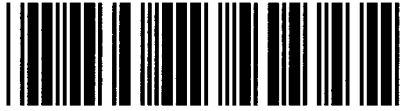


Control Number: 42934



Item Number: 1

Addendum StartPage: 0

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



91 7199 9991 7031 8235 7190 DK
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91 7199 9991 7031 8235 7183 MWS
2014 SEP 11 PM 1:50
PUBLIC UTILITY COMMISSION
FILING CLERK

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 8, 2014

CERTIFIED MAIL

Manville Water Supply Corporation
Attention: Tony Graf
P.O. Box 248
Coupland, Texas 78615

Re: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C

CN: 600674121; RN: 101235505 (Manville WSC)
CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

Dear Mr. Graf:

Enclosed are the map and certificate for the above referenced agreement. Please review the map and certificate to determine if they correctly represent the actions in the Manville Water Supply Corporation and Lakeside WCID 2C, pending matter.

If you agree that the map and certificate are accurate, please sign the **CONSENT FORM**, mark the line that says you concur, and return the signed statement. We recommend keeping a copy of the signed consent form along with the documents listed above for your records.

If you believe that the map and certificate are inaccurate or you disagree that they correctly represent the Manville Water Supply Corporation and Lakeside WCID 2C intentions in the matter referenced above, please mark the line on the **CONSENT FORM** that says you do not concur, sign the form, and return it to the address or fax number on the form.

Mr. Tony Graf
Page 2
July 8, 2014

If you have any questions, please contact Ms. Mary Damron by phone at 512/239-4667, by fax at 512/239-6145, by email at mary.damron@tceq.texas.gov, or if by correspondence, include MC-153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script, reading "Cari-Michel La Caille".

Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

CML/MD/lvf

Enclosures (map, certificate & consent form)

CONSENT FORM

Applicant's Name: 13.248; Manville WSC and the Lakeside Water Control
and Improvement District (WCID) 2C, P1333
Application No.: 37795-C

- ☐ I concur with the recommendation map and certificate transmitted by
letter dated **July 8, 2014.**
- ☐ I do not concur with the map and certificate transmitted by letter
dated **July 8, 2014.**

I understand that I have 14 days from the date of this letter to provide my
response.

I am authorized by Manville Water Supply Corporation to sign this form.

Signature: _____

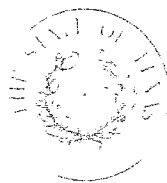
Printed Name: _____

Relationship to Applicant: _____

Date signed: _____

Mail or Fax to:
Mary Damron
Utilities Financial Review Team, MC 153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6145

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 8, 2014

CERTIFIED MAIL

Mr. David J. Klein
Lloyd Gosselink
816 Congress Avenue, Suite 1900
Austin, Texas 78701

Re: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C

CN: 600674121; RN: 101235505 (Manville WSC)
CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

Dear Mr. Klein:

Enclosed are the map and certificate for the above referenced agreement. Please review the map and certificate to determine if they correctly represent the actions in the Manville WSC and the Lakeside WCID 2C, P1333 pending matter.

If you agree that the map and CCN are accurate, please sign the **CONSENT FORM**, mark the line that says you concur, and return the signed statement. We recommend keeping a copy of the signed consent form along with the documents listed above for your records.

If you believe that the map or CCN are inaccurate, or you disagree that they correctly represent the Manville Water Supply Corporation and Lakeside WCID 2C intentions in the matter referenced above, please mark the line on the **CONSENT FORM** that says you do not concur, sign the form, and return it to the address or fax number on the form.

Mr. David J. Klein

Page 2

July 8, 2014

If you have any questions, please contact Ms. Mary Damron by phone at 512/239-4667, by fax at 512/239-6145, by email at mary.damron@tceq.texas.gov, or if by correspondence, include MC-153 in the letterhead address.

Sincerely,

A handwritten signature in black ink, appearing to read "Cari-Michel La Caille". The signature is fluid and cursive, with a large initial "C" and "M".

Cari-Michel La Caille, Assistant Director
Water Supply Division
Texas Commission on Environmental Quality

CML/MD/lvf

Enclosures (map, certificate & consent form)

CONSENT FORM

Applicant's Name: 13.248; Manville WSC and the Lakeside Water Control and Improvement District (WCID) 2C, P1333
Application No.: 37795-C

☐ I concur with the map and certificate transmitted by letter dated **July 8, 2014.**

☐ I do not concur with the map and certificate transmitted by letter date **July 8, 2014.**

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by the Lakeside Water Control and Improvement District (WCID) 2C, to sign this form.

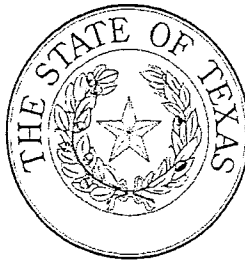
Signature: _____

Printed Name: _____

Relationship to Applicant: _____

Date signed: _____

Mail or Fax to:
Mary Damron
Utilities Financial Review Team, MC 153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6145



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

Manville Water Supply Corporation

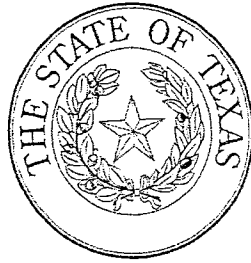
having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 11144

to provide continuous and adequate water utility service to that service area or those service areas in Travis County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 37795-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Manville Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____

For the Commission



Texas Commission On Environmental Quality

By These Presents Be It Known To All That

Manville Water Supply Corporation

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 11144


to provide continuous and adequate water utility service to that service area or those service areas in Travis County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 37795-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Manville Water Supply Corporation to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____



For the Commission

Manville Water Supply Corporation
 Portion of Water Service Area
 CCN No. 11144
 Application No. 37795-C (13.248 Contract Service Agreement
 from Lakeside WCID 2C
 to Transfer a Portion of Manville WSC, CCN No. 11144 in Travis County)



 Proposed Lakeside
 WCID 2C CCN Area*

Water CCN Service Areas

 11144 - Manville WSC
 11303 - City of Pflugerville

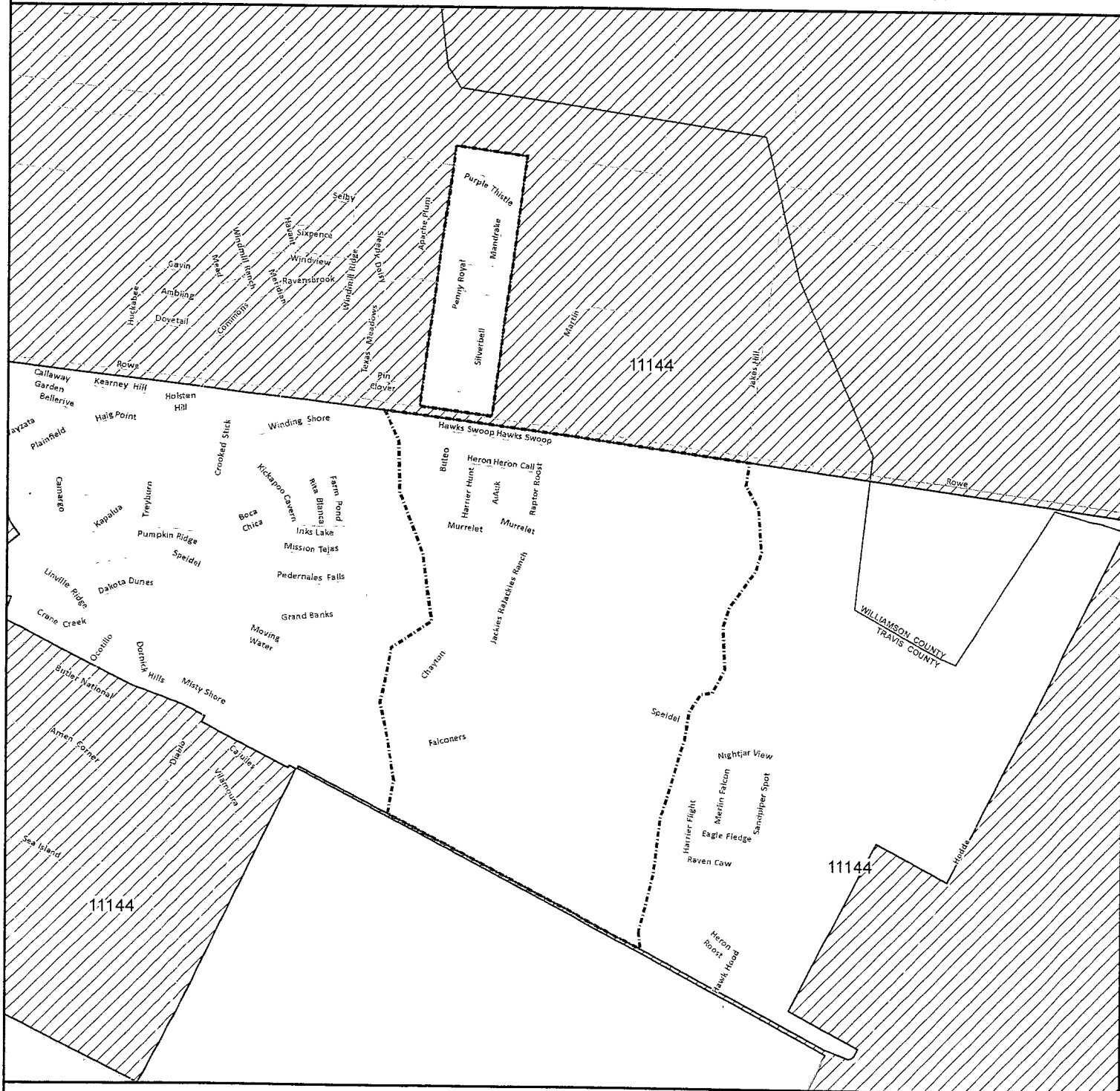



Map by Suzanne Jaster
 Date created June 30, 2014
 Project path c:/gis/projects/applications/37795-c.mxd

