collectively referred to as "Milwood") and San Antonio Savings Association ("SASA"), subsequent holder of title to the certain tract of 177 acres within the boundaries of the District.

W I T N E S S E T H

WHEREAS, the District, the City and Milwood entered into that certain "Agreement Concerning Creation and Operation of North Austin Municipal Utility District No. 1" (the "Consent Agreement") on February 21, 1984, and two subsequent amendments thereto which provide for, among other things, the provision of water and wastewater utility services and financing for system improvements for same; and

WHEREAS, the District and the City entered into that "Utility Construction Contract Between the City of Austin, Texas and North

x

Austin Municipal Utility District No. 1 (the "Construction Contract") on February 21, 1984, which provides for, among other things, the provision of water and wastewater utility services and the financing for utility system improvements to provide such services through the issuance of contract revenue bonds; and

WHEREAS, the Consent Agreement, as amended, and Construction Contract contain certain obligations by the parties for construction, ownership and financing of certain water improvements to provide adequate water supply to the District; and

WHEREAS, the parties acknowledge that the District has financed and constructed the 24-Inch Parmer Lane Transmission Main and the 36-Inch McNeil Road Transmission Main at a combined cost of \$4,900,000 and that the City has financed and constructed approximately \$23,600,000 of water improvements to provide Northwest B pressure plane water service to the general area; and

WHEREAS, the parties now desire to amend or delete certain obligations of the parties with respect to water utility facilities and services to benefit all parties and provide reliable water service in the District; and

WHEREAS, the parties desire to designate this Agreement as the third amendment to the Consent Agreement and as the first amendment to the Construction Contract;

NOW, THEREFORE, for the mutual promises, obligations and releases set forth below, the parties agree as follows:

I.
PRIOR AGREEMENTS

1.01 Provision of Water Utility Service and System Improvements.

A. The Consent Agreement and Construction Contract provide for the design, financing, construction, ownership, and operation and maintenance of certain water main extensions and other water improvements (the "Project"). Water improvements designated as Project items include:

1. 36-Inch McNeil Road Transmission Main from the Jollyville Reservoir along McNeil Road to the 24-Inch Transmission Main in Parmer Lane. The parties acknowledge that this facility has been constructed by the District with its funds and is owned and operated by the District.
2. 24-Inch Parmer Lane Transmission Main from the terminus of the 36-Inch McNeil Road Transmission Main along the right-of-way of Parmer Lane to FM 620. The parties acknowledge that this facility has been constructed by the District with its funds and is owned and operated by the District.
3. Cost participation in the oversize of the Research Boulevard Transmission Main. The parties acknowledge that the Research Boulevard Transmission Main has been constructed by the City with its funds and is owned and operated by the City.
4. 2,700,000 Gallon Northwest "A" System Elevated Reservoir. The parties acknowledge that this facility has not been constructed and its funding

was to be provided through the issuance of contract revenue bonds.

5. 48-Inch Spicewood Springs Transmission Main and Discharge Piping from Spicewood Springs Pump Station to U.S. Highway 183. The parties acknowledge that the Transmission Main has not been constructed and does not need to be constructed. Its funding was to be provided through the issuance of contract revenue bonds. The parties further acknowledge that the Discharge Piping has been constructed and funded from other sources.
- B. The City, pursuant to Article III of the Consent Agreement, agreed to "sell and deliver to the District all water which may be reasonably required ... for domestic and commercial uses" of the District. The City and District in the Consent Agreement and Construction Contract agreed to the construction of the Project to provide the facilities for the provision of the water service to the District by the City. Portions of the Project were to be funded solely by the District through its bonds and other portions were to be funded through the issuance of contract revenue bonds.

II.

REVISIONS TO THE WATER UTILITY SERVICE PLAN

2.01 Ownership of 24-Inch and 36-Inch Transmission Mains. The parties acknowledge that the 24-Inch Parmer Lane Transmission Main and the 36-Inch McNeil Road Transmission Main (collectively the "Mains") are currently owned, operated and maintained by the District. The District agrees to dedicate the Mains to the City upon execution of this Agreement. The City agrees to accept the

X

Mains and to operate and maintain the Mains upon such dedication by the District and that adequate distribution capacity shall be reserved by the City to serve all land within the District. The City specifically agrees to relocate at its sole expense any and all appurtenances on the 36-Inch McNeil Road Transmission Main necessary for roadway improvements on McNeil Road and constructed after the execution of this Agreement. Such relocations shall be subject to standard City policies and procedures for relocating water mains.

