

January 24, 2006

G. 0.25% TCEQ Bond Issuance and Application Fee		<u>6,438</u>
Total Non-construction Costs	\$	616,304
Subtotal	\$	2,675,000
Less: Operating Funds	(\$	<u>300,000</u>)
Total Bond Issue Requirement	\$	2,375,000

Notes:

- (1) Pursuant to the contract provided, fees are based on 3% of the first \$1,000,000 in bonds issued, plus 2% of the next \$500,000, plus .25% of the bonds in excess of \$1,500,000.
- (2) Pursuant to the contract provided, fees are based on 2% of the first \$3,000,000 in bonds issued, plus 1.5% of the bonds in excess of \$3,000,000.
- (3) Developer interest is estimated at 5.0% through February 28, 2006.

B. ECONOMIC / ENGINEERING SUMMARY

Tax Rate and Economic Requirements

The Utilities and Districts Section's financial analyst has reviewed the financial information submitted and concluded that a \$0.63 level debt service tax rate is sufficient to support the feasibility of the existing 512 equivalent single family connections (ESFCs). The District meets the combined projected tax rate and combined no-growth tax rate as defined by Commission Rules 30 TAC Section 293.59(f) and (e). The District meets the 25% and 75% build-out requirements of Commission Rules, 30 TAC Sections 293.59(k)(7) and 293.59(l)(4), respectively. A recorded copy of an exemption agreement required by Commission Rule 293.59(k)(8) has been provided.

Water and Wastewater Supply

Water is supplied to the District through interconnects with Manville Water Supply Corporation pursuant to an Agreement for Providing Wholesale Water Service, dated October 7, 1996. Wastewater treatment facilities are provided by the City of Pflugerville (City) with the assumption of the Agreement for Providing Wholesale Wastewater Service dated October 10, 1996, with Kelly Lane Utility Company. The existing water facilities and wastewater treatment facilities serving the District appear adequate to serve the existing 512 ESFCs on which the feasibility of this bond issue is based.

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Purchase of Existing Facilities/Assumption of Contracts

<u>Project</u>	<u>Contractor</u>	<u>Date Complete</u>	<u>Contract Amount</u> ⁽¹⁾	<u>Amount Subject to District Share</u>
Meadows at Blackhawk, Section 5 W/WW/D, Clearing and Grubbing	Cash Construction Company of Texas, Inc.	12/10/02	\$849,639	\$819,495 ⁽²⁾
Meadows at Blackhawk, Section 6 W/WW/D, Clearing and Grubbing	Rogers Construction Company, Inc.	09/02/03	\$1,041,130	\$885,071 ⁽³⁾

Notes:

- (1) Contract amount plus/minus change orders and final quantity adjustments.
- (2) Excludes 50% of ROW for clearing for dry utilities.
- (3) Excludes 50% of ROW for clearing for dry utilities and other district's share of a 12-inch force main.

Preconstruction agreements, approved and recorded plats, approved plans and specifications and various contract documents are on file.

Facilities to be Constructed

None.

C. SPECIAL CONSIDERATIONS

None.

D. CONCLUSIONS

1. Based on \$6,670,000 in unlimited tax bonds approved by voters, the District has sufficient voter authorized bonds for the proposed bond issue.
2. Based on the review of the engineering report, plans, specifications, and supporting documents, the project is considered feasible and meets the criteria established by the Commission's economic feasibility rules, 30 TAC Section 293.59.

E. RECOMMENDATIONS

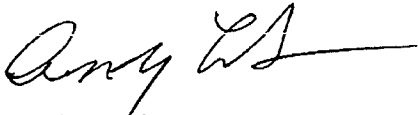
1. Approve the bond issue in the requested amount of \$2,375,000 in accordance with the recommended summary of project costs, at a maximum net effective interest rate of 5.69%. Further, direct that the bonds are to be sold only upon the District receiving an acceptable credit rating or a credit enhanced rating on the bonds in accordance with Title 30 TAC Section 293.47.

Michael D. Cowan, Director

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2. Direct the District to levy an initial ad valorem debt service tax of not less than \$0.63 per \$100 assessed valuation.
3. Standard recommendations regarding waiver of developer contribution requirement, waiver of market study requirement, escrow requirements, purchase of facilities, developer interest, consultant fees, surplus proceeds, time of approval, and 0.25% bond proceeds fee apply.



Andy Luttringer
Districts Review Team

ATTACHMENT G

AGREEMENT FOR PROVIDING WHOLESALE WATER SERVICE

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This Agreement for Providing Wholesale Water Service (the "Agreement") is made and entered into as of the date set forth below by and between:

(1) Tiemann Land & Cattle Development, Inc., a corporation organized under the laws of the State of Texas ("Tiemann"); and

(2) Manville Water Supply Corporation, a water supply corporation organized under the laws of the State of Texas (the "Company").

WITNESSETH:

RECITALS

WHEREAS, Tiemann owns or controls the land described in the attached Exhibit "A" (the "Land") and desires to subdivide the Land for purposes of residential and commercial development;

WHEREAS, the Land is included within the service area of Certificate of Convenience and Necessity No. 11144 for water service that the Company has obtained from the Texas Natural Resource Conservation Commission;

WHEREAS, Tiemann will operate a water distribution system and serve the users within the Land;

WHEREAS, the Company is willing to provide a potable water supply to Tiemann on a wholesale basis (the "Water Supply"); and

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WHEREAS, Tiemann does not have a viable alternative to provide Service to all of the Land and consequently believes that it must enter into this agreement in order to provide Service now and in the future; and

WHEREAS, the Company is willing and will take all measures reasonably necessary and appropriate to provide an adequate Water Supply to the Land ; and

WHEREAS, the Company expressly acknowledges and understands that Tiemann will seek to create a water control and improvement district operating under the authority of Article XVI, Section 59 of the Texas Constitution to provide water and sewer services to the Land;

WHEREAS, the Company expressly acknowledges and agrees that Tiemann may, after notice but without the Company's consent, assign its rights and obligations under this Agreement to any district created to provide water and sewer services to the Land; and

WHEREAS, the Company expressly acknowledges and agrees upon Tiemann's assignment of rights and obligations under this Agreement to any district created to provide water and sewer services to the Land, Tiemann shall be relieved of any obligations under this Agreement, and the district so created shall be the sole obligor under this agreement.

AGREEMENT

For and in consideration of the mutual promises, covenants, obligations and benefits in this Agreement and in keeping with the foregoing Recitals, all of which are

incorporated herein by reference, Tiemann and the Company contract and agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1: Definitions. Unless the context requires otherwise, and in addition to the terms defined above, the following terms and phrases used in this Agreement shall have the meanings set out below:

- (1) "Company" means Manville Water Supply Corporation, and any successors and assigns that may succeed at any time to the rights and obligations of the Company under the terms of this Agreement.
- (2) "Customers" means all those Persons within the Land receiving Service from Tiemann.
- (3) "Internal Lines" means all of the water mains, distribution and transmission lines and related appurtenances that are owned or used by Tiemann and located within the Service Area and through which water is delivered to customers, but specifically excluding the Plant or any part thereof. By way of example and not in limitation, Internal Lines include street lines, "yard lines" (which are located between individual water meters and the structure receiving the water service), and other mains, pipes, and meters.
- (4) "Living Unit Equivalent" or "LUE" means living unit equivalent and is a measure of the estimated average daily volume of water used by a single

- family residence; for purposes of this Agreement, an L.U.E. represents 600 gallons average per day of water usage on a monthly average basis.
- (5) "Person" means any individual, public or private corporation, district, authority, political subdivision or other agency or entity of the State of Texas or the United States of America; any incorporated city or village, whether general law or home-rule; any partnership, joint venture, association, trust, firm, individual, or other entity whatsoever.
- (6) "Plant" means all water wells, water purification and treatment plants, water storage facilities; storage tanks, water mains, distribution lines, Water Meters and related appurtenances, whether owned, leased or controlled by the Company, necessary for the Company to deliver Water to the Internal Lines, as defined herein.
- (7) "Regulatory Requirements" means the requirements and provisions of the Federal and State constitutions, any and all federal, state and local laws, rules, regulations and permits adopted or issued from time to time, and all judicial and administrative orders, judgments and decrees of any governmental authority having jurisdiction concerning matters contained in this Agreement.
- (8) "Service" means retail Water Service that Tiemann provides or will provide to Persons in the Land through the Internal Lines.
- (9) "Service Area" means all of the area within the boundaries of the Land, and also means and includes areas outside the boundaries of the Land

that the parties hereto may mutually agree to provide Service to under this Agreement.

- (10) "Water" means potable water suitable for use for domestic and municipal purposes that meets the Regulatory Requirements for public use and consumption.
- (11) "Water Meter" means any Water Meter installed at the point of delivery of Water by the Company to the Land to measure the quantity of Water supplied to the Land by the Company.
- (12) "Water Supply" means the Water to be provided to the Land pursuant to this Agreement.
- (13) "Wholesale Service" means the delivery of the Water Supply by the Company from the Plant through one or more Water Meters to the Internal Lines.

Section 1.2: Titles. The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only; are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof; and shall never be considered or given any effect in construing this Agreement or any provision hereof or in ascertaining intent, if any question of intent should arise. Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

Section 1.3: Interpretations. This Agreement and all the terms and provisions herein shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of this Agreement. The parties agree that this Agreement shall not be construed in favor of or against either party on the basis that the party did or did not author the Agreement. Nothing in this Agreement shall be construed to violate nor shall either party hereto be required by the terms and provisions of this Agreement to violate any Regulatory Requirements, and all acts done pursuant to this Agreement shall be performed in such a manner as to conform thereto.