*Pending Commission Approval



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Manville Water Supply Corporation
 Portion of Water Service Area
 CCN No. 11144
 Application No. 37795-C (13.248 Contract Service Agreement
 from Lakeside WCID 2C
 to Transfer a Portion of Manville WSC, CCN No. 11144 in Travis County)



 Proposed Lakeside
 WCID 2C CCN Area*

Water CCN Service Areas


-  11144 - Manville WSC
-  11303 - City of Pflugerville



Map by Suzanne Jaster
 Date created June 30, 2014
 Project path c:\gis\projects\applications\37795-c.mxd

*Pending Commission Approval


0 375 750 1500
 Feet



Proposed Lakeside
WCID 2C CCN Area*

Map by: Suzanne Jaster
Date created: June 30, 2014
Project path: c:/gis/projects/applications/37795-c.mxd

Water CCN Service Areas

 11144 - Manville WSC

11303 - City of Pflugerville



*Pending Commission Approval

0 375 750 1,500
Feet

Bryan W. Shaw, Ph.D., P.E., Chairman
Toby Baker, Commissioner
Zak Covar, Commissioner
Richard A. Hyde, P.E., Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 8, 2014

CERTIFIED MAIL

Mr. David J. Klein
Lloyd Gosselink
816 Congress Avenue, Suite 1900
Austin, Texas 78701

Re: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C

CN: 600674121; RN: 101235505 (Manville WSC)

CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

Dear Mr. Klein:

Enclosed are the map and certificate for the above referenced agreement. Please review the map and certificate to determine if they correctly represent the actions in the Manville WSC and the Lakeside WCID 2C, P1333 pending matter.

If you agree that the map and CCN are accurate, please sign the **CONSENT FORM**, mark the line that says you concur, and return the signed statement. We recommend keeping a copy of the signed consent form along with the documents listed above for your records.

If you believe that the map or CCN are inaccurate, or you disagree that they correctly represent the Manville Water Supply Corporation and Lakeside WCID 2C intentions in the matter referenced above, please mark the line on the **CONSENT FORM** that says you do not concur, sign the form, and return it to the address or fax number on the form.

CONSENT FORM

Applicant's Name: 13.248; Manville WSC and the Lakeside Water Control
and Improvement District (WCID) 2C, P1333
Application No.: 37795-C

- ☒ I concur with the recommendation map and certificate transmitted by
letter dated ~~June 17, 2014~~ JULY 8 2014
- ☐ I do not concur with the map and certificate transmitted by letter
dated ~~June 17, 2014~~.

I understand that I have 14 days from the date of this letter to provide my
response.

I am authorized by Manville Water Supply Corporation to sign this form.

Signature: Carl Mueller

Printed Name: Karl Mueller

Relationship to Applicant: General Counsel - MWSC

Date signed: July 14 2014

Mail or Fax to:
Mary Damron
Utilities Financial Review Team, MC 153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6145

CONSENT FORM

Applicant's Name: 13.248; Manville WSC and the Lakeside Water Control
and Improvement District (WCID) 2C, P1333
Application No.: 37795-C

☒ I concur with the map and certificate transmitted by letter dated July 8, 2014.

☐ I do not concur with the map and certificate transmitted by letter date July 8, 2014.

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by the Lakeside Water Control and Improvement District (WCID) 2C, to sign this form.

Signature: 

Printed Name: David Klein

Relationship to Applicant: General Counsel

Date signed: July 11, 2014

Mail or Fax to:
Mary Damron
Utilities Financial Review Team, MC 153
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6145

Manville Water Supply Corporation

Portion of Water Service Area

CCN No. 11144

Application No. 37795-C (13.248 Contract Service Agreement

from Lakeside WCID 2C

to Transfer a Portion of Manville WSC, CCN No. 11144 in Travis County)

 Proposed Lakeside
WCID 2C CCN Area***Water CCN Service Areas** 11144 - Manville WSC 11303 - City of Pflugerville

Map by: Suzanne Jaster
Date created: June 30, 2014
Project path: c:/gis/projects/applications/37795-c.mxd

*Pending Commission Approval

0 375 750 1,500
Feet

TCEQ Interoffice Memorandum

From: Fred Bednarski III *B4/1/14*
Utilities Financial Review

Thru: Tammy Benter *B4/1/14*
Utilities Financial Review

To: Mary Damron
Utilities Financial Review

Date: April 01, 2014

Subject: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C

CN: 600674121; RN: 101235505 (Manville WSC)

CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

In my opinion, the WCID 2-C has demonstrated adequate financial and managerial capability to provide service to the area contracted for release and transfer. These conclusions are based on information provided by the applicants prior to this date and may not reflect any changes in the applicants' status subsequent to this date.

Background

Tiemann Land & Cattle Development Inc. and Manville Water Supply Corporation entered an agreement as of October 07, 1996 to transfer a portion of CCN No. 11144 as a benefit of Lakeside WCID 2-C at a future date. After other assignments and agreements, a water utility service area agreement was entered into between the City of Pflugerville and Lakeside WCIDs # 1, 2A, 2B, 2C, and 2D to execute the initial transfer of the agreement cited above. This water utility service agreement was executed on August 16, 2013 and will transfer approximately 180.556 acres of overlapping boundary area and no facilities from Manville WSC's CCN 11144 to the Lakeside WCID 2-C.

Lakeside WCID 2-C has provided water service to more than 399 connections as well as pumped 48,863,600 gallons and billed 48,863,600 gallons per their audited financial statements ending September 30, 2013. An unqualified opinion was issued for these statements indicating they represent fairly the financial position of Lakeside WCID 2-C in conformity with generally accepted accounting principles. Per the terms of the final agreement no compensation is required for the transfer of the CCN area. As of September 30, 2013 Lakeside WCID 2-C reported unassigned equity of \$406 thousand and a total cash amount of \$1.2 million. The change in total liabilities for Lakeside WCID 2-C decreased by \$27 thousand while the total fund balance increased by \$437 thousand for FY2013. Lakeside WCID 2-C reported total revenues in excess of expenditures of \$437 thousand and the total assets of \$1.3 million before adjustments for FY2013 as well.

MD

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 19, 2014

BY FAX TO 512/472-0532 AND
BY CERTIFIED MAIL

Mr. David J. Klein
Lloyd Gosselink
816 Congress Avenue, Suite 1900
Austin, Texas 78701

Re: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C

CN: 600674121; RN: 101235505 (Manville WSC)
CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

Dear Mr. Klein:

Your contract service agreement for Manville WSC and Lakeside WCID 2C was received on November 18, 2013, and has been accepted for filing. Ms. Mary Damron has been assigned to perform the technical review.

Additional financial or technical information may be requested through future correspondence from the assigned staff.

If you have any questions, please contact Ms. Mary Damron at 512/239-4667, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tammy Benter".

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/CM/sd

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

How is our customer service? tceq.texas.gov/customersurvey

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 18, 2014

BY FAX TO 512/472-0532 AND
BY CERTIFIED MAIL

Mr. David J. Klein
Lloyd Gosselink
816 Congress Avenue, Suite 1900
Austin, Texas 78701

NOTICE OF DEFICIENCY

Re: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C

CN: 600674121; RN: 101235505 (Manville WSC)
CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

Dear Mr. Klein:

Your contract service agreement application for Manville WSC and Lakeside WCID 2C, received on November 18, 2013, has been assigned Application No. 37795-C, but has not been accepted for filing. Please refer to the application number in future correspondence.