2.02 Provision of Northwest B Water. The City agrees to provide Northwest B pressure plane water to the District through the connection of the City's Northwest B Water System to the District's facilities. The provision of such water shall be accomplished by the construction of approximately 1,000 feet of 16-inch water main from the existing 24-inch water main located at the intersection of FM 620 and Broadmeade Avenue generally down the right-of-way of FM 620 to the boundary of the District. The construction, engineering and inspection costs of the 16-inch main shall be provided by the City and the City hereby agrees to pay for the construction, design and inspection of the 16-inch main. It is understood and acknowledged by the parties that the City will have money available to fund the design, construction and inspection of the 16-inch main not sooner than October, 1989 but no later than January, 1990. The parties further understand and acknowledge that SASA may require water service from the completed 16-inch main for its property within the District prior to 1990 when City funding is available. Therefore, the parties agree that:

- a. In the event design and construction of the 16-inch main is not necessary to serve customers within the District until January, 1990, the City shall and agrees to act as the project manager and shall obtain or provide engineering services for the design, construction and

inspection of the 16-inch main. The City further agrees to obtain easements for the 16-inch main. In the event portions of the 16-inch main cannot be located in existing right-of-way or donated easements, the City shall acquire easements through purchase at its cost or, if necessary, condemnation. The City shall then proceed to bid, award and to enter into a construction contract with the low responsible bidder.

- b. If the City fails to initiate design of the 16-inch main within 45 days after approval of this Agreement by the City Council or fails to proceed in an uninterrupted fashion and within reasonable time limits with the design phase, easement acquisition, advertisement for bids phase and construction phase consistent with standard engineering design practice and the time limits for bidding and award practices as set out by ordinance or State law, then SASA may elect to commence or complete all of the phases that the City has failed to complete, which may include actions to acquire easements, design and construct the 16-inch main at their cost which shall then be reimbursed to SASA after completion and acceptance by the City, which acceptance shall not be unreasonably withheld. Provided, however, notwithstanding anything to the contrary herein, the City shall not be required to proceed with construction prior to November, 1989. SASA agrees to notify the District and the City in writing that SASA believes that it will need water service from the 16-inch main prior to the City's schedule for design and construction. At such time, SASA may engage the services of an engineer to design the 16-inch main at a fee schedule to be approved in advance by the City Director of Water and Wastewater. In the event easements must be acquired, SASA shall obtain a letter

of appraised value for the easement from an MAI appraiser and shall not pay an amount higher than the appraised value without the City's consent. Provided, however, SASA shall have the option to pay a higher amount so long as SASA agrees to waive reimbursement from the City for the difference between the appraised amount and the purchase price of the easement. All easements shall be obtained in the name of the City. In the event condemnation of such easement or easements is required, the District agrees to proceed to condemn the easements at the cost of SASA. The District agrees to convey any such easements obtained by condemnation to the City upon the City's acceptance of the completed 16-inch main. After completion of design, approval of the design by the City and acquisition of all necessary easements for the 16-inch main, SASA may then bid the construction of the 16-inch main pursuant to completion bidding requirements for municipalities and shall award the contract to the low responsible bidder. The construction contract shall be entered into between SASA and the construction contractor. SASA shall be responsible for all payments coming due under the contract and shall pay all applicable City inspection fees. After completion of the construction and acceptance by the City, SASA shall dedicate the 16-inch main to the City for operation and maintenance. SASA agrees to provide an accounting of all expenditures for reimbursement. The City agrees to reimburse SASA for engineering, easement acquisition whether by purchase or condemnation, construction and inspection costs expended for the 16-inch main not later than January 31, 1990 or completion and acceptance of the 16-inch main, whichever occurs later.

X

The City agrees and represents to the District that neither the District nor any of its customers within its boundaries shall be required to pay subsequent user fees for utilizing Northwest B pressure plane water through the Maconda Park reservoir and transmission main.