ARTICLE II

SERVICE AND OPERATION OBLIGATIONS

Section 2.1: Service. The Company and Tiemann agree that the Company will provide Wholesale Service to the Land to meet the needs of landowners, users and potential users and Customers within the Service Area, all in accordance with the terms of this Agreement. The parties agree that the Company shall have the exclusive right and is obligated to furnish all of the Water Supply required on the Land. Tiemann agrees that, except for existing agricultural uses and to the extent authorized by law, unless the Company consents otherwise in writing thereto, Tiemann will not allow the use of private water wells and will require all users of water on land within the Service Area to obtain Service from Tiemann. Tiemann further agrees that except as provided in Section 3.1, it will not obtain Water from any Person other than the Company without the prior written approval of the Company.

Section 2.2: Planning and Construction of Facilities. To assure orderly and progressive development of all of the land in the Service Area and the efficient and economical operation and management of Internal Lines and the Plant, the parties agree to cooperate and coordinate their efforts in identifying, planning and providing for the construction of the Plant and the Internal System, and any additions thereto that may be required from time to time to meet the then existing and reasonably projected needs and demands for Service in the Service Area. In furtherance of this objective, the parties agree to engage in a free and open exchange of information and communication on their respective water operations and requirements so that the need for planning and construction of additions to their respective facilities can be identified far enough in advance for the parties to obtain additional governmental authorizations, make financing arrangements and take such other actions as may be reasonably necessary or appropriate to have the additions available and operational in a timely manner. The parties agree to pursue all such actions expeditiously to accomplish the necessary additions in a timely manner.

Section 2.3: Delivery of Water. The Company will deliver Water from and through the Plant to the Internal Lines through one or more Water Meters which will measure the volume delivered. The initial delivery points for service shall be located as shown on the map attached as Exhibit "B." During the term of this Agreement, Manville and Tiemann may designate additional delivery points by mutual agreement. Subject to the provisions of Section 2.2 herein, the Company agrees at its sole cost and expense to construct and install the elements of the Plant necessary to deliver the

Water from the Plant through the Water Meters to the Internal Lines. The Water shall be owned by the Company until it is delivered to the Land on the downstream side of the Water Meters, and thereafter the Water shall be owned by Tiemann.

Section 2.4: Capital Costs. The Company will pay all capital costs for the construction and acquisition of the Plant to the point of delivery. The Internal Lines will normally be constructed and installed by and at the sole cost and expense of Tiemann or the individual developers of and builders on the Land, and the Company will have no financial responsibility therefor.

Section 2.5: Operation and Maintenance. The Company shall be solely responsible for operating and maintaining the Plant in accordance with all Regulatory Requirements and shall pay all operation and maintenance expenses therefor. Tiemann shall be solely responsible for operating and maintaining the Internal Lines in accordance with all Regulatory Requirements and shall pay all operation and maintenance expenses therefor.

Section 2.6: Retail Service. The Individual users to whom Service is provided pursuant to this Agreement shall be Customers of Tiemann. Tiemann shall be responsible for operating and managing its Internal Lines, including but not limited to establishing the rates and charges for Service, reading meters, billing, and collecting such rates and charges from the Customers.

Section 2.7: New Taps. Tiemann shall be responsible for making all taps to the Internal Lines but may contract with the Company or any other entity to perform this function at Tiemann's expense. Tiemann and the Company agree that no new taps

will be initiated or Service provided to a new tap to the Internal Lines unless and until Tiemann has received all connection fees, charges and other costs required for Service, and paid all required charges, and fees to the Company.

Section 2.8: Certificates and Permits.

(a) As necessary, the Company agrees to proceed at the earliest practical times to submit appropriate applications to the Texas Natural Resource Conservation Commission under Chapter 13 of the Texas Water Code as may be required from time to time, and to prosecute the same with due diligence and in good faith to a conclusion to become or to continue to be certificated and authorized to provide the Wholesale Service to the Land. Tiemann agrees to provide and actively support the applications provided they are consistent with the terms and provisions of this Agreement. The Company also agrees to acquire and maintain in force and effect throughout the terms of this Agreement all other certifications, permits or authorizations required for its operations hereunder, and to comply with all Regulatory Requirements. The parties mutually agree to actively support each other in any undertakings in connection with any certifications, permits or authorizations required of either of them in the exercise of their respective rights, duties and obligations under this Agreement, provided such undertakings and the purposes and objectives thereof are consistent with the terms, provisions and purposes of this Agreement. However, the support required herein shall not obligate the supporting party to become a designated party to any application or administrative proceeding or any judicial proceedings arising out of such application or administrative proceeding, to pay any

of the costs, expenses, fines or penalties incurred by or assessed against the party that initiates or is the subject of the application or proceeding, or to develop and present evidence or testimony in or for the application or proceeding other than evidence or testimony expressing the supporting party's support for the other party.

After the creation of the District
(b) At any time ~~during the term of this Agreement~~, Tiemann may file an application, substantially in the form attached as Exhibit "C," with the Texas Natural Resource Conservation Commission seeking amendment of CCN No. 11144 to decertify the service area in which the Land is located and to transfer the authority to serve the Land to Tiemann or to the District proposed to be created. The Company agrees to consent to the decertification and transfer by signing a written consent in the form attached hereto as Exhibit "D". The cost of preparing and prosecuting the application to decertify and transfer the certificated service area will be paid by Tiemann. The Company will provide retail water service to the Land under CCN No. 11144 until the application is approved.

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Section 2.9: Payments to the Company.

A. LUE Fees.

1. Subject to the provisions of paragraph 2 below, Tiemann agrees to pay the LUE Fees set forth in Schedule 1 attached hereto based on the plat or other information on Service needs. Payment to the Company of the LUE Fees shall occur at the time the final plat is approved or at least thirty (30) days prior to the time Service is to commence. The LUE Fees are intended to allow Manville to fund or recover all or a part of the costs for capital improvements or facility expansions

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intended to serve new development in Manville's service area. The sums shown in Schedule 1 attached hereto are subject to adjustment by mutual agreement of the parties hereto at any time after one year from the date wholesale service is initiated, provided, however, Tiemann shall not be required to pay an LUE Fee that exceeds the amount charged other ^{non-municipal} wholesale customers. If the parties are unable to reach agreement, in whole or in part, regarding the adjustments through consultations and negotiations, then the adjustments which are in dispute shall be resolved through rate setting proceedings in arbitration.

B. Monthly Charges.

1. Tiemann agrees to pay the Company a rate per 1000 gallons of Water supplied to the Land each month (the "Monthly Rate") established in the manner and in accordance with the procedure hereafter provided in this part B.1.

a. The Monthly Rate for the first year following the date of execution of this Agreement and thereafter until changed as hereafter provided (the "Initial Monthly Rate") shall be two dollars (\$2.00) per one thousand (1,000) gallons.

b. Beginning with calendar year 1998 and each year thereafter, the Monthly Rate is subject to adjustment at the option of either party based on the operation and maintenance costs incurred by the Company in providing Wholesale Service to the Land for the preceding calendar year and in accordance with standard rate-setting principles based on the cost of providing service to the Land, but the Monthly Rate shall not fall below \$2.00 per 1,000 gallons unless the Company charges other wholesale customers a rate less than \$2.00 per 1,000 gallons, in which

case Tiemann shall be entitled to pay the lowest rate charged to other wholesale customers.

c. The Monthly Rate is subject to adjustment no earlier than the second calendar year following the calendar year in which the Monthly Rate was last adjusted. The party seeking a review and adjustment in the Monthly Rate must notify the other party in writing between January 1 and March 31 of the calendar year for which the adjustment is sought. The adjustments shall be worked out through consultations and negotiations between Tiemann and the Company. If the parties are unable to reach agreement, in whole or in part, regarding the adjustments to the Monthly Rate through consultations and negotiations, then the adjustments which are in dispute shall be resolved through rate setting proceedings in arbitration, but the Monthly Rate shall not fall below the first year rate herein agreed upon, unless the Company charges other wholesale customers a rate less than \$2.00 per 1,000 gallons.

2. One or more Water Meters will be installed at the points of delivery from the Plant to the Internal Lines to measure the amount of Water provided to the Land. Each month the Company shall read the Water Meters and determine the number of gallons of Water provided to the Land for the preceding month.

3. All Water Meters shall be calibrated at least once a year and more frequently if requested by Tiemann. Tiemann shall have access to the Water Meters at all times for readings and for observation of any calibration tests. ~~The Company~~ ^{Tiemann} will pay the cost of purchase, installation, maintenance and calibration of each Water Meter, except that where calibration is requested by the ~~Tiemann~~ ^{Company}, the cost of

calibration shall be paid by Tiemann if the Water Meter was in error on the low side. If the Water Meter is in error by 2% or more, the Company's charge to Tiemann for Water during the period in question shall be increased or decreased, as appropriate, based on the difference in the amount of Water furnished to the Land for one-half of the time period since the previous calibration was made, but in any event for no longer a period than six months.

4. Within thirty (30) days of receipt of a statement for monthly charges from the Company, Tiemann will pay the statement unless there is a dispute as to the accuracy of the billing. In the event there is any dispute regarding the accuracy of the billing, the engineers for the Company and Tiemann shall confer to resolve the issues, which shall be resolved within sixty (60) days after the date of the statement. The undisputed amount of the statement shall be paid in full within the thirty (30) day payment period. If it is determined (whether through consultation, arbitration, or otherwise) that all or any part of the disputed amount of the billing to Tiemann was correct, Tiemann shall forthwith pay the correct portion of the disputed amount to the Company and may keep the balance of the disputed amount, if any.

ARTICLE III

CONDITIONS GOVERNING WATER SUPPLY

Section 3.1: Quantity and Quality of Water.

(a) During the term of this Agreement and subject to Section 4.2 herein, the company shall provide a Water Supply that will be adequate for the needs of the present and future owners, customers, residents and occupants of the Land and those

in privity with them. The Water shall be furnished at all Water Meters at a pressure and of a quality and quantity adequate to enable Tiemann to comply with applicable Regulatory Requirements including, without limitation, Texas Natural Resource Conservation Commission Regulation 30 TAC §290.45(f).