Processing of the above referenced application cannot proceed until we receive maps meeting the requirements. Digital data for the area should either be a continuous line file or polygon file in a single record. Please submit four (4) copies of a general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.

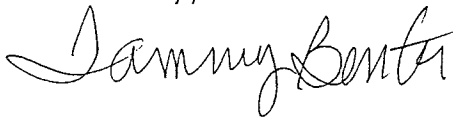
In addition, please provide one (1) additional copy of the application.

Mr. David J. Klein
Page 2
February 18, 2014

These items must be completed and returned to our office by **March 18, 2014.** This information is necessary before your application can be noticed and placed on the Commission's agenda for consideration. Failure to provide the information by the requested date may result in the return of your application for failure to prosecute.

If you have any questions, please contact Ms. Christine Mester at 512/239-2788, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

A handwritten signature in cursive script that reads "Tammy Benter". The signature is fluid and stylized, with the first and last names being clearly legible.

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/CM/sd

Mr. Klein's Direct Line: (512) 322-5818
E-mail: dklein@lglawfirm.com

February 14, 2014

Ms. Tammy Holguin-Benter, Manager
Utilities and Districts Section
Water Supply Division
Texas Commission on Environmental Quality
12100 Park 35 Circle, Building F, MC-153
Austin, Texas 78753

VIA HAND DELIVERY

RE: Transfer of a Portion of Manville Water Supply Corporation's Water Certificate of Convenience and Necessity ("CCN") No. 11144 to Lakeside Water Control and Improvement District No. 2C

Dear Ms. Holguin-Benter:

Through this filing, my client, Lakeside Water Control and Improvement District No. 2C ("District 2C"), hereby supplements its above-referenced application which was filed on November 18, 2013, to provide the following additional and revised information:

- Exhibit A: One (1) additional copy of the application, filed on November 18, 2013
- Exhibit B: Four (4) CD Roms containing revised digital data for the CCN boundaries to be transferred to District 2C
- Exhibit C: Four (4) revised general location maps for the CCN area

Please file-stamp and return one of the copies with my courier. Thank you for your time and attention to this matter. If you have questions concerning this matter, please do not hesitate to contact me at (512) 322-5818.

Sincerely,



David J. Klein

DJK:dsr

Ms. Tammy Holguin-Benter
February 14, 2014
Page 2

ENCLOSURES

cc: Mr. David Wang, President of District 2C
Mr. Keith Collins, Engineer
Mr. Karl Moeller, Manville Water Supply Corporation
Mr. Robert Tiemann, Tiemann Land and Cattle

WEST, DAVIS & COMPANY
A LIMITED LIABILITY PARTNERSHIP

Independent Auditor's Report

Board of Directors
Lakeside Water Control & Improvement District #2C
Travis County, Texas

We have audited the accompanying financial statements of the governmental activities and each major fund of Lakeside Water Control & Improvement District #2C (the District) as of and for the year ended September 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit opinion.

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities and each major fund of the District at September 30, 2013, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 11 to the financial statements, in 2013, the District adopted new accounting guidance, Government Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. Our opinion is not modified with respect to this matter.

As described in Note 11 to the financial statements, in 2013, the District adopted new accounting guidance, Government Accounting Standards Board Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplemental schedules required by the Texas Commission on Environmental Quality are presented for purposes of additional analysis and are not a required part of the basic financial statements.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT #2C

Management Discussion and Analysis For the Year Ended September 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT'S FUND LEVEL STATEMENTS

In comparison to the Government-wide statements, the Fund-level statements focus on the key funds of the District. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The District reports the following types of Governmental funds: General Fund, Debt Service Fund and Capital Projects Fund. The focus of the District's Governmental funds is to provide information on near-term inflows, outflows, and available resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available at the end of the fiscal year.

Summary Balance Sheet

	Governmental Activities (in thousands)		Increase (Decrease)
	September 2013	September 2012	
Cash and Investments	\$ 1,221	\$ 781	440
Accounts Receivable	49	79	(30)
Total Assets	1,270	860	410
Accounts Payable	24	49	(25)
Unrealized Revenue	3	5	(2)
Total Liabilities	27	54	(27)
Nonspendable	-	-	-
Restricted For Debt Service	361	315	46
Restricted For Capital Projects	476	177	299
Unassigned	406	314	92
Total Fund Balances	1,243	806	437
Total Liabilities and Fund Balances	\$ 1,270	\$ 860	\$ 410

The **General Operating Fund**, which pays for daily operating expenses, has a balance of \$406 thousand at the end of the current fiscal year. This is an increase of \$92 thousand over the prior fiscal year.

The **Debt Service Fund** increased by \$46 thousand during the current fiscal year. This fund remitted bond principal of \$140 thousand and bond interest of \$276 thousand during the year.

LAKESIDE WATER CONTROL & IMPROVEMENT DISTRICT #2C

Management Discussion and Analysis For the Year Ended September 30, 2013

Summary Statement of Activities

	Governmental Activities (in thousands)		Increase (Decrease)
	2013	2012	
Water & Wastewater Service	\$ 499	\$ 455	\$ 44
Property Taxes	607	587	20
Other	4	2	2
Total Revenues	1,110	1,044	66
Water & Wastewater	422	399	23
Maintenance	52	67	(15)
Administrative	22	24	(2)
Consultants	93	85	8
Debt Service	280	259	21
Depreciation	104	118	(14)
Total Expenses	973	952	21
Bond Costs	(155)	-	(155)
Change In Net Position	(18)	92	(110)
Change in Accounting Principle	(485)	-	(485)
Beginning Net Position	205	113	92
Ending Net Position	\$ (298)	\$ 205	\$ (503)

Revenues were approximately \$1.1 million for the year ended September 30, 2013. Expenses were approximately \$1.1 million including Other Financing Uses for the year ended September 30, 2013. Net position decreased about \$503 thousand primarily due to the prior period adjustment writing off the balance of prior bond issuance costs. The following charts summarize the sources of revenue and areas of expenses.

Bryan W. Shaw, Ph.D., P.E., *Chairman*
 Toby Baker, *Commissioner*
 Zak Covar, *Commissioner*
 Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

March 19, 2014

BY FAX TO 512/472-0532 AND
BY CERTIFIED MAIL

Mr. David J. Klein
 Lloyd Gosselink
 816 Congress Avenue, Suite 1900
 Austin, Texas 78701

Re: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C
 CN: 600674121; RN: 101235505 (Manville WSC)
 CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

Dear Mr. Klein:

Your contract service agreement for Manville WSC and Lakeside WCID 2C was received on November 18, 2013, and has been accepted for filing. Ms. Mary Damron has been assigned to perform the technical review.

Additional financial or technical information may be requested through future correspondence from the assigned staff.

If you have any questions, please contact Ms. Mary Damron at 512/239-4667, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

Tammy Benter, Manager
 Utilities & Districts Section
 Water Supply Division
 Texas Commission on Environmental Quality

TB/CM/sd

Bryan W. Shaw, Ph.D., P.E., *Chairman*
Toby Baker, *Commissioner*
Zak Covar, *Commissioner*
Richard A. Hyde, P.E., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 18, 2014

**BY FAX TO 512/472-0532 AND
BY CERTIFIED MAIL**

Mr. David J. Klein
Lloyd Gosselink
816 Congress Avenue, Suite 1900
Austin, Texas 78701

NOTICE OF DEFICIENCY

Re: Contract Service Agreement Pursuant to Texas Water Code, Section 13.248, from Manville Water Supply Corporation (WSC), Certificate of Convenience and Necessity (CCN) No. 11144, and Lakeside Water Control and Improvement District (WCID) 2C, P1333, in Travis County; Application No. 37795-C

CN: 600674121; RN: 101235505 (Manville WSC)
CN: 601521271; RN: 104997267 (Lakeside WCID 2C)

Dear Mr. Klein:

Your contract service agreement application for Manville WSC and Lakeside WCID 2C, received on November 18, 2013, has been assigned Application No. 37795-C, but has not been accepted for filing. Please refer to the application number in future correspondence.

Processing of the above referenced application cannot proceed until we receive maps meeting the requirements. Digital data for the area should either be a continuous line file or polygon file in a single record. Please submit four (4) copies of a general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county

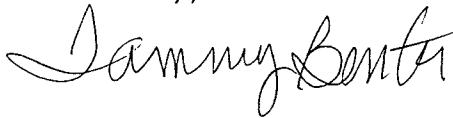
In addition, please provide one (1) additional copy of the application.

Mr. David J. Klein
Page 2
February 18, 2014

These items must be completed and returned to our office by **March 18, 2014.** This information is necessary before your application can be noticed and placed on the Commission's agenda for consideration. Failure to provide the information by the requested date may result in the return of your application for failure to prosecute.