2.03 Deletion of Certain Facilities. The parties agree that upon execution of this Agreement, the District shall have no further obligations with regard to the acquisition, construction and financing of the 2,700,000 Gallon Northwest "A" System Elevated Reservoir or the 48-Inch Spicewood Springs Transmission Main and Discharge Piping from Spicewood Springs Pump Station to U.S. Highway 183 described in the Consent Agreement and the Construction Contract. The parties further agree that the District shall be released from its obligation to fund the oversize costs of the Research Boulevard (U.S. Highway 183) Transmission Main constructed by the City described in the Consent Agreement and the Construction Contract. .

III.

WATER SUPPLY

3.01 Water Service to the District. The City agrees to reserve and to guarantee to the District adequate water capacity for the District and its customers at full development.

3.02 Metering of Water Supply. The District agrees to install at its sole expense any new master meters to record flows of potable water from the City to the District necessitated by the revisions to the water service plan set forth in this Agreement. The City Water and Wastewater Department Director or his designee and the District's Engineer shall determine a mutually agreeable location for any new master meter.

IV.
MISCELLANEOUS PROVISIONS

4.01 Conflict. To the extent that this Agreement conflicts with any term or provision in the Consent Agreement and/or the Construction Contract, this Agreement is controlling. All other provisions of the Consent Agreement, as amended to date, and the Construction Contract shall remain in effect.

4.02 Force Majeure. The parties agree that the provisions regarding Force Majeure set out in the Utility Construction Contract between the City of Austin and North Austin Municipal Utility District No. 1 are specifically incorporated herein and are a part of this Agreement.

4.03 Assignment of Agreement. None of the parties shall assign this Agreement without the prior written consent of the other parties hereto.

4.04 Term or Agreement. This Agreement shall be in force and effect for a term of forty (40) years from the date of execution.

4.05 Regulatory Authorities. This Agreement and the acquisition and/or construction of the water facilities shall be subject to all valid rules, regulations and laws applicable thereto, of the United States of America, the State of Texas, or any governmental or regulatory body having lawful jurisdiction.

4.06 Benefits of Agreement. This Agreement is for the benefit of the parties hereto and shall not be construed to confer any benefits on any other party except as expressly provided herein.

4.07 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 parties agree to amend immediately this Agreement so as to conform to such ruling or decision in the manner most consistent with the original intent hereof.

4.08 Entire Agreement. The above and foregoing Agreement, including any exhibits which are attached hereto and made a part hereof, contain the entire agreement between the parties hereto and shall in no way be conditioned, modified or supplemented except by written agreement executed by the parties.

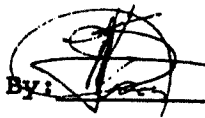
IN WITNESS WHEREOF, the City and the District, acting under authority of their respective governing bodies, and Milwood and SASA have caused multiple copies of this Agreement to be duly executed, each of which shall be of equal dignity, all as of the ____ day of _____, 1989.

THE CITY OF AUSTIN, TEXAS

By: 

City Manager

APPROVED AS TO FORM:


By: _____

As to  _____
City Attorney

NORTH AUSTIN MUNICIPAL UTILITY
DISTRICT NO. 1

By: Steve D. Pena
Steve D. Pena,
President, Board of
Directors

ATTEST:

By: Dennis Miller
Dennis Miller
Secretary, Board of
Directors

AUSTIN WHITE LIME COMPANY

By: A.H. Robinson, Jr.
A.H. Robinson, Jr., Partner

By: George E. Robinson
George E. Robinson, Partner

ROBINSON RANCH

By: A.H. Robinson, Jr.
A.H. Robinson, Jr., Partner

By: George E. Robinson
George E. Robinson, Partner

MILWOOD JOINT VENTURE

By: *Bill Milburn*
Bill Milburn, Venturer

By: Palmar Associates,
Venturer

By: *A.H. Robinson III*
A.H. Robinson, III

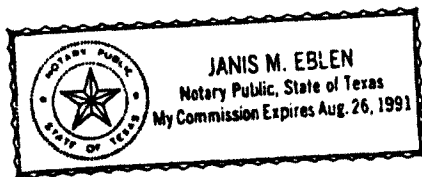
SAN ANTONIO SAVINGS
ASSOCIATION, a Texas financial
institution

By: _____

Its: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 28th day of April, 1989, by Joseph L. Lessard, City Manager of the City of Austin, a Texas political subdivision, on behalf of said political subdivision.