(b) During the term of this Contract, the Company shall provide a Water Supply sufficient to serve the Land according to the following phased schedule:

Year	Cumulative Demand LUE's	Avg. Day gpd	Peak Day gpd	Peak Hr. gpm
1996-1997	165	99,000	210,156	332
1997-1998	416	249,600	526,656	832
1998-1999	666	399,600	843,156	1,132
1999-2000	916	549,600	1,159,656	1,557
2000-2001	1,166	699,600	1,476,156	1,982
2001-2002	1,416	849,600	1,792,656	2,407
2002-2003	1,666	999,600	2,109,156	2,832
2003-2004	1,916	1,149,600	2,425,656	3,257
2004-2005	2,166	1,299,600	2,742,156	3,682
2005-2006	2,416	1,449,600	3,058,658	4,107
2006-2007	2,666	1,599,600	3,375,156	4,532
2007-2008	2,916	1,749,600	3,691,656	4,957
2008-2009	3,000	1,800,000	3,798,000	5,100

The phased schedule is determined and the Water Supply shall be furnished according to the following criteria which are established pursuant to 30 TAC §290.45:

1. 50 psi minimum delivery pressure at the highest elevation on the Land, 722 ft msl.
2. 200 gpd per person demand
3. 3 persons per household population
4. 600 gpd average per LUE or connection

5. Average day at buildout:

600 gpd per household x 3000 LUEs = 1,800,000 gpd average

6. Peak (maximum) day:

1,800,000 x 2.11 = 3,798,000 gpd peak

7. Peak (maximum) hour:

(A) 1,800,000 gpd = 1,250 gpm average x 4.08 = 5,100 gpm

1,440 minimum

(B) Provide at 2.0 gpm per LUE or connection or provide at least 1,000 gallons per minute and meet peak hourly demands.

(c) Whenever at any time or from time to time it is reasonably determined in good faith by Tiemann that the Company through no fault of Tiemann is not able for any reason to furnish a Water Supply at a pressure and of a quantity and quality adequate to enable Tiemann to comply with the applicable Regulatory Requirements, Tiemann shall notify the Company in writing of such inadequacies. Thereafter, the Company shall have a period of time not to exceed ninety (90) days to cure the inadequacies described in the notice. If the Company is unable within that time period to cure the inadequacies described in the notice, then Tiemann may in its discretion obtain an alternate water supply from any source available to it. Such alternate source may be obtained only on a temporary basis until such time as the Company is able to provide a supply adequate to comply with the applicable Regulatory Requirements, whereupon Tiemann shall forthwith cease utilization of the alternate source.

Section 3.2: Construction of Water Facilities.

(a) The Company agrees that it will acquire, construct and expand the Plant and acquire additional sources of Water as needed to have sufficient capacity to provide Wholesale Service to the Land as required by this Agreement. The Plant as it currently exists or as constructed and expanded will be designed and constructed to provide volumes, pressures and delivery points which meet the requirements of this Agreement.

(b) At the request of Manville made at any time during the term of this Contract, Tiemann shall convey to Manville a two (2) acre tract of land for use as a site for constructing an elevated storage tank (the "Tank Site"). The location for the Tank Site shall be determined at the discretion of Tiemann and shall be generally located in the northeast corner of the Land. Additionally, Tiemann shall provide to Manville sufficient easements to allow Manville to access the Tank Site by vehicles and water lines. If Manville fails to construct a storage tank on the Tank Site within five (5) years after Tiemann conveys the land to Manville, ownership of the Tank Site shall revert to Tiemann.

Section 3.3: Conservation Measures. Tiemann will require all of its Customers that connect to the Internal Lines after the effective date of this Agreement to install water conservation devices.

Section 3.4: Testing of Water. Tiemann with a representative of the Company shall be entitled to collect samples of the Water at the Water Meters and cause the same to be analyzed by a certified laboratory or a laboratory at the Texas Department

of Health or the Texas Natural Resource Conservation Commission in accordance with the appropriate methods to determine if such Water complies with the Regulatory Requirements. If the analysis discloses that the Water does not comply with the Regulatory Requirements, the Company shall take all steps necessary to bring the Water into compliance.

Section 3.5: Independent Contractors. The Company and Tiemann are independent contractors in fulfilling their respective obligations under this Agreement, and nothing herein shall be interpreted as changing or modifying the relationship of the parties unless in writing and signed by both parties.

Section 3.6: Regulatory Action. The Parties recognize that the rights, duties and obligations of the Company and Tiemann as provided in this Agreement are subject to all present and future Regulatory Requirements; and the parties agree to cooperate in making any applications, obtaining permits and approvals as necessary, and doing such other things and taking such other actions as may be desirable in order to comply with all Regulatory Requirements and accomplish the purposes of this Agreement.

Section 3.7: Retail Service Conditions. Tiemann agrees to incorporate in its rules, regulations and policies, in the manner appropriate to the subject matter, the terms, rules and regulations that govern the Company's management of service to its retail customers, such as water conservation, drought management, taps and LUE fees, and take appropriate action to enforce the same.

ARTICLE IV

MISCELLANEOUS PROVISIONS

Section 4.1: Term: Unless terminated by mutual agreement of the parties hereto, this Agreement shall continue in full force and effect for a period of forty (40) years from date hereof.

Section 4.2: Force Majeure. In the event either party is rendered unable, wholly or in part, by reason of force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the party whose contractual obligations are affected shall give notice and full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure", as used herein, shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the police or enemy, orders of any kind of government or the United States, the State of Texas, a local or municipal government of competent jurisdiction or any other entity other than a party to this contract, or any civil or military authority, insurrections, riots, epidemics, landslides, lightening, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply,

and any other inabilities of either party, similar to those enumerated, which are not within the control of the party claiming such inability and which such party could not have avoided by the exercise of due diligence and care. 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 requirements 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 to it in the judgment of the party having the difficulty.

Section 4.3: Remedies upon Default. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all remedies existing at law or in equity, including specific performance and mandamus, may be availed of by either party and shall be cumulative; provided, however, that except as otherwise specifically provided in this Agreement, the manner of proceeding to settle any controversy, claim or dispute arising out of or relating to this Agreement, or any breach thereof, shall be by arbitration as provided in Section 4.11 of this Agreement.

Section 4.4: No Additional Waiver Implied. No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty of obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind under any circumstances.

Section 4.5: Addresses and Notice. Unless otherwise provided in this Agreement, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "notice") herein provided or permitted to be given, made, or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail, postpaid and registered, or certified and addressed to the party to be notified, with return receipt requested, or be delivering the same to an officer of such party, or by prepaid telegram, when appropriate; addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of two (2) mail delivery days after the day it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as shown on the signature page of this Agreement. The parties shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days' written notice to the other party.

Section 4.6: Modification. This Agreement shall be subject to change or modification only by the execution of a writing signed by authorized representatives of each of the parties hereto.

Section 4.7: Assignability; Notice of Assignment. This Agreement shall be assignable by Tiemann only to a district operating under the authority of Article XVI,

Section 59 of the Texas Constitution without the consent of Manville. In the event of assignment by Tiemann to a district operating under the authority of Article XVI, Section 59 of the Texas Constitution, the assignee district shall succeed to the rights and obligations of Tiemann under this Agreement and Tiemann shall be relieved of all responsibilities or obligations under this Agreement. An assignment to a district shall be effective upon the Company's receipt of written notice of the assignment. Any other assignment of this Agreement by Tiemann or by his successor district, shall be subject to the consent of the Company. Upon any such subsequent assignment, the Company may, at its sole option, terminate this contract and declare the same void. This Agreement may not be assigned by the Company to a private entity without the prior written consent of Tiemann, which consent shall not be unreasonably withheld. This Agreement is binding on the parties hereto and their respective successors, representatives and assigns. Without limitation of the foregoing, no part of this contract is assignable to a home rule or general law city without the consent of the Company.

Section 4.8: Notice of Proceedings Pertaining to Agreement. The Company shall notify Tiemann of all applications, hearings, enforcement actions and other proceedings to which the Company is a party, affecting or pertaining to this Agreement or the subject matter hereof, at or before the Texas Natural Resource Conservation Commission, any other agency having jurisdiction or any court as soon as practical after any such application, activity or proceeding is initiated or commenced.

Section 4.9: Parties in Interest. This Agreement shall be for the sole and exclusive benefit of Tiemann and the Company and their successors and assigns.

Section 4.10: Severability. This provisions of this Agreement are severable, and if any word, phrase, clause, sentence, paragraph, section or other part of this Agreement 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 Agreement and the application of such word, phrase, clause, sentence, paragraph, section or other part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 4.11. Arbitration. Except as otherwise expressly provided in this Agreement, any controversy, dispute or claim arising out of or relating to this Agreement, or any breach thereof, shall be settled by arbitration in accordance with the Commercial Rules of Arbitration of the American Arbitration Association; provided, however, that the arbitrator(s) to whom any controversy, which is subject to arbitration under the terms of this Agreement, shall be submitted in accordance with the provisions hereof, shall (1) reside in Travis County, Texas; (2) if three arbitrators, include at least one accountant; and (3) be familiar with water and sewer utilities. The arbitrator(s) have jurisdiction and authority to interpret and apply the applicable provisions of this Agreement in accordance with applicable Regulatory Requirements. Such application or interpretation of the provisions of this Agreement must be in accordance with the spirit and letter of this Agreement. No arbitrator shall have the jurisdiction or authority to add to, take from, nullify, or modify any of the terms of this


Agreement, directly or indirectly, under the guise of interpretation. The arbitrator(s) shall be bound by the facts and evidence submitted in the hearing and may not go beyond the terms of this Agreement in rendering the award. It is further understood and agreed that the power of the arbitrator(s) shall be strictly limited to determining the meaning and interpretation of the explicit terms of this Agreement as herein expressly set forth and that no arbitrator shall have the power to base any award on any alleged practices or oral understandings not incorporated herein. Any award rendered in arbitration proceedings under this Agreement shall be subject to administrative or judicial review at the instance of either party for the purpose of determining whether the arbitrator(s) exceeded the power as herein limited, and neither party shall be deemed to have waived its right to such review by proceeding to arbitration. Within the power as herein limited, the arbitrator(s) may enter an award based upon any remedy available to the parties as provided in Section 4.3 of this Agreement. Judgment upon the award may be entered in any court having jurisdiction thereof. Any such arbitration proceeding shall be held at such place in Travis County as may be designated by the parties. Each party represents that this Agreement was concluded upon the advice of counsel as evidenced by the respective signatures below. The provisions of this Section are subject to and shall not be considered as attempting to exclude the jurisdiction of the Texas Natural Resource Conservation Commission or any other governmental regulatory authority to arbitrate or settle disputes, hold hearings or enter orders relating to the subject matter of this Agreement.