If you have any questions, please contact Ms. Christine Mester at 512/239-2788, or if by correspondence, include Mail Code 153 in the letterhead address.

Sincerely,

A handwritten signature in black ink, appearing to read "Tammy Benter". The signature is fluid and cursive, with the first name "Tammy" written in a larger, more prominent script than the last name "Benter".

Tammy Benter, Manager
Utilities & Districts Section
Water Supply Division
Texas Commission on Environmental Quality

TB/CM/sd



1984 * Celebrating 30th Years * 2014

816 Congress Avenue, Suite 1900
Austin, Texas 78701
512.322.5800 p
512.472.0532 f
lglawfirm.com

Mr. Klein's Direct Line: (512) 322-5818
E-mail: dklein@lglawfirm.com

February 14, 2014

Ms. Tammy Holguin-Benter, Manager
Utilities and Districts Section
Water Supply Division
Texas Commission on Environmental Quality
12100 Park 35 Circle, Building F, MC-153
Austin, Texas 78753

VIA HAND DELIVERY

RE: Transfer of a Portion of Manville Water Supply Corporation's Water Certificate of Convenience and Necessity ("CCN") No. 11144 to Lakeside Water Control and Improvement District No. 2C

RECEIVED
TO EQ
WATER CONTROL DIST. NO. 2C
2014 FEB 14 10:58 AM
AUSTIN, TEXAS

Dear Ms. Holguin-Benter:

Through this filing, my client, Lakeside Water Control and Improvement District No. 2C ("District 2C"), hereby supplements its above-referenced application which was filed on November 18, 2013, to provide the following additional and revised information:

- Exhibit A: One (1) additional copy of the application, filed on November 18, 2013
- Exhibit B: Four (4) CD Roms containing revised digital data for the CCN boundaries to be transferred to District 2C
- Exhibit C: Four (4) revised general location maps for the CCN area

Please file-stamp and return one of the copies with my courier. Thank you for your time and attention to this matter. If you have questions concerning this matter, please do not hesitate to contact me at (512) 322-5818.

Sincerely,

David J. Klein

DJK:dsr

4360689.1

Ms. Tammy Holguin-Benter
February 14, 2014
Page 2

ENCLOSURES

cc: Mr. David Wang, President of District 2C
Mr. Keith Collins, Engineer
Mr. Karl Moeller, Manville Water Supply Corporation
Mr. Robert Tiemann, Tiemann Land and Cattle

To: Administrative Reviewer

Date Complete: December 6, 2013

From: Cartographer-Utilities & Districts Section

Subject: Overlap & Notice Check for Administrative Review No. A-165-13/37795-C
13.248 Lakeside WCID 2C and Manville WSC (11144)

1. No new overlap of service areas exists.
2. An overlap:
3. Dual certification:
4. An overlap exists with the city limits of:
5. If this is a Sale, Transfer, or Merger, is additional area being requested?
7. Map submitted is digital request digital data.
9. Utility notice was sufficient.
10. Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify:

TWO MILES:

All cities and etj's within 2 miles of proposed area


Any other Utility, District or entity that would be required to receive notice

X

11. Notice: **DO NOT NOTICE**

12. Other comments: **Maps do no meet requirements. Please submit the following (need a general location delineating the proposed area with enough detail to accurately locate. Digital data for the area should be either a continuous line file or polygon file in a single record not multiple line segments that may not meet)**

- A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.



Kent Steelman

Mr. Klein's Direct Line: (512) 322-5818
E-mail: dklein@lglawfirm.com

November 18, 2013

Ms. Tammy Holguin-Benter, Manager
Utilities and Districts Section
Water Supply Division
Texas Commission on Environmental Quality
12100 Park 35 Circle, Building F, MC-153
Austin, Texas 78753

VIA HAND DELIVERY

RE: Transfer of a Portion of Manville Water Supply Corporation's Water Certificate of Convenience and Necessity ("CCN") No. 11144 to Lakeside Water Control and Improvement District No. 2C

Dear Ms. Holguin-Benter:

My client, Lakeside Water Control and Improvement District No. 2C ("***District 2C***"), files this application (the "***Application***") under Texas Water Code § 13.248 and 30 Texas Administrative Code § 291.117 to transfer a portion of Manville Water Supply Corporation's ("***MWSC***") water CCN No. 11144 to District 2C. This application does not contemplate the transfer of customers or water facilities. MWSC and District 2C are both "retail public utilities," as defined by Texas Water Code § 13.002(19) and Title 30 Texas Administrative Code § 291.3(39); and as retail public utilities, these entities have the authority to submit this CCN transfer request to the TCEQ.

The purpose of this Application is to transfer the portion of MWSC's water CCN No. 11144's boundaries that overlap with the boundaries of District 2C (the "***Transfer Area***"), to District 2C. Through a number of agreements and assignments, as detailed herein, District 2C and MWSC have agreed to this service area transfer.

Initially, on October 7, 1996, MWSC and Tiemann Land & Cattle Development, Inc. ("***Tiemann***") entered into a certain "Agreement for Providing Wholesale Water Service" (the "***Agreement***"), providing for the sale of a water supply and the transfer of a portion of water CCN No. 11144 for the benefit of District 2C. Specifically, under Section 2.8(b) of the Agreement, MWSC and Tiemann agreed that at some point in the future, at a time to be determined by Tiemann in his sole discretion, MWSC would transfer the portion of its water CCN No. 11144 that overlaps with District 2C to either Tiemann or the District. The relevant portion of Section 2.8(b) is as follows:

At any time after the creation of the District, Tiemann may file an application...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 [MWSC] agrees to consent to the decertification and transfer by signing a written consent in the form attached hereto as Exhibit "D".

To be clear, the term "Land," as used in Section 2.8, refers to the land that is now located within Lakeside Water Control and Improvement District ("LWCID") Nos. 1, 2A, 2B, 2C, and 2D, collectively, and the term "District" refers to these five Districts, which have all been created.

Then, on September 29, 2011, Tiemann and the City of Pflugerville entered into a certain Sixth Amendment to the Comprehensive Development Agreement, and in Section 7.1 of that Sixth Amendment, Tiemann agreed to transfer its right to obtain the water CCN service area that overlaps with LWCID Nos. 1, 2A, 2B, 2C, and 2D to the City.

Next, on September 11, 2013, LWCID Nos. 1, 2A, 2B, 2C, and 2D and the City of Pflugerville entered into a certain "Water Utility Service Area Agreement", where the City assigned its rights under Section 7.1 to LWCID Nos. 1, 2A, 2B, 2C, and 2D. Tiemann approved the form of this Water Utility Service Area Agreement.

Thus, District 2C now has the authority and right to request the transfer of the portion of MWSC's water CCN No. 11144 that is coterminous with the current boundaries of District 2C. MWSC has consented to this request. District 2C is already the retail water service provider to the residents within these boundaries, and, thus, the District clearly has the financial, managerial, and technical ability to serve this area. Again, there is no transfer of water infrastructure under this application because District 2C already owns and operates the infrastructure in place, and all of the customers receiving retail water service in this area are customers of District 2C.

To assist you with your review of this Application, please find, as indicated below, the requisite documents that address the Commission's requirements to approve the sale and transfer of a CCN, as set forth in Title 30 Texas Administrative Code § 291.117(b):

- A map of the area to be transferred, with a CD Rom of the digital data (Exhibit "A");
- A metes and bounds description of the area to be transferred (Exhibit "B");
- A copy of the Agreement (Exhibit "C");
- A copy of Section 7.1 of the Sixth Amendment to the Comprehensive Development Agreement (Exhibit "D");
- A copy of the Water Utility Service Area Agreement (Exhibit "E");
- MWSC's consent to the CCN Transfer (Exhibit "F");

Ms. Tammy Holguin-Benter
November 18, 2013
Page 3

Please file-stamp and return one of the application copies with my courier. Thank you for your time and attention to this matter. If you have questions concerning this matter, please do not hesitate to contact me at (512) 322-5818.

Sincerely,

A handwritten signature in dark ink, appearing to read 'DJK', with a stylized flourish at the end.