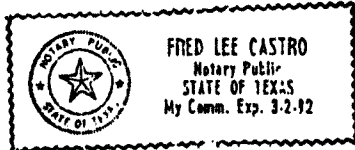
Janis M. Eble
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 30th day of August, 1989, by Steve D. Pena, President, Board of Directors of North Austin Municipal Utility District No. 1, a Texas political subdivision, on behalf of said political subdivision.



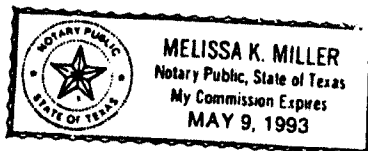
Fred Lee Castro
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 10th day of July, 1989, by A.H. Robinson, Jr., Partner of Austin White Lime Company, a Texas general partnership, on behalf of said partnership.



Melissa K. Miller
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 10th day of July, 1989, by George E. Robinson, Partner of Austin White Lime Company, a Texas general partnership, on behalf of said partnership.



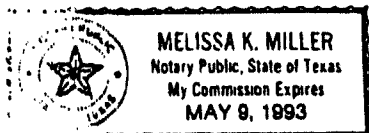
Melissa K. Miller
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 10th day of July, 1989, by A.H. Robinson, Jr., Partner of Robinson Ranch, a Texas general partnership, on behalf of said general partnership.



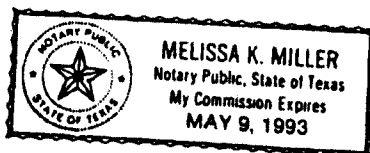
Melissa K. Miller
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 10th day of July, 1989, by George E. Robinson, Partner of Robinson Ranch, a Texas general partnership, on behalf of said partnership.



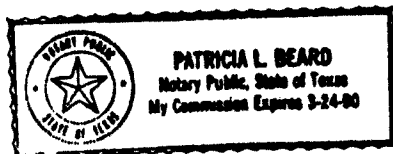
Melissa K. Miller
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 12 day of July, 1989, by Bill Milburn, Venturer of Milwood Joint Venture, a Texas joint venture, on behalf of said joint venture.



Patricia L. Beard
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this 10th day of July, 1989, by A.H. Robinson, III, of Palmar Associates, Venturer of Milwood Joint Venture, on behalf of said joint venture.



Melissa K. Miller
Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged before me this _____ day of _____, 1989, by _____ of San Antonio Savings Association, a Texas financial institution, on behalf of said financial institution.

Notary Public, State of Texas

Name Printed: _____

Commission Expires: _____

TCEQ Rules and Regulations

Significance: TCEQ defines water system capacity to include pressure

**SUBCHAPTER D: RULES AND REGULATIONS
FOR PUBLIC WATER SYSTEMS
§§290.38, 290.39, 290.41 - 290.47
Effective February 19, 2004**

§290.38. Definitions.

The following words and terms, when used in this chapter shall have the following meanings, unless the context clearly indicates otherwise. If a word or term used in this chapter is not contained in the following list, its definition shall be as shown in Title 40 Code of Federal Regulations (CFR) §141.2. Other technical terms used shall have the meanings or definitions listed in the latest edition of *The Drinking Water Dictionary*, prepared by the American Water Works Association.

(1) **Air gap** -- The unobstructed vertical distance through the free atmosphere between the lowest opening from any pipe or faucet conveying water to a tank, fixture, receptor, sink, or other assembly and the flood level rim of the receptacle. The vertical, physical separation must be at least twice the diameter of the water supply outlet, but never less than 1.0 inch.

(2) **ANSI standards** -- The standards of the American National Standards Institute, Inc., 1430 Broadway, New York, New York 10018.

(3) **Approved laboratory** -- A laboratory certified and approved by the commission to analyze water samples to determine their compliance with maximum allowable constituent levels.

(4) **ASME standards** -- The standards of the American Society of Mechanical Engineers, 346 East 47th Street, New York, New York 10017.

(5) **ASTM standards** -- The standards of the American Society for Testing and Materials, 1916 Race Street, Philadelphia, Pennsylvania 19102.

(6) **Auxiliary power** -- Either mechanical power or electric generators which can enable the system to provide water under pressure to the distribution system in the event of a local power failure. With the approval of the executive director, dual primary electric service may be considered as auxiliary power in areas which are not subject to large scale power outages due to natural disasters.

(7) **AWWA standards** -- The latest edition of the applicable standards as approved and published by the American Water Works Association, 6666 West Quincy Avenue, Denver, Colorado 80235.