Section 4.12: Merger. This Agreement, together with the exhibits attached hereto and made a part hereof for all purposes, constitutes the entire agreement between the parties relative to the subject matter hereof.

Section 4.13: Binding. This Agreement shall be binding on and inure to the benefit of the parties, and their respective successors, representatives and assigns.

EXECUTED in multiple originals as of the 24 day of October, 1996.

TIEMANN LAND & CATTLE
DEVELOPMENT, INC.

By 
Robert M. Tiemann, President

Address: P.O. Box 1190
Pflugerville, Texas 78691

MANVILLE WATER SUPPLY CORPORATION

By 
H. Leonard Dearing,
President

Address: P.O. Box 248
Coupland, Texas 78615

AGREEMENT FOR PROVIDING WHOLESALE
WATER SERVICE BETWEEN
TIEMANN LAND & CATTLE DEVELOPMENT, INC
AND
MANVILLE WATER SUPPLY CORPORATION

Schedule 1

Living Unit Equivalent ("LUE") Fees.

1. Single Family residence. For each lot on which a single family residence will be built, with a 5/8" meter, the sum of \$800.00.
2. Multi-Family. For each residential living unit within a multi-family structure, the sum of \$800.00.
3. Commercial-Standard. For each commercial structure or use for which a 5/8" meter will be needed, the sum of \$800.00.
4. Commercial-Non Standard. For each commercial structure or use for which a meter larger than 5/8" will be needed, a fee to be determined by the Company's Engineer based on the size of the meter and the anticipated water use converted to commercial standard as stated in paragraph 3 above, subject to review and concurrence by the Engineer for Tiemann.
5. Industrial and Other Non-standard Service. For each industrial structure, use or service other than that shown in 1-4 above, a fee to be determined by the Engineer for the Company in consultation with and the concurrence of the Engineer for Tiemann.

SCHEDULE 1

FIELD NOTES FOR 1113.57 ACRES

BEING A TRACT OF LAND SITUATED IN TRAVIS COUNTY AND IN WILLIAMSON COUNTY, TEXAS, AND BEING A PART OF THE V. W. SWEARENGEN SURVEY NO. 32, THE GEORGE GRIME SURVEY NO. 33, THE A. BAILEY SURVEY NO. 34 AND THE J. C. LEE SURVEY NO. 35 AND BEING A PART OF TRACT ONE AS DESCRIBED IN A WARRANTY DEED FROM GEORGE P. PREWITT, JR., INDIVIDUALLY, AND SHIRLEY J. PREWITT, ON BEHALF OF LOKI, LTD TO ROBERT H. TIEMANN RECORDED IN VOLUME 12212, PAGE 1510 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING ALL OF THAT CERTAIN 5.273 ACRE PARCEL LESS AND EXCEPTED FROM THE SAID DEED TO ROBERT H. TIEMANN RECORDED IN VOLUME 12212, PAGE 1510 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PART OF THAT 95.256 ACRE PARCEL DEEDED TO ROBERT TIEMANN FROM GEORGE P. PREWITT, JR., INDIVIDUALLY AND SHIRLEY J. PREWITT, ON BEHALF OF LOKI, LTD., RECORDED IN VOLUME 12625, PAGE 570 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PART OF THAT CERTAIN 321.88 ACRE PARCEL DESCRIBED IN THE MEMORANDUM OF OPTION RECORDED IN VOLUME 12625, PAGE 353 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PART OF THAT 261.88 ACRE PARCEL DEEDED TO ROBERT H. TIEMANN FROM GEORGE P. PREWITT, JR. AND SHIRLEY PREWITT DATED JULY 27, 1982, AND BEING A PORTION OF THAT 305.98 ACRE PARCEL DESCRIBED IN EXHIBIT "A" RECORDED IN VOLUME 10839, PAGE 680 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS; AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGIN AT THE SOUTHEAST CORNER OF LOT 1, BLOCK D, MEADOWS OF BLACKHAWK PHASE ONE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 95 PAGES 96, 97 AND 98 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE N. 22 DEG 22' 17" E., ALONG THE EAST LINE OF LOTS 1 AND 2, BLOCK D, 239.70 FEET;

THENCE N. 76 DEG 02' 15" W., ALONG THE NORTHERLY LINE OF LOT 2, BLOCK D, 120.05 FEET;

THENCE N. 18 DEG 04' 13" E., ALONG THE EAST LINE OF KENNEHER DRIVE, 57.21 FEET;

THENCE N. 72 DEG 08' 31" W., ALONG THE BOUNDARY OF SAID PLAT OF MEADOWS OF BLACKHAWK PHASE ONE, 60.00 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 20.00 FEET, A CENTRAL ANGLE OF 90 DEG 00' 00", A CHORD BEARING S. 62 DEG 51' 29" W., AND A CHORD LENGTH OF 28.28 FEET) AND ALONG SAID PLAT BOUNDARY, 31.42 FEET;

THENCE N. 72 DEG 08' 31" W., ALONG SAID PLAT BOUNDARY, 46.82 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 475.00 FEET, A CENTRAL ANGLE OF 9 DEG 28' 38", A CHORD BEARING N. 67 DEG 24' 12" W., AND A CHORD LENGTH OF 78.48 FEET) AND ALONG SAID PLAT BOUNDARY, 78.57 FEET;

THENCE N. 26 DEG 43' 12" E., ALONG SAID PLAT BOUNDARY, 163.96 FEET;

THENCE N. 31 DEG 36' 17" E., ALONG SAID PLAT BOUNDARY, 156.62 FEET;

THENCE N. 40 DEG 37' 06" E., ALONG SAID PLAT BOUNDARY, 154.69 FEET;

THENCE N. 51 DEG 09' 50" E., ALONG SAID PLAT BOUNDARY, 176.23 FEET;

THENCE N. 30 DEG 21' 06" W., ALONG SAID PLAT BOUNDARY, 174.06 FEET;

THENCE N. 16 DEG 12' 18" W., ALONG SAID PLAT BOUNDARY, 92.80 FEET;

THENCE N. 5 DEG 27' 53" W., ALONG SAID PLAT BOUNDARY, 97.97 FEET;

THENCE N. 2 DEG 44'44" E., ALONG SAID PLAT BOUNDARY, 72.83 FEET;
THENCE N. 7 DEG 05'58" E., ALONG SAID PLAT BOUNDARY, 64.63 FEET;
THENCE N. 5 DEG 42'10" E., ALONG SAID PLAT BOUNDARY, 98.03 FEET;
THENCE N. 4 DEG 39'14" W., ALONG SAID PLAT BOUNDARY, 56.21 FEET;
THENCE N. 23 DEG 24'22" W., ALONG SAID PLAT BOUNDARY, 70.20 FEET;
THENCE N. 29 DEG 25'12" W., ALONG SAID PLAT BOUNDARY, 139.11 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE LEFT (SAID CURVE HAVING A RADIUS OF 325.00 FEET, A CENTRAL ANGLE OF 13 DEG 49'14", A CHORD BEARING N. 51 DEG 22'11" E., AND A CHORD LENGTH OF 78.20 FEET) AND ALONG SAID PLAT BOUNDARY, 78.39 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 15.00 FEET, A CENTRAL ANGLE OF 92 DEG 09'43", A CHORD BEARING S. 89 DEG 27'34" E., AND A CHORD LENGTH OF 21.61 FEET) AND ALONG SAID PLAT BOUNDARY, 24.13 FEET;

THENCE N. 43 DEG 22'42" W., ALONG SAID PLAT BOUNDARY, 118.87 FEET;

THENCE ALONG THE ARC OF A CURVE TO THE RIGHT (SAID CURVE HAVING A RADIUS OF 455.90 FEET, A CENTRAL ANGLE OF 7 DEG 11'27", A CHORD BEARING N. 38 DEG 47'48" W., AND A CHORD LENGTH OF 57.18 FEET) AND ALONG SAID PLAT BOUNDARY, 57.22 FEET;

THENCE S. 54 DEG 50'45" W., ALONG SAID PLAT BOUNDARY, 49.83 FEET;

THENCE S. 73 DEG 12'30" W., ALONG SAID PLAT BOUNDARY, 100.16 FEET;

THENCE S. 88 DEG 40'14" W., ALONG SAID PLAT BOUNDARY, 95.82 FEET;

THENCE N. 61 DEG 53'26" W., ALONG SAID PLAT BOUNDARY, 258.78 FEET;

THENCE N. 78 DEG 46'47" W., ALONG SAID PLAT BOUNDARY, 110.02 FEET;

THENCE N. 12 DEG 58'21" E., ALONG THE WESTERLY LINE OF TRACT ONE, AS CONVEYED TO ROBERT M. TIEMANN BY WARRANTY DEED RECORDED IN VOLUME 12212, PAGE 1510 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, 900.86 FEET, TO THE SOUTH LINE OF ROWE LAKE (ALSO KNOWN AS COUNTY ROAD NO. 139);

THENCE S. 79 DEG 55'59" E., ALONG THE SOUTH LINE OF ROWE LAKE AND ALONG THE NORTH LINE OF SAID TRACT ONE, 866.45 FEET;