David J. Klein

DJK:dsr

ENCLOSURES

cc: Mr. David Wang, President of District 2C
Mr. Keith Collins, Engineer
Mr. Karl Moeller, Manville Water Supply Corporation
Mr. Robert Tiemann, Tiemann Land and Cattle

EXHIBIT B

359.042 ACRES - LAKESIDE WCID 2C

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE A. BAILEY SURVEY No. 34, THE V. W. SWEARENGEN SURVEY No. 32, AND THE GEORGE GRIMES SURVEY No. 33, AND BEING A PART OF THAT CERTAIN TRACT SAID TO CONTAIN 94.727 ACRES OF LAND DESCRIBED AS TRACT 1 IN A DEED TO ROBERT M. TIEMANN FROM GEORGE P. PREWITT, JR., INDIVIDUALLY, AND SHIRLEY J. PREWITT, ON BEHALF OF LOKI, LTD., DATED DECEMBER 21, 1995, AND RECORDED IN VOLUME 12625, PAGE 570, OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PART OF THAT CERTAIN TRACT SAID TO CONTAIN 321.88 ACRES OF LAND AS DESCRIBED IN A DEED TO JACQUELINE H. SMITH FROM NASH PHILLIPS-COPUS, INC., DATED AUGUST 1, 1983, AND RECORDED IN VOLUME 8201, PAGE 380, OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PART OF THAT CERTAIN TRACT SAID TO CONTAIN 261.87 ACRES OF LAND AS DESCRIBED IN A DEED TO ROBERT M. TIEMANN FROM GEORGE P. PREWITT, JR. AND WIFE, SHIRLEY PREWITT, DATED JULY 27, 1982, AND RECORDED IN VOLUME 7818, PAGE 214, OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

Commencing at a point in the South Line of Rowe Lane, the same being the Northeast Corner of the said 94.727 ACRE Tract and the Northwest Corner of the said 321.88 ACRE Tract;

Thence S.30°00'50"W., along the West Line of said 321.88 Acre Tract and the East Line of the said 94.727 Acre Tract, a distance of 32.03 feet to a line 30.00 feet south of and parallel with the North Line of the said 94.727 Acre Tract

Thence N.80°28'37"W., along said parallel line, a distance of 191.00 feet to the Point of Beginning;

Thence along a line 30.00 feet south of and parallel with the South Line of Rowe Lane and 30.00 feet south of and parallel with the North Line of the said 94.727 Acre Tract, the North Line of the said 321.99 Acre Tract and the said 261.87 Acre Tract the following four courses:

1. S.80°28'37"E., at a distance of 191.00 feet pass the East Line of the said 94.727 Acre Tract and the West Line of the said 321.88 Acre Tract, in all a total distance of 202.19 feet;
2. S.80°22'00"E., a distance of 926.91 feet;
3. S.79°52'00"E., a distance of 2,428.36 feet;
4. S.79°53'30"E., a distance of 373.83 feet;

Thence departing said parallel line and crossing the said 261.87 Acre Tract the following 15 courses:

1. S.11°20'51"W., a distance of 243.94 feet;
2. S.26°40'34"E., a distance of 280.00 feet;
3. S.02°00'00"E., a distance of 450.00 feet;
4. S.20°00'00"W., a distance of 220.00 feet;
5. S.39°00'00"W., a distance of 455.00 feet;
6. S.20°00'00"W., a distance of 225.00 feet;
7. S.00°00'00"E., a distance of 450.00 feet;
8. S.30°00'00"W., a distance of 280.00 feet;
9. S.85°00'00"W., a distance of 120.00 feet;
10. S.36°33'03"W., a distance of 230.33 feet;
11. S.12°04'05"W., a distance of 303.53 feet;

359.042 ACRES - LAKESIDE WCID 2C

12. S.19°42'20"W., a distance of 855.35 feet;
13. S.09°25'13"W., a distance of 564.06 feet;
14. S.16°42'20"W., a distance of 654.60 feet;
15. S.03°47'09"E., a distance of 191.69 feet to a line 30.00 feet north of and parallel with the South Line of the said 216.87 Acre Tract and 30.00 feet north of and parallel with the South Line of the said 321.88 Acre Tract;

Thence N.60°01'57"W., along said parallel line, at a distance of 1720.41 feet pass the West Line of the 261.87 Acre Tract, the same being the East Line of the 321.88 Acre Tract, in all a total distance of 3052.61 feet;

Thence departing said parallel line and crossing the said 321.88 Acre Tract and the 94.727 Acre Tract the following nine courses:

1. N.13°14'00"E., a distance of 353.81 feet;
2. N.06°55'02"W., a distance of 378.30 feet;
3. N.08°21'45"W., a distance of 448.87 feet;
4. N.13°37'32"E., a distance of 590.43 feet;
5. N.59°08'36"E., a distance of 507.50 feet;
6. N.05°07'18"W., a distance of 701.07 feet;
7. N.18°25'24"W., a distance of 702.17 feet;
8. N.01°09'36"E., a distance of 547.70 feet;
9. N.23°04'31"W., at a distance of 126.28 feet pass the West Line of the 321.88 Acre Tract, the same being the East Line of the 94.727 Acre Tract, in all a total distance of 350.05 feet to the Point of Beginning.

Containing 359.042 acres, more or less, as shown on the sketch attached.

John K. Weigand May 16, 2011
J. Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas

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



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

49.106 ACRES

BEING A 49.106ACRES TRACT OR PARCEL OF LAND SITUATED IN THE JACOB CASNER SURVEY, TRAVIS COUNTY, TEXAS, BEING THE SAME LAND CALLED 49.108 ACRES CONVEYED TO AUSTIN ROWE LANE, LLC BY WARRANTY DEED AS RECORDED IN VOLUME 13349, PAGE 2527 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING ALL OF ROLLING MEADOWS, SECTION TWO, A SUBDIVISION IN TRAVIS AS RECORDED IN BOOK 86, PAGES 26B OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS AND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" iron rod found on the north right line of Rowe Lane (60' R.O.W.) at the southeast corner of Lot 3, Block B, Rolling Meadows, Section One as recorded in Book 85, Page 47C-48A, of the Plat Records of Travis County, Texas, same being the southwest corner of said 49.106-acres tract for the southwest corner and POINT OF BEGINNING of this tract;

THENCE, with the east lines of Lots 3, 4, 15, 16 and 17, Block B, Lots I through 7, Block C and Lot 32, Block A, of said Rolling Meadows, Section One, N10°00'00"E a distance of 2,779.20 feet to a 1/2" iron rod found in the south line of that certain 10.362 acre tract of land conveyed to Ruby Mae Pfluger in Volume 329, Page 604 of the Deed Records of Travis County, Texas for the northwest corner of this tract;

THENCE, S79°38'38"E a distance of 770.25 feet to a 1/2" iron rod for the southeast corner of said 10.362 acres tract, same being a point in the west line of that certain 6.993 acres tract of land as conveyed to James L. Doyle and Sharon Doyle in Volume 7612, Page 174 of the Deed Records of Travis County, Texas for the northeast corner of this tract;

THENCE, with the west line of said Doyle 6.993-acres tract the following two courses:

1. S09°14'54"E a distance of 5.84 f to a 1/2" iron rod for an angle point in the east line of this tract;
2. S10°03'00"W, a distance of 851.95 feet to an iron rod found for the southwest corner of said Doyle 6.993 acre tract, same being the northwest corner of that certain 5.083 acre tract as conveyed to Calvin L. and Diane K. Streeter in Volume 13095, Page 1241 of the Real Property Records of Travis County, Texas for an angle point in the east line of this tract;

THENCE, S10°08'14"W a distance of 470.36 feet to a 1/2" iron rod found for the southwest corner of said Streeter 5.083 acre tract, same being the northwest corner of that certain 5.012 acre tract as conveyed by deed to P. Kevin Smith in Volume 7806, Page 432 of the Deed Records of Travis County, Texas for an angle point in the east line of this tract;

THENCE, with said west line of said Smith 5.012 acre tract for the following two courses:

1. S10°07'31"W a distance of 172.73 feet to a 1/2" iron rod for an angle point in the east line of this tract;
2. S10°00'23"W a distance of 295.03 to a 1/2 iron rod at the southwest corner of said 5.012 acre tract, same being the northwest corner of that certain 5.074-acre tract as conveyed to Roger H. and Sheryl E. Sorum by deed as recorded in Volume 11770, Page 1478 of the

49.106 ACRES

Real Property Records of Travis County, Texas for an angle point in the east line of this tract;

THENCE, with the west line of said Sorum 5.074-acre tract the following two courses:

1. S09°47'06"W a distance of 224.49 feet to a 1/2" iron rod for an angle point;
2. S10°04'47"W a distance of 100.23 feet to a 1/2" iron rod at the southwest corner of said 5.074-acre Sorum tract, same being the northwest corner of another 5.074 acre tract also conveyed to Roger H. and Sheryl E. Sorum by deed as recorded in Volume 10842, Page 1051 of the Real Property Records of Travis County, Texas for an angle point in the east line of this tract;

THENCE, S09°58'45"W, passing at a distance of 324.89 feet the approximate southwest corner of the most southerly of the aforementioned Sorum 5.074 acre tracts, same being the northwest corner of that certain 5.065 acre tract as conveyed to Paulino F. Gordullo, and wife Jannette A. Gordillo in Volume 8205, Page 158 of the Deed Records of Travis County, Texas, and continuing for a total distance of 649.97 feet to a 1/2" iron rod found in the north right-of-way line of Rowe Lane for the southeast corner of this tract;

THENCE, with said north right.-of-way line of Rowe Lane, N80°18'17"W, a distance of 770.83 feet to the POINT OF BEGINNING and containing 49.106-acres (2,139,039 square feet) of land, more or less., as shown on the attached sketch.