(8) **Certified laboratory** -- A laboratory certified by the commission to analyze water samples to determine their compliance with maximum allowable constituent levels.

(9) **Community water system** -- A public water system which has a potential to serve at least 15 residential service connections on a year-round basis or serves at least 25 residents on a year-round basis.

during intermittent use. Hoses must be properly stored between uses and must be provided with caps and keeper chains or have the ends connected together.

(I) The tank shall be disinfected monthly and at any time that contamination is suspected.

(J) At least one sample per month from each tank shall be collected and submitted for microbiological analysis to one of the commission's approved laboratories for each month of operation.

(K) A minimum free chlorine residual of 0.5 mg/L or, if chloramines are used as the primary disinfectant, a chloramine residual of 1.0 mg/L (measured as total chlorine) shall be maintained in the water being hauled. Chlorine or chlorine containing compounds may be added on a "batch" basis to maintain the required residual.

(L) Operational records detailing the amount of water hauled, purchases, microbiological sampling results, chlorine residual readings, dates of disinfection, and source of water shall be maintained.

Adopted January 28, 2004

Effective February 19, 2004

§290.45. Minimum Water System Capacity Requirements.

(a) General provisions.

(1) The requirements contained in this section are to be used in evaluating both the total capacities for public water systems and the capacities at individual pump stations and pressure planes which serve portions of the system that are hydraulically separated from, or incapable of being served by, other pump stations or pressure planes. The capacities specified in this section are minimum requirements only.

(2) The executive director will require additional supply, storage, service pumping, and pressure maintenance facilities if a normal operating pressure of 35 pounds per square inch (psi) cannot be maintained throughout the system, or if the system's maximum daily demand exceeds its total production and treatment capacity. The executive director will also require additional capacities if the system is unable to maintain a minimum pressure of 20 psi during fire fighting, line flushing, and other unusual conditions.

(3) The executive director may establish additional capacity requirements for a public water system using the method of calculation described in subsection (g)(2) of this section if there are repeated customer complaints regarding inadequate pressure or if the executive director receives a request for a capacity evaluation from customers of the system.

(4) Throughout this section, total storage capacity does not include pressure tank capacity.

Correspondence Describing Water Pressure Problem



Murfee Engineering Company

September 7, 2004

North Austin MUD No. 1
c/o Armbrust & Brown, LLP
100 Congress Ave. - Suite 1300
Austin, Texas 78701
Attn: Alan McNeil, President
& Board of Directors

Dear Mr. McNeil and Board of Directors:

Utility customers within the North Austin MUD No. 1 (District) service area derive water service from either the City of Austin's northwest A or (1015 feet MSL) or Northwest B (1140 feet MSL) pressure zone water supply facilities. The majority of the District's customers including all of the residential customers are served exclusively by the Northwest A pressure zone system. The District actually obtains water service from the City of Austin through wholesale water supply agreements and transmits this water to its customers on a retail basis. As the District does not maintain or operate any water pressure booster systems or water treatment facilities, the District relies exclusively on the City of Austin for adequate water capacity at this time. All of the District's subdivisions were designed and subsequently approved by the City of Austin based partially on the available capacity represented by the City.

Over the past year, the District's manager, Eco Resources, Inc., has received numerous complaints from District customers with respect to domestic water pressure. Subsequent spot field measurements by the District manager indicate that distribution domestic water pressures fall below the State standard of 35 psig on occasion over a limited period. Follow up conversations with the City of Austin utility operations staff reveals that these low observed pressures are a result of a change in operations by the City. More specifically, the City operations staff deliberately operates the Northwest A pressure zone elevated storage tank at lower than design levels in an effort to maintain water quality, i.e., sufficient chlorine residual. The results of District water distribution system model simulations confirms that the City's operations are responsible for the District's occasional low domestic pressure water service. In addition the results of the model simulations strongly suggests that the observed and measured low domestic pressure is a result of insufficient capacity at the wholesale supply point rather than internally within the District.

In an effort to resolve the problem, the District in concert with the City staff initiated an investigation of alternatives to increase wholesale domestic water pressure to the District. These alternatives included recommissioning an abandoned water main on McNeil Drive to

Mecfiles/malish/wordfile/namud/water pressure
1101 Capital of Texas Highway South • Building D, Suite 110 • Austin, Texas 78746 • 512/327-9204

P-NA01542

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