THENCE S. 80 DEG 22'42" E., ALONG THE SOUTH LINE OF ROWE LAKE, 2205.56 FEET TO THE NORTH CORNER OF A PARCEL OF LAND SAID TO CONTAIN 95.256 ACRES OF LAND AS DESCRIBED IN A DEED TO ROBERT M. TIEMANN BY DEED RECORDED IN VOLUME 12625, PAGE 570 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE ALONG THE NORTHERLY LINE OF SAID 95.256 ACRES AND ALONG THE SOUTHERLY LINE OF ROWE LAKE THE FOLLOWING THREE (3) COURSES:

1. S. 80 DEG 22'42" E., 20.62 FEET;
2. S. 81 DEG 30'36" E., 648.33 FEET;
3. S. 80 DEG 28'37" E., 1006.56 FEET TO THE EAST CORNER OF SAID 95.256 ACRE TRACT AND TO THE NORTHWEST CORNER OF THAT PARCEL SAID TO CONTAIN 321.88 ACRES OF LAND AS DESCRIBED IN THE MEMORANDUM OF OPTION BETWEEN JACQUELINE H. SMITH AND ROBERT M. TIEMANN RECORDED IN VOLUME 12652, PAGE 353 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE ALONG THE NORTH LINE OF SAID 312.88 ACRE PARCEL AND ALONG THE SOUTH LINE OF ROWE LAKE THE FOLLOWING TWO (2) COURSES:

1. S. 80 DEG 22' E., 927.07 FEET;

2. S. 79 DEG 52' E., 2428.48 FEET TO THE NORTHEAST CORNER OF SAID 321.88 ACRE PARCEL;

THENCE S. 79 DEG 53'30" E., ALONG THE SOUTH LINE ROWE LANE AND ALONG THE NORTH LINE OF A PARCEL, SAID TO CONTAIN 261.87 ACRES OF LAND DEEDED TO ROBERT M. TIEMANN JULY 27, 1982, 2251.00 FEET TO THE NORTHEAST CORNER OF SAID 261.87 ACRE PARCEL AND TO THE NORTHWEST CORNER OF A PARCEL SAID TO CONTAIN 305.98 ACRES OF LAND AS DESCRIBED IN EXHIBIT "A" RECORDED IN VOLUME 10839, PAGE 680 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE S. 79 DEG 53'30" E., ALONG THE SOUTH LINE OF ROWE LANE AND ALONG THE NORTH LINE OF SAID 305.98 ACRE PARCEL, 2281.37 FEET TO THE WEST LINE OF HODDE LANE AND TO THE NORTHEAST CORNER OF SAID 305.98 ACRE PARCEL;

THENCE S. 29 DEG 32' W., ALONG THE WEST LINE OF HODDE LANE AND ALONG THE EASTERLY LINE OF SAID 305.98 ACRE PARCEL, 2270.11 FEET;

THENCE S. 29 DEG 50'30" W., ALONG THE WEST LINE OF HODDE LANE AND ALONG THE EASTERLY LINE OF SAID 305.98 ACRE PARCEL, 2053.76 FEET;

THENCE S. 29 DEG 56' W., ALONG THE WEST LINE OF HODDE LANE AND ALONG THE EASTERLY LINE OF SAID 305.98 ACRE PARCEL, 13.33 FEET TO THE NORTHEAST CORNER OF THE PLAT OF ROWE VALLEY SUBDIVISION SECTION ONE, AS RECORDED IN VOLUME 90, PAGES 308, 309 AND 310 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE N. 60 DEG 00'00" W., ALONG THE NORTH LINE OF SAID ROWE VALLEY SUBDIVISION SECTION ONE, 867.78 FEET TO THE NORTHWEST CORNER OF SAID PLAT;

THENCE S. 30 DEG 00'00" W., ALONG THE WEST LINE OF SAID ROWE VALLEY SUBDIVISION SECTION ONE, 2005.23 TO THE SOUTHWEST CORNER OF SAID PLAT;

THENCE S. 60 DEG 00'00" E., ALONG THE SOUTH LINE OF SAID ROWE VALLEY SUBDIVISION SECTION ONE, 870.11 FEET TO THE SOUTHEAST CORNER OF SAID PLAT;

THENCE S. 29 DEG 36' W., ALONG THE WEST LINE OF HODDE LANE AND ALONG THE EASTERLY LINE OF THE SAID 305.98 ACRE PARCEL, 88.05 FEET;

THENCE S. 51 DEG 07' W., ALONG THE WEST LINE OF HODDE LANE, 53.57 FEET;

THENCE S. 79 DEG 40' W., ALONG THE WESTERLY LINE OF HODDE LANE, 51.98 FEET;

THENCE N. 67 DEG 04' W., ALONG THE NORTH LINE OF HODDE LANE, 278.20 FEET;

THENCE N. 60 DEG 01'57" W., ALONG THE SOUTH LINE OF SAID 305.98 ACRE PARCEL, ALONG THE SOUTH LINE OF THE SAID 261.87 ACRE PARCEL AND ALONG THE SOUTH LINE OF THE SAID 321.88 ACRE PARCEL, 6323.92 FEET TO THE SOUTHWEST CORNER OF THAT CERTAIN TRACT OF LAND CONVEYED TO GEORGE P. PREWITT, JR., BY DEED RECORDED IN VOLUME 5680, PAGE 1549 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE S. 31 DEG 33' W., ALONG THE SOUTHERLY LINE OF SAID 321.88 ACRE PARCEL, 37.70 FEET;

THENCE N. 60 DEG 09' W., ALONG THE SOUTHERLY LINE OF SAID 321.88 ACRE PARCEL, 780.63 FEET TO THE SOUTHWEST CORNER OF SAID 321.88 ACRE PARCEL AND THE SOUTHEAST CORNER OF SAID 95.256 ACRE PARCEL;

THENCE N. 60 DEG 08'22" W., ALONG THE SOUTH LINE OF SAID 95.256 ACRE PARCEL, 139.81 FEET TO A POINT IN THE EAST LINE OF DIABLO DRIVE, AS

3
Exhibit A 304

RECORDED IN VOLUME 93, PAGE 245 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, THE SAME BEING THE EAST LINE OF FAIRWAYS OF BLACKHAWK, PHASE IIA, RECORDED IN BOOK 93, PAGE 245 OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE N. 29 DEG 52'57" E., ALONG THE EAST LINE OF DIABLO DRIVE AND ALONG THE EAST LINE OF SAID FAIRWAYS OF BLACKHAWK, PHASE IIA, 71.19 FEET TO THE NORTHEAST CORNER OF DIABLO DRIVE AND THE NORTHEAST CORNER OF SAID FAIRWAYS OF BLACKHAWK, PHASE IIA;

THENCE N. 60 DEG 08'22"W., ALONG THE NORTH LINE OF FAIRWAYS OF BLACKHAWK, PHASE IIA, AT A DISTANCE OF 50.00 FEET PASS THE NORTHWEST CORNER OF DIABLO DRIVE, IN ALL A TOTAL DISTANCE OF 261.94 FEET;

THENCE N. 67 DEG 14'56" W., ALONG THE NORTH LINE OF SAID FAIRWAYS OF BLACKHAWK, PHASE IIA, 74.59 FEET TO THE WEST LINE OF THE SAID 95.256 ACRE PARCEL AND TO THE EASTERLY LINE OF THE SAID TRACT ONE AS DESCRIBED IN DEED RECORDED IN VOLUME 12212, PAGE 1510 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS;

THENCE N. 67 DEG 14'56"W., CROSSING SAID TRACT ONE, 500.57 FEET TO THE SOUTHERLY LINE OF SAID TRACT ONE;

THENCE N. 60 DEG 08'22" W., ALONG THE SOUTHERLY LINE OF SAID TRACT ONE, 663.50 FEET;

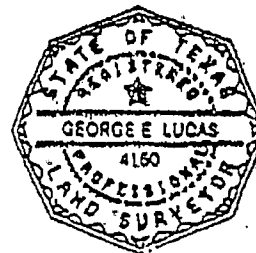
THENCE N. 59 DEG 40'15" W., ALONG SAID SOUTHERLY LINE, 839.51 FEET TO THE SAID POINT OF BEGINNING.