J. K. Weigand May 14, 2011

J. Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas



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

The east line of Rolling Meadows, Section One according to the plat thereof as recorded in Book 85, Page 47C of the Plat Records of Travis County, Texas, shown as S10°00'00"W is the bearing basis for this description.

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

EXHIBIT C

CONSENT AND AGREEMENT OF MANVILLE WATER SUPPLY CORPORATION FOR WHOLESALE WATER SERVICE TO PROPERTY

Tiemann Land and Cattle Development, Inc. ("TLCD") and Manville Water Supply Corporation ("Manville") previously entered into that certain "Agreement for Providing Wholesale Water Service" dated October 7, 1996 (referred to herein as the "Wholesale Agreement"), concerning a certain 1113.57 acre tract of land (the "Land") located in Williamson and Travis Counties, Texas

The Wholesale Agreement defines the term "Service Area" to mean "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."

The 162.477-acre tract of land described on the attached Exhibit A (the "Reserve at West Creek") and the 20.325-acre tract of land described on the attached Exhibit B (the "Randig Property") have been included within the boundaries of Lakeside Water Control and Improvement District No. 2D, pursuant to a consent agreement between Rowe Lane Development, Ltd. and the City of Pflugerville, Texas. Rowe Lane Development, Ltd. has requested that Manville consent and agree to include the Reserve at West Creek and the Randig Property as part of the Service Area under the Wholesale Agreement.

CONSENT AND AGREEMENT

1. In consideration of the revenues that Manville will receive from the provision of wholesale water service to additional land under the terms of the Wholesale Agreement, and subject to the terms and conditions of the Wholesale Agreement, Manville hereby consents and agrees to include the properties described on the attached Exhibits A and B as part of the Service Area under the Wholesale Agreement. Rowe Lane Development, Ltd. agrees to comply with the terms and conditions of the Wholesale Agreement with regard to these properties.
2. The quantity of water supply capacity authorized under Section 3.1 of the Wholesale Agreement shall be increased to allow an additional 653 LUEs of wholesale water supply to the Reserve at West Creek.
3. The 653 LUEs of wholesale water supply capacity for the Reserve at West Creek shall be provided by Manville for use by Lakeside Water Control and Improvement District No. 2D in providing retail water service to the Reserve at West Creek within the boundaries of the district and the rights to such capacity may be assigned by Rowe Lane Development, Ltd. to the district.
4. The parties may execute this instrument in separate counterparts, each of which when so executed shall be an original and all of which shall constitute but one and the same document.

Executed to be effective as of January 11, 2003.

MANVILLE WATER SUPPLY CORPORATION

By: 
Tony Graf, Manager

ROWE LANE DEVELOPMENT, LTD.

By: Tiemann Land and Cattle Development, Inc.


By: 
Robert M. Tiemann, President

Exhibit A

Property:

172.36 acre tract as described in Exhibit "A-1" situated in the James P. Kemp Survey No. 12, Abstract No. 462 and the John L. Bray Survey No. 10, Abstract No. 73, conveyed to Eagle Point Community, Ltd., by deed recorded in Document No. 2001206536 of the Official Public Records of Travis County, Texas attached hereto.

save and except

1.447 acre tract being a part of the James P. Kemp Survey No. 12, Abstract No. 462, and being a part of that 172.33 acre tract of land conveyed to Eagle Point Community, Ltd., by deed recorded in Document No. 2001206536 of the Official Public Records of Travis County, Texas as described in Exhibit "A-2".

8.436 acre tract being a part of the James P. Kemp Survey No. 12, Abstract No. 462 and the John L. Bray Survey No. 10, Abstract No. 73, and being a part of that 172.33 acre tract of land conveyed to Eagle Point Community, Ltd., by deed recorded in Document No. 2001206536 of the Official Public Records of Travis County, Texas as described in Exhibit "A-3".

Exhibit A-1

172.36 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JAMES P. KEMP SURVEY No. 12, ABSTRACT No. 462 AND THE JOHN L. BRAY SURVEY No. 10, ABSTRACT No. 73, AND BEING ALL OF THAT 172.33 ACRE TRACT OF LAND CONVEYED TO EAGLE POINT COMMUNITY, LTD., BY DEED RECORDED IN DOCUMENT No. 2001206536 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a $\frac{1}{2}$ " iron rod set in the Southwesterly Line of Cele Road and in the Northwest Line of that 5.47 Acre Tract of land conveyed to M. J. Heine and Janell G. Heine by deed recorded in Document No. 1999115806 of the Official Public Records of Travis County, Texas, the same being the Southeast Corner of that 0.595 Acre Tract of land conveyed to Travis County for Road Right-of-way by deed recorded in Document No. 1999033594 of the Official Public Records of Travis County, Texas, and the East Corner of the said 172.33 Acre Tract, from which point a $\frac{1}{2}$ " iron rod found for the Northwest Corner of the said 5.47 Acre Tract bears N.30°18'36"E., 10.00 feet;

THENCE S.30°18'36"W., along the East Line of the said 172.33 Acre Tract, the same being the West Line of the said 5.47 Acre Tract, a distance of 250.93 feet to a $\frac{1}{2}$ " iron rod found for the West Corner of the 5.47 Acre Tract and a corner of that 148.30 Acre Tract of land conveyed to Mikran, Ltd., by deed recorded in Document No. 1999115801 of the Official Public Records of Travis County, Texas;

THENCE along the Common Line of the 173.22 Acre Tract and the said 148.30 Acre Tract the following three courses:

1. S.30°18'36"W. a distance of 702.46 feet to a $\frac{1}{2}$ " iron rod found;
2. N.69°40'17"W. a distance of 967.89 feet to a $\frac{1}{2}$ " iron rod found;
3. S.30°19'52"W. a distance of 1786.33 feet to a $\frac{1}{2}$ " iron rod set for a corner in the Southerly Line of the said 172.33 Acre Tract and for a corner in the Northerly Line of that 158.1 Acre Tract of land conveyed to Edmund A. Randig and Doreen E. Randig by deed recorded in Volume 6870, Page 2077 of the Deed Records of Travis County, Texas;

THENCE S.30°19'52"W., along the Common Line of the 172.33 Acre Tract and the 158.1 Acre Tract, a distance of 34.77 feet to a fence post for the Most Southerly Corner of the said 172.33 Acre Tract;

THENCE N.59°39'30"W., along the Common Line of the said 172.33 Acre Tract and the 158.1 Acre Tract, a distance of 2470.62 feet to a $\frac{1}{2}$ " iron rod found in the Easterly Line of Weiss Lane, for the Most Westerly Corner of the 172.33 Acre Tract from which point a cross cut in concrete found bears N.59°39'30"W., 10.00 feet;

THENCE along the Northwesterly and Northeasterly Line of the said 172.33 Acre Tract, the same being Southeasterly and Southwesterly Line of that 0.730 Acre Tract in the said deed recorded in Document No. 1999033594 and also the Southeasterly Line of Weiss Lane and the Southwesterly Line of Cele Road, the following five courses:

1. N.30°21'45"E. a distance of 2436.14 feet to a $\frac{1}{2}$ " iron rod found and to a point on a non-tangent curve to the right;

172.36 Acres

2. Northeasterly along the arc of said curve, a distance of 200.84 feet (said curve having a radius of 537.40 feet, a central angle of $21^{\circ}24'46''$ and a chord bearing $N.41^{\circ}03'43''E.$, 199.67 feet) to a $\frac{1}{2}$ " iron rod found;
3. $N.51^{\circ}44'44''E.$ a distance of 76.34 feet to an $\frac{1}{2}$ " iron rod found and to a point on a non-tangent curve to the right;
4. Easterly along the arc of said curve, a distance of 93.14 feet (said curve having a radius of 78.31 feet, a central angle of $68^{\circ}08'47''$ and a chord bearing $N.85^{\circ}52'48''E.$, 87.75 feet) to a $\frac{1}{2}$ " iron rod found;
5. $S.60^{\circ}02'59''E.$ a distance of 365.07 feet to a $\frac{1}{2}$ " iron rod set for the Southeasterly Corner of the said 0.730 Acre Tract in the Northwestern Line of that 5.10 Acre Tract of land conveyed to Calvin G. C. Hamann and Vera Lee Hamann by deed recorded in Volume 13225, Page 1895 of the Real Property Records of Travis County, Texas from which point a 1" iron pipe found for the Northwest Corner of the said 5.10 Acre Tract bears $N.26^{\circ}21'09''E.$, 9.97 feet;