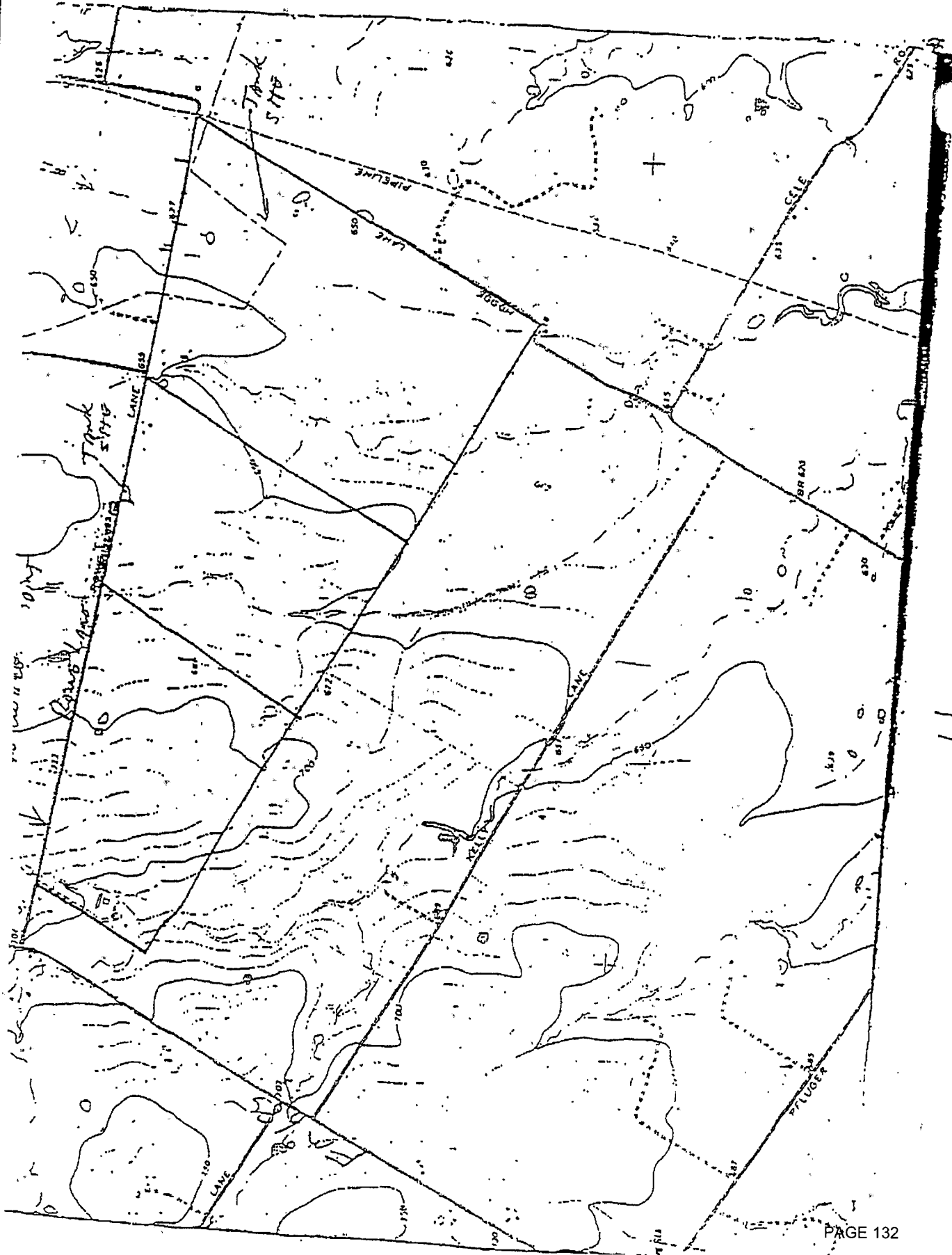
THE BEARING BASIS FOR THIS TRACT IS THE SAME AS TRACT ONE AS DESCRIBED IN THE WARRANTY DEED RECORDED IN VOLUME 12212 PAGE 1510 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS.

THIS SURVEY WAS MADE FROM AVAILABLE DEED INFORMATION, PLAT RECORDS AND OTHER RECORDED INFORMATION AVAILABLE AND DOES NOT PURPORT TO BE AN ON THE GROUND SURVEY.

6-22-96
GEORGE E. LUCAS
REGISTERED PROFESSIONAL
LAND SURVEYOR NO. 4160
STATE OF TEXAS
FILED C:\WPDOCS\314FN

RANDALL JONES ENGINEERING, INC.
1212 EAST BRAKER LANE
AUSTIN TEXAS





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TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



General Information and Instructions on the

APPLICATION FOR SALE, TRANSFER OR MERGER OF A RETAIL PUBLIC UTILITY

GENERAL INFORMATION

Pursuant to V.T.C.A., Water Code Section 13.301, this application must be filed with the Commission and notice must be provided to each customer being transferred and each utility within 2 miles at least 120 days before the effective date of any sale, acquisition, lease or rental, merger or consolidation of any water or sewer system required by law to possess a certificate of convenience and necessity (CCN). A transaction that has taken place since September 1, 1991, and has not been completed in accordance with Section 13.301 of the Texas Water Code including the 120 day prior notice, is void.

This form should be used by investor owned utilities (IOU), water supply or sewer service corporations (WSC), affected counties, and any CCN holder to notify the Texas Natural Resource Conservation Commission 120 days prior to the sale, acquisition, lease, rental, merger or consolidation of any water or sewer system required by law to possess a CCN. This form is also used to transfer, obtain, or amend a CCN in conjunction with a sale, acquisition, lease, rental, merger or consolidation of a public utility.

INSTRUCTIONS

Please answer each question on the attached forms completely. These forms may be re-typed; however, the original sequence, content and wording of the questions must be preserved. You may attach additional sheets, if necessary, but each sheet should be marked with the applicant's name and mailing address, clearly labeled "Attachment 1", "Questions 16, Attachment 2, Question 17," etc., and accompanied by a brief explanation of the attachment. If a question is not applicable, please mark "N/A" and explain why the question does not apply. The applicant should not assume any knowledge of their specific water or sewer utility by the Texas Natural Resource Conservation Commission (TNRCC or Commission). DO NOT LEAVE ANY QUESTIONS BLANK

A complete application will include:

1. An original and three (3) copies of the completed application, and all required attachments, maps and exhibits;
2. Four copies of the agreement between parties, contingent contract, or other documents supporting the proposed transaction;
3. An original and three (3) copies of the proposed tariff for the purchased system. For utilities subject to the Commission's original rate jurisdiction, the tariff's rates must reflect the current rates being charged to the customers. Water supply or sewer service corporations, districts and municipalities must file a schedule of rates to be charged after the transfer. Districts and municipalities need not file a full tariff, but WSCs who

do not have a complete tariff on file with the Commission for information purposes must file a copy of their current tariff. Water and sewer utility tariff forms may be obtained from the Utility Rates and Services Section;

4. An original and three (3) copies of your notice provided to customers and neighboring utilities;
5. The required filing fee according to the following schedule:
 - a. fewer than 100 connections - \$50
 - b. 100 to 200 connections - \$100
 - c. 201 to 500 connections - \$200
 - d. more than 500 connections - \$500
6. If the system being sold or acquired does not have a CCN, an additional \$100 filing fee is required to cover issuance of a CCN. The notice form labeled *Notice to Current Customers, Neighboring Systems and Cities - Form B* should be used to notify customers and neighboring utilities;
7. Four copies of the latest Texas Water Commission (TWC) or TNRCC annual inspection report for the systems being acquired and your response letter if any;
8. For corporations, four (4) copies of "Certification of Account Status";
9. An original and three (3) copies of each of the sworn affidavits of the transferor and transferee utilities' representatives.

Mail these items to: Texas Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P. O. Box 13088
Austin, Texas 78711-3088

≡ PROCESSING YOUR STM APPLICATION

Enclosed in this packet is a flow chart of the review process. Your application will go through an Administrative Review and, when accepted for filing, through a Technical Review. For uncontested applications, processing time depends on the response time of the applicant. Contested applications generally take longer because of the need for scheduling a public hearing, and processing time depends on whether a settlement agreement between the applicant and the protestor(s) is reached. The dates provided in the flow chart are generally the time it takes to process an uncontested application.

≡ ADMINISTRATIVE REVIEW OF YOUR STM APPLICATION

Your application will be reviewed for administrative completeness by the staff within ten working days after receipt. You will receive a modified notice and instructions for re-noticing and/or publication after your application has been reviewed if it is determined that notice was inadequate or publication is required. If the application is determined to be incomplete or deficient, you will be notified of the deficiencies by mail and will have thirty days in which to amend the application and correct the deficiencies. Failure to correct the deficiencies may result in the Executive Director requesting that a hearing be scheduled which will delay the effective date of the proposed transaction until after a hearing is completed and the Commission has rendered a decision.

NOTICE

Notice of the proposed transaction must be given to the public at least 120 days prior to the effective date. Notice should be provided at the time the application is submitted to the Commission. Enclosed in this packet are two notice forms labeled *Notice to Current Customers, Neighboring Systems and Cities* - Form A and Form B. Form A could be used if the seller utility has a CCN. Form B should be used if the seller utility does not have a CCN and the purchaser utility will obtain it or will amend its current CCN as a result of the transaction. When in doubt, please contact the Utility Rates and Services Section for assistance. The executive director may also request that notice be published and/or provided to other affected parties.

TECHNICAL REVIEW OF YOUR STM APPLICATION

Prior to the expiration of the 120 day notification period, the staff will investigate the proposed transaction. You will receive notice of the executive director's decision as to whether a public hearing will be held. The executive director may request a hearing (as outlined in V.T.C.A. Water Code Section 13.301(c)) if: (1) the notification to the commission or the public notice was improper; (2) the person purchasing or acquiring the water or sewer system is inexperienced as a utility service provider; (3) the person or an affiliated interest of the person purchasing or acquiring the water or sewer system has a history of noncompliance with the requirements of the commission or the Texas Department of Health or of continuing mismanagement or misuse of revenues as a utility service provider; (4) the person purchasing or acquiring the water or sewer system cannot demonstrate the financial ability to provide the necessary capital investment to ensure the provision of continuous and adequate service to the customers of the water or sewer system; or (5) there are concerns that the transaction may not serve the public interest, after the application of the considerations provided by Section 13.246(c) for determining whether to grant a certificate of convenience and necessity.

Unless a public hearing is held, the transaction may be completed as proposed at the end of the 120 day period. You will receive notice after you receive notice that a hearing will not be requested. If a hearing is requested or if proper notice is not provided, the transaction may not be completed without a determination by the Commission that the transaction serves the public interest.

If the application is contested and a hearing is requested, the application will be referred to the State Office of Administrative Hearings (SOAH). During the preliminary hearing, the presiding Administrative Law Judge (ALJ) may give the parties time to negotiate a settlement. If a settlement is reached, the application will be remanded to the staff for administrative processing. If a settlement is not reached, a discovery schedule and a date for an evidentiary hearing will be set. The ALJ will take testimony from each party and present a report to the Commission to consider in making a final decision on the application.

FILING OF SIGNED CONTRACT

Within 30 days after the effective date, the parties must file a signed contract, bill of sale, or other appropriate documents as evidence that the transaction has been made final and also file documents supporting the transfer of customer deposits or other disposition and a sworn affidavit explaining the disposition of customer deposits. The Commission cannot issue or transfer the CCN without evidence that the transaction had been executed.

ORDERING ADDITIONAL FORMS OR INFORMATION

An information order form is attached which includes all current application and petition forms, pamphlets and other information available from the Utility Rates and Services Section at no charge.