THENCE along the Common Line of 172.33 Acre Tract and the said 5.10 Acre Tract the following four courses:

1. $S.26^{\circ}21'09''W.$ a distance of 393.29 feet to a $\frac{1}{2}$ " iron rod found;
2. $S.30^{\circ}25'51''W.$ a distance of 280.14 feet to a $\frac{1}{2}$ " iron rod found;
3. $S.59^{\circ}36'38''E.$ a distance of 316.80 feet to a $\frac{1}{2}$ " iron rod set;
4. $N.30^{\circ}23'22''E.$ a distance of 674.85 feet to a $\frac{1}{2}$ " iron rod found for the Most Westerly Corner of the said 0.595 Acre Tract of land conveyed to Travis County for Right-of-way in the Southeasterly Line of the said 5.10 Acre Tract, from which point a $\frac{1}{2}$ " iron rod found for the Most Easterly Corner of the 5.10 Acre Tract bears $N.30^{\circ}23'22''E.$, 10.00 feet;

THENCE $S.60^{\circ}02'08''E.$, along the Northeasterly Line of the 172.33 Acre Tract and the Southwesterly Line of the said 0.595 Acre Tract, a distance of 2590.11 feet to the said Point of Beginning.

Containing 172.36 acres, more or less.

John K. Weigand Sept. 6, 2005
J. Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas



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

Exhibit A-2

1.447 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JAMES P. KEMP SURVEY No. 12, ABSTRACT No. 462, AND BEING A PART OF THAT 172.33 ACRE TRACT OF LAND CONVEYED TO EAGLE POINT COMMUNITY, LTD., BY DEED RECORDED IN DOCUMENT No. 2001206536 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

Commence at a $\frac{1}{2}$ " iron rod found in the North Line of that 158.1 Acre Tract of Land conveyed to Edmund A. Randig and Doreen Randig by deed recorded in Volume 6870, Page 2077 of the Deed Records of Williamson County, Texas, the same being the Southeast Corner of that 0.730 Acre Tract of land conveyed to Travis County for right of way for Weiss Lane by deed recorded in Document No. 1999033594 of the Official Public Records of Williamson County, Texas, and also being the Southwest Corner of the said 172.33 Acre Tract;

THENCE N.30°21'45"E., along the West Line of the said 172.33 Acre Tract, the same being the East Line of Weiss Lane as described in the said deed recorded in Document No. 1999033594, a distance of 2385.68 feet to the Point of Beginning;

THENCE continue along the West Line of the said 172.33 Acre Tract and the East Line of Weiss Lane the following four courses:

1. N.30°21'45"E. a distance of 50.45 feet to a $\frac{1}{2}$ " iron rod found and to a point on a non-tangent curve to the right;
2. Northeasterly along the arc of said curve, a distance of 200.84 feet (said curve having a radius of 537.40 feet, a central angle of 21°24'46" and a chord bearing N.41°03'43"E., 199.67 feet) to a $\frac{1}{2}$ " iron rod found;
3. N.51°44'44"E. a distance of 76.34 feet to a $\frac{1}{2}$ " iron rod found and to a point on a non-tangent curve to the right;
4. Easterly along the arc of said curve, a distance of 93.14 feet (said curve having a radius of 78.31 feet, a central angle of 68°08'47" and a chord bearing N.85°52'48"E., 87.75 feet) to a $\frac{1}{2}$ " iron rod found in the South Line of Cele Road as described in the said deed recorded in Document No. 1999033954;

THENCE S.60°02'59"E., along the North Line of the 172.33 Acre Tract and the South Line of Cele Road, a distance of 102.82 feet;

THENCE crossing the said 172.33 Acre Tract the following six courses:

1. S.30°20'02"W. a distance of 252.00 feet;
2. N.74°55'39"W. a distance of 96.88 feet;
3. S.81°24'46"W. a distance of 65.28 feet;

1.447 Acres

4. S.72°16'09"W. a distance of 66.12 feet;
5. N.20°23'36"W. a distance of 39.89 feet;
6. S.69°35'30"W. a distance of 33.05 feet to the said Point of Beginning.

Containing 1.447 acres, more or less.

John K. Weigand Oct. 24, 2005
J. Kenneth Weigand

Registered Professional Land Surveyor No. 5741
State of Texas



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

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

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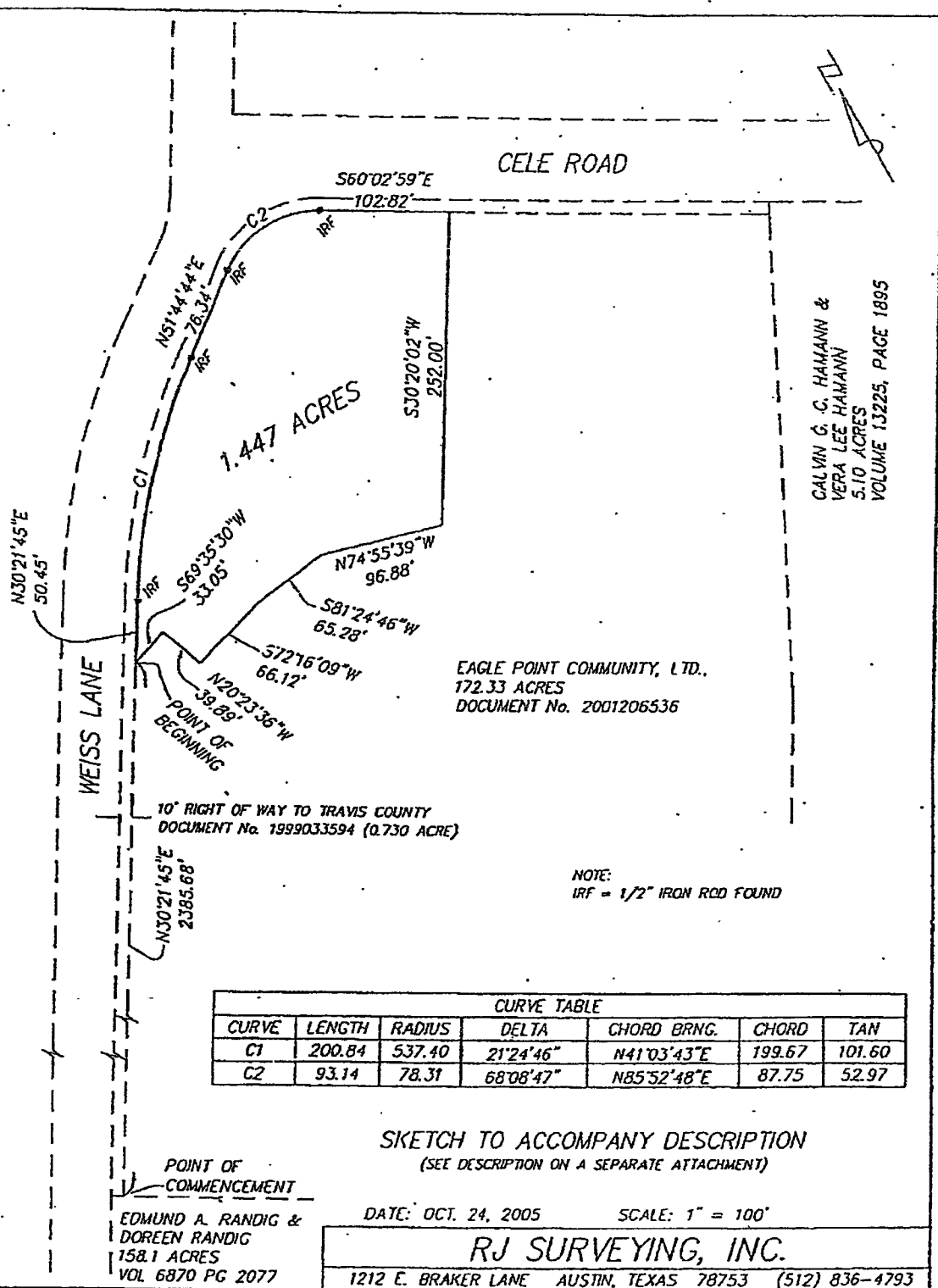


Exhibit A-3

8.436 Acres

DESCRIPTION:

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JAMES P. KEMP SURVEY No. 12, ABSTRACT No. 462 AND THE JOHN L. BRAY SURVEY No. 10, ABSTRACT No. 73, AND BEING A PART OF THAT 172.33 ACRE TRACT OF LAND CONVEYED TO EAGLE POINT COMMUNITY, LTD., BY DEED RECORDED IN DOCUMENT No. 2001206536 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGIN at a $\frac{1}{2}$ " iron rod found in the North Line of that 158.1 Acre Tract of Land conveyed to Edmund A. Randig and Doreen Randig by deed recorded in Volume 6870, Page 2077 of the Deed Records of Williamson County, Texas, the same being the Southeast Corner of that 0.730 Acre Tract of land conveyed to Travis County for right of way for Weiss Lane by deed recorded in Document No. 1999033594 of the Official Public Records of Williamson County, Texas, and also being the Southwest Corner of the said 172.33 Acre Tract;

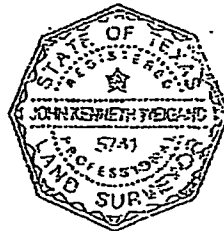
THENCE N.30°21'45"E., along the West Line of the said 172.33 Acre Tract, the East Line of the said 0.730 Acre Tract and the East Line of Weiss Lane, a distance of 882.13 feet;

THENCE S.13°00'45"E., crossing the said 172.33 Acre Tract, a distance of 1213.18 feet to the South Line of the 172.33 Acre Tract and the North Line of the said 158.1 Acre Tract;

THENCE N.59°39'30"W., along said South Line, a distance of 833.17 feet to the said Point of Beginning.

Containing 8.436 acres, more or less.

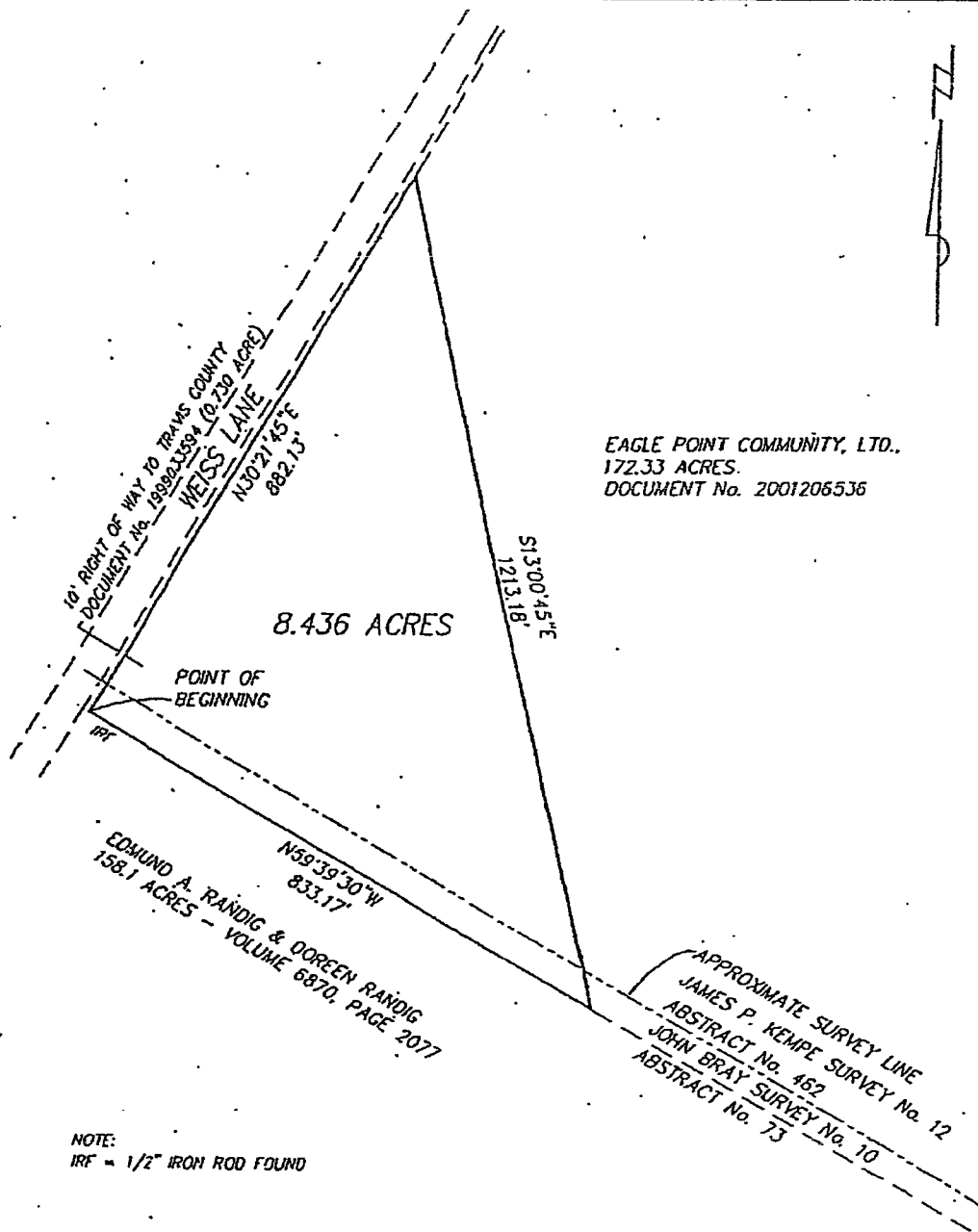
John Weigand 10-24-2005
J. Kenneth Weigand
Registered Professional Land Surveyor No. 5741
State of Texas



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

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

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EAGLE POINT COMMUNITY, LTD.,
172.33 ACRES.
DOCUMENT No. 2001206536

SKETCH TO ACCOMPANY DESCRIPTION
(SEE DESCRIPTION ON A SEPARATE ATTACHMENT)

DATE: OCT. 24, 2005

SCALE: 1" = 200'

RJ SURVEYING, INC.

1212 E. BRAKER LANE AUSTIN, TEXAS 78753 (512) 836-4793

Exhibit B

20.325 Acres

A PARCEL OF LAND IN TRAVIS COUNTY, TEXAS, BEING A PART OF THE JOHN BRAY SURVEY No. 10, ABSTRACT No. 73, AND BEING A PART OF THAT 158.10 ACRE TRACT OF LAND CONVEYED TO EDMUND A. RANDIG AND WIFE, DOREEN S. RANDIG, BY DEED RECORDED IN VOLUME 6870, PAGE 2077 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS; A PART OF THAT 73.70 ACRE TRACT OF LAND CONVEYED TO EDMUND A. RANDIG AND WIFE, DOREEN RANDIG, BY DEED RECORDED IN VOLUME 5959, PAGE 2285 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

"COMMENCE at a cotton spindle set in a concrete drainage apron in the easterly fenced line of Weiss Lane, the same being the Northwest Corner of that 65.15 Acre Tract of land conveyed to PFLUGERVILLE COMMUNITY DEVELOPMENT CORPORATION by deed recorded in Document No. 2004180177 of the Official Public Records of Travis County, Texas

THENCE N.30°27'33"E., along the said East Line of Weiss Lane, a distance of 1430.55 feet to a cross cut in concrete found for the Southwest Corner of that 0.730 Acre Tract of land conveyed to Travis County for right of way by deed recorded in Document No. 1999033594 of the Official Public Records of Travis County, Texas, in the North Line of the said 158.10 Acre Tract;

THENCE S.59°39'45"E., along the South Line of the said 0.730 Acre Tract and the North Line of the said 158.10 Acre Tract, a distance of 10.00 feet to a ½" iron rod found for the Southwest Corner of that 172.33 Acre Tract of land conveyed to Eagle Point Community, Ltd., by deed recorded in Document No. 2001206536 of the Official Public Records of Travis County, Texas;

THENCE S.59°39'30"E., along the North Line of the said 158.10 Acre Tract, the same being the South Line of the said 172.33 Acre Tract, a distance of 2310.62 feet to the Point of Beginning;

THENCE continue S.59°39'30"E., along said North Line, a distance of 160.00 feet to a fence post;

THENCE N.30°19'52"E., along a common line of the said 158.10 Acre Tract and the 172.33 Acre Tract, a distance of 34.77 feet to a ½" iron rod set in the North Line of the John Bray Survey;

THENCE S.58°55'06"E., along the North Line of the said 158.10 Acre Tract, the same being the North Line of the John Bray Survey, a distance of 814.29 feet to a ½" iron rod set for the Northeast Corner of the 158.10 Acre Tract and the Northwest Corner of the said 73.70 Acre Tract;

THENCE S.59°31'29"E., along the North Line of the said 73.70 Acre Tract, a distance of 86.00 feet;