The Texas Natural Resource Conservation Commission is an equal opportunity employer and does not discriminate on the basis of race, color, religion, sex, national origin, or disability in employment or in the provision of services, programs, or activities.

In compliance with the Americans with Disabilities Act, this document may be requested in alternate formats by contacting the Utility Rates and Services Section at 512/239-6961 (toll-free number 512/239-6972, by calling 1-800-RELAY-TX (TDD), or by writing or visiting at 12015 Park 35 Circle, Building F, Austin, Texas 78753.

Sale, Transfer, or Merger (STM) Application -Flowchart-

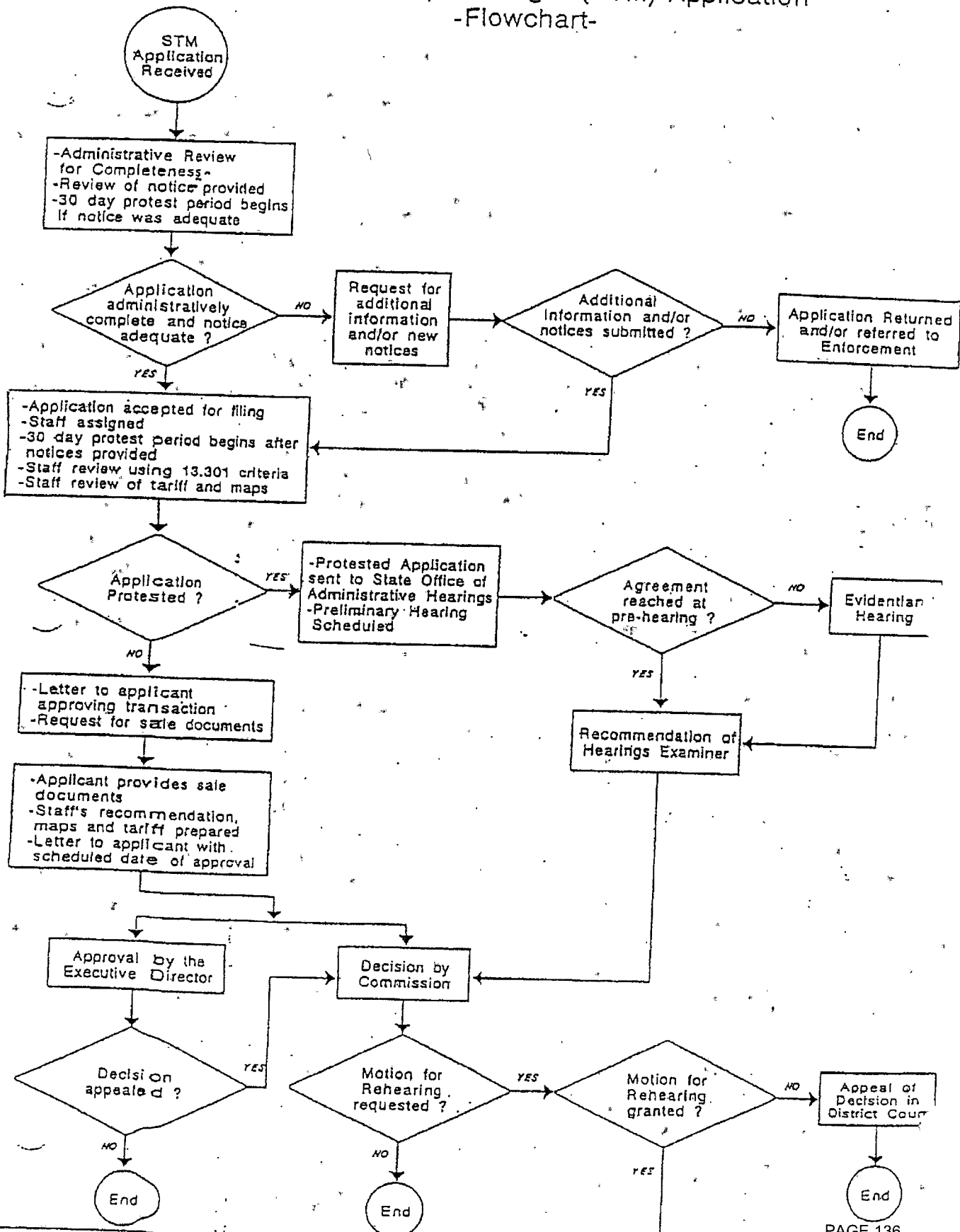


Exhibit D

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Water Utilities Division
Utility Rates and
Services Section



APPLICATION FOR SALE, TRANSFER,
OR MERGER OF A RETAIL PUBLIC UTILITY

1. Proposed action of application (check all the boxes that apply):

☐

Sale

☐

All

☐

Water system(s) under CCN No.: _____

☐

Acquisition

of

☐

Portion

of the

☐

Sewer system(s) under CCN No.: _____

☐

Lease/Rental

☐

Transfer

of

☐

All

☐

of the

☐

Certificated water service area - CCN No.: _____

of

☐

Portion

☐

of the

☐

Certificated sewer service area - CCN No.: _____

- ☒ If only a portion of a system or certificated service area is affected by this transaction, please specify the areas or subdivisions involved: _____

and to:

☐

Obtain a CCN for the transferee (purchaser)

☐

Amend the transferee's CCN No.: _____

☐

Merge or consolidate public utilities

☐

Cancel CCN of the transferor (seller)

2. Proposed effective date of this transaction: _____

(Must be at least 120 days after the filing of this application)

QUESTIONS 3 THROUGH 5 APPLY TO AND SHOULD BE COMPLETED ONLY BY THE TRANSFEROR, CURRENT SERVICE PROVIDER OR SELLER

3. For the current CCN holder or service provider please indicate:

A. Name: _____

(Individual, Corporation or Other Legal Entity)

who is a(n):

☐

Individual

☐

Corporation

☐

WSC

☐

HOA or POA

☐

Other: _____

B. Utility Name (if different than above): _____

Address: _____

Telephone: _____

C. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: _____

Title: _____

Address: _____

Telephone: _____

4. About the last rate increase for the system or facilities being transferred:

A. What was the effective date of the last rate increase? _____

B. Was notice of this increase provided to the Texas Natural Resource Conservation Commission or its predecessors Public Utility Commission or Texas Water Commission?

☐ No.

☐ Yes.

Application/Docket Number: _____

Date: _____

5. Please provide a list of all customers affected by this transaction who have deposits held by the transferor or seller utility, if any, and include the following information (attach additional sheets if necessary):

Name and Address of utility customer	Date of Deposit	Amount of Deposit	Amount of unpaid interest on Deposit

☐ Within 30 days of the actual transaction date, and prior to the transfer of the certificate by the TNRCC, the seller must provide proof to the Commission that these customer deposits were returned to the customers or transferred to the purchasing utility. Proof should include a sworn affidavit.

☐ **QUESTIONS 6 THROUGH 13 REFER TO AND SHOULD BE COMPLETED BY THE TRANSFEREE OR PURCHASER**

6. For the person or entity acquiring the facilities and/or CCN: _____

Applicant: _____

(Individual, Corporation, or Other Legal Entity)

Utility Name: _____

(If different than above)

Utility Address: _____

Telephone: _____

CCN Numbers held prior to the filing of this application: _____

7. Check the appropriate box and provide information regarding the legal status of the transferee applicant:

<input type="checkbox"/>	Individual
<input type="checkbox"/>	Home or Property Owners Association
<input type="checkbox"/>	Partnership; attach copy of partnership agreement
<input type="checkbox"/>	Corporation; provide charter number as recorded with the Office of the Secretary of State
<input type="checkbox"/>	for Texas: _____
<input type="checkbox"/>	Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number: _____
<input type="checkbox"/>	Municipally-owned utility
<input type="checkbox"/>	District (MUD, SUD, WCID, etc.)
<input type="checkbox"/>	County
<input type="checkbox"/>	Other (please explain): _____

8. If the applicant is an *Individual* provide the following information. If not, skip to the next question.

Name: _____ Telephone: _____
Address: _____

9. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the transfer. You must complete either question 8. or question 9., whichever applies to the transferee applicant.

Name: _____	Telephone: _____
Address: _____	
Position: _____	Ownership % (if applicable): _____
Name: _____	Telephone: _____
Address: _____	
Position: _____	Ownership % (if applicable): _____
Name: _____	Telephone: _____
Address: _____	
Position: _____	Ownership % (if applicable): _____
Name: _____	Telephone: _____
Address: _____	
Position: _____	Ownership % (if applicable): _____

- Attach additional sheet(s) if necessary -

Important: • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Comptroller of Public Accounts, Office Management
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

• If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

10. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: _____ Title: _____
Address: _____ Telephone: _____

IF THERE ARE MORE THAN TWO PARTIES INVOLVED IN THIS TRANSACTION, PLEASE ATTACH SHEETS PROVIDING THE INFORMATION REQUIRED IN QUESTION 6 THROUGH QUESTION 10 FOR EACH PARTY

11. Please respond to each of the following questions. Attach additional sheets if necessary.

A. Describe the experience and qualifications of the applicant to provide adequate utility service:

B. Has the applicant acquiring the CCN or facilities or an affiliated interest of the applicant been under enforcement action by the Texas Department of Health, the Commission, the Attorney General or EPA in the past for noncompliance with rules, orders or State Statutes?

<input type="checkbox"/>	Yes.
<input type="checkbox"/>	No.

If yes, please attach copies of any correspondence with these regulatory agencies concerning these enforcement actions and describe any actions and efforts to comply with those requirements.

C. Describe the source and availability of funds required to make the planned or required improvements to meet minimum requirements of the Texas Natural Resource Conservation Commission and ensure continuous and adequate service.

D. Describe the anticipated impact of this transaction on the quality of utility service and explain any anticipated changes in the quality of service.

12. Please describe the nature of the proposed transaction:

13. If the transferee applicant is an IOU and will be under the rate jurisdiction of the TNRCC, please provide the following information. Water supply or sewer service corporations and political subdivisions of the state should mark this section N/A.:

A. • Total Purchase Price:

• Total Original Cost (as recorded on books of seller or merging entity):

• Accumulated Depreciation as of the proposed effective date of the transaction:

• Contributions in Aid of Construction:

-Specific surcharges approved by TNRCC:

-Revenues from explicit customer agreements:

-Developer Contributions (please explain):

-Other Contributions (please explain):

Total Contributions in Aid of Construction:

• Net Book Value:

☒ If the Original Cost or any of the above items has been established in a rate case proceeding by the PUC, the TWC or the TNRCC, please provide the Application/Docket Number and date:

Application/Docket Number:

Date:

☒ If the applicant is not under the rate jurisdiction of the TNRCC, only the purchase price and information related to Contributions in Aid of Construction is required.

B. Please provide any other information concerning the nature of the transaction and consideration given if not explained elsewhere in the application (attach additional sheet(s) if necessary):

- C. Complete the following proposed entries in books of purchasing (or surviving) company to record purchase or merger). Additional entries may be made, the following are suggested only, and not intended to pose descriptive limitations.

Utility Plant in Service: _____
Plant Acquisition Adjustment: _____
Extraordinary Loss on Purchase: _____
Accumulated Depreciation of Plant: _____
Cash: _____
Notes Payable: _____
Mortgage Payable: _____
Others (please list): _____

As the purchaser, I understand that it is my responsibility in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service.

Purchaser's Initials: _____ Date: _____

14. Please indicate the proposed effect of this transaction on the rates to be charged to the affected customers:

☐ All the customers will be charged the same rates as they were charged before the transaction.
☐ Some ☐ All customers will be charged different rates than they were charged before the transaction.

If so, please explain: _____

☐ Applicant is an IOU and intends to file with the Commission or municipal regulatory authority an application to change rates of some/all of its customers as a result of this transaction. If so, please explain: _____

☐ Other. Please explain: _____

15. List all neighboring water and/or sewer utilities, cities, and political subdivisions providing the same service within two (2) miles of area affected by this proposed transaction. This information should be available from Applicant's licensed water operator or regional Texas Department of Health Office.

PLEASE ANSWER QUESTIONS 16 THROUGH 22 FOR EACH PHYSICALLY DISTINCT SYSTEM WHICH IS BEING TRANSFERRED OR ACQUIRED ON A DIFFERENT SHEET

16. A. For Water Systems. TNRCC Public Water System Identification Number:

--	--	--	--	--	--	--	--	--	--

B. For Wastewater Systems:

-TNRCC Discharge Permit Number:

W	Q								
---	---	--	--	--	--	--	--	--	--

-Name of Permittee: _____

-Date of application to transfer Discharge Permit submitted: _____

-Date of application to transfer Discharge Permit approved by TNRCC: _____

17. A. Are any improvements required to meet TNRCC standards? ☐ Yes ☐ No

B. Is there a moratorium on new connections? ☐ Yes ☐ No

C. Provide details of each required major capital improvement to correct the deficiencies and meet the TNRCC standards (attach additional sheets if necessary):

Description of the required improvement	Schedule to Complete	Estimated Cost

18. Does the system being transferred operate within the city limits of a municipality? ☐ Yes ☐ No

If yes, indicate the number of customers within the city limits: _____ Water _____ Sewer

☐ Attach copy of franchise agreement or consent letter from the city.

19. Do you currently purchase water or sewer treatment capacity from another source? ☐ Yes ☐ No

☐ Water ☐ Sewer Purchased on a () regular - () seasonal - () emergency basis.

• Source: _____ % of total supply: _____

20. List the number of existing connections to be affected by this transaction:

Water:	Non Metered		2" meter		Sewer:	Residential connection	
	5/8" or 3/4" meter		3" meter			Commercial connection	
	1" meter		4" meter			Industrial connection	
	1 1/2" meter		Other _____"			Other _____	
	Total Water connections:					Total Sewer connections	

21. Has the system reached 85% of its capacity based on TNRCC's minimum requirements? ☐ Yes ☐ No

22. List the name, class, and license number of the operator that will be responsible for the system: _____

23. Attach the following maps with each copy of the application: (All maps should include Applicant's name, address, and telephone number, and date of drawing or revision. All maps should be folded to 8½ X 11")

- a. One county map (Texas Highway Department 1" = 2 miles) clearly showing affected service area. Service area boundaries should conform to verifiable landmarks such as roads, creeks, railroads, etc. County maps may be obtained locally or from the State Department of Highways and Public Transportation, Attention File D-10, P. O. Box 5051, Austin, Texas 78763, (512) 465-7397.
- b. One large scale map showing the proposed service area boundaries being sold, transferred, or merged and, if available, the existing and proposed facilities. Color coding should be used to differentiate existing from proposed facilities. Facilities and service area boundaries should be shown with such exactness that they can be located on the ground. Applicant should use U.S.G.S. 7½-minute series, subdivision plat, engineer planning map, or other large scale map.

OATH FOR SELLER OR FORMER SERVICE PROVIDER

STATE OF _____

COUNTY OF _____

I, _____, being duly sworn, file this application for sale, lease, rental or merger consolidation as _____ (Indicate relationship to applicant) that is, owner, member of partnership, officer of corporation, or other authorized representative of applicant; that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application and have complied with all the requirements contained in the application; and, that all such statements made in matters set forth therein with respect to applicant are true and correct. Statements about other parties are made in good information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further state that I have provided to the purchaser or transferee a written disclosure statement about any contribute property as required under Section 13.301(f) and copies of any outstanding Orders of the Commission or Attorney General and have also complied with the notice requirements in Section 13.301(g) of the Water Code.

Notice of this transaction was _____ mailed or _____ hand delivered to each customer and neighboring utility on _____, 19____.

AFFIANT

(Applicant's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the applicant or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this _____ day of _____, 19____.

SEAL

Notary Public

One copy of this page must be submitted for each utility involved in this transaction.

OATH FOR PURCHASER OR ACQUIRING ENTITY

STATE OF _____

COUNTY OF _____

I, _____, being duly sworn, file this notice of intent to purchase, acquire, lease or rent, merge or consolidate as _____ (indicate relationship to applicant) that is, owner, member, partnership, title as officer of corporation, or other authorized representative of applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that the application does not duplicate any filing presently before the Commission.

I am also authorized and do agree to be bound by and comply with any outstanding orders of the Commission or the Attorney General which have been issued to the system or facilities being acquired and recognize that I will be subject to administrative penalties or other enforcement actions if I do not comply.

AFFIANT

(Applicant's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the applicant or its attorney, a properly verified Power of Attorney must be enclosed.

Applicant represents that all other parties to this transaction have been furnished copies of this completed application.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this ____ day of _____, 19 ____.

SEAL

Notary Public

* One copy of this page must be submitted for each utility involved in this transaction.

NOTICE OF INTENT TO SELL FACILITIES AND TRANSFER THE CERTIFICATE OF
CONVENIENCE AND NECESSITY (CCN) OF _____
TO _____ IN _____ COUNTY, TEXAS

Gentlemen:

Date Notice Mailed: _____, 19__

Seller's or Transferor's Name

Address

City

State

Zip Code

has submitted an application with the Texas Natural Resource Conservation Commission to sell facilities and transfer a CCN to provide _____ (water/sewer) utility service in _____ (County Name) County to:

Purchaser's or Transferee's Name

Address

City

State

Zip Code

The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and the transfer of the CCN includes the following subdivision

The area subject to this transaction is located approximately _____ miles _____ (direction) _____
downtown _____ (City or Town), Texas and is generally bounded on the north by _____
_____ on the east by _____ on the south by _____ and on the west by _____

The total area being requested includes approximately _____ acres and _____ current customers.
This transaction will have the following effect on the current customer's rates and services:

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing, you must state (1) your name, mailing address and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement "I/we request a public hearing"; (4) a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and transfer of the CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing. Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

Persons who wish to protest or request a hearing on this application should write the:

Texas Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Utility Representative

Utility Name

Notice to Current Customers, Neighboring Systems and Cities - Form I

NOTICE OF INTENT TO SELL FACILITIES OF _____
TO _____ AND TO OBTAIN OR AMEND A CERTIFICATE OF
CONVENIENCE AND NECESSITY (CCN) IN _____ COUNTY, TEXAS

Gentlemen:

Date Notice Mailed: _____, 19__

Seller's or Transferor's Name

Address

City

State

Zip Code

has submitted an application with the Texas Natural Resource Conservation Commission to sell facilities to provide
_____ [water/sewer] utility service in _____ (County Name) County to:

Purchaser's or Transferee's Name

Address

City

State

Zip Code

The transferee has also requested to obtain/amend a CCN in this application. The sale is scheduled to take place as approved by the Executive Director (V.T.C.A., Water Code §13.301). The transaction and proposed service area includes the following subdivisions:

The area subject to this transaction is located approximately _____ miles _____ (direction) of
downtown _____ (City or Town), Texas and is generally bounded on the north by _____
on the east by _____; on the south by _____; and on the west by _____.

The total area being requested includes approximately _____ acres and _____ current customers.

This transaction will have the following effect on the current customer's rates and services:

Affected persons may file written protests and/or request a public hearing within 30 days of this notice.

To request a hearing you must state (1) your name, mailing address and daytime telephone number; (2) the applicant's name; application number or another recognizable reference to this application; (3) the statement "I/we request a public hearing"; (4) a brief description of how you, the persons you represent, or the public interest would be adversely affected by the proposed transaction and issuance of the CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing. Only those persons who submit a written request to be notified of a hearing will receive notice if a hearing is scheduled. The Executive Director will issue the CCN requested in the referenced application unless a hearing is scheduled to consider the transaction. If no protests or requests for hearing are filed during the comment period, the Executive Director may issue the CCN 30 days after publication of this notice.

persons who wish to protest or request a hearing on this application should write the:

Texas Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P. O. Box 13087, Austin, TX 78711-3087

Utility Representative

Utility Name