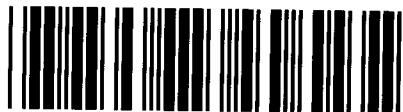




Control Number: 42996



Item Number: 4

Addendum StartPage: 0

House Bill (HB) 1600 and Senate Bill (SB) 567 83rd
Legislature, Regular Session, transferred the functions
relating to the economic regulation of water and sewer
utilities from the TCEQ to the PUC effective
September 1, 2014.

RECEIVED

2014 SEP 19 AM 8:28
PUBLIC UTILITY COMMISSION
FILED CLERK

**AGREEMENT CONCERNING
RETAIL WATER AND SEWER SERVICE AREAS
(KAUFMAN COUNTY MUD NOS. 11 AND 12)**

This Agreement Concerning Retail Water and Sewer Service Areas ("Agreement") is made and entered into on the 20th day of July 2011 by and between Kaufman County Municipal Utility District No. 11 ("MUD 11") and Kaufman County Municipal Utility District No. 12 ("MUD 12"). MUD 11 and MUD 12 may be referred to herein each as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, MUD 12 is a municipal utility district and political subdivision, operating under Chapters 49 and 54, Texas Water Code, as amended;

WHEREAS, the Texas Commission on Environmental Quality ("TCEQ") has issued Certificate of Convenience and Necessity ("CCN") Nos. 13087 and 20982 to MUD 12 authorizing it to provide retail water and sewer service to specified areas in Kaufman County, Texas;

WHEREAS, MUD 11 is a municipal utility district and political subdivision, operating under Chapters 49 and 54, Texas Water Code, as amended;

WHEREAS, MUD 11 and MUD 12 have determined that it is in the best interest of both Parties and also customers within MUD 11 to allow MUD 11 to be the retail water and sewer service provider within its boundaries;

WHEREAS, MUD 11 and MUD 12 are both "retail public utilities" as defined in Section 13.002, Texas Water Code; and

WHEREAS, MUD 11 and MUD 12 wish to enter into a binding agreement governing the specific retail water and sewer utility service areas described herein, and as allowed by Section 13.248, Texas Water Code.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises expressed herein and other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, MUD 11 and MUD 12 hereby agree as follows:

1. Retail Water and Sewer Service Areas

1.1 All retail water and sewer customers whose place of use is located within the boundaries of MUD 11, as described on the attached Exhibit "A" hereto, incorporated for all

purposes, shall be customers of MUD 11. MUD 11 shall be authorized to provide retail water and sewer service within its boundaries as MUD 12's agent pending TCEQ approval of this Agreement.

1.2 MUD 11 shall be responsible for providing continuous and adequate service to all customers within its boundaries and shall bill customers and collect payments for water and sewer service according to a duly adopted rate order.

2. Approval of Agreement

2.1 This Agreement shall be submitted to the TCEQ for approval under Section 13.248, Texas Water Code. The Parties agree to cooperate to obtain TCEQ approval in a reasonably expeditious manner. All costs associated with preparing and filing the application and the pursuit of regulatory approvals shall be borne equally by the Parties.

2.2 No facilities, lines, equipment, or other property or property rights of MUD 12 are transferred to MUD 11 by this Agreement. Except as otherwise provided herein, MUD 12's CCN rights shall not be affected by this Agreement, and the Parties do not seek the issuance of any new CCN.

3. Miscellaneous

3.1 This Agreement may not be assigned by any Party without the written consent of the other Party.

3.2 Unless otherwise provided in this Agreement, any notice to be given under this Agreement shall be given in writing and may be given either by depositing the notice in the United States mail postpaid, registered or certified mail, with return receipt requested; delivering the notice to such Party by a private delivery or private messenger service as evidenced by a receipt signed by any person at the delivery address; or sending the notice by facsimile. Notice deposited by mail in the foregoing manner shall be effective the day after the day on which it is deposited. Notice given in any other manner shall be effective only when received by the Party to be notified. For the purposes of notice, the addresses of the Parties shall be as follows:

If to MUD 11, to:

Kaufman County Municipal Utility District No. 11
c/o Coats Rose
5420 LBJ Freeway, Suite 1300
Dallas, Texas 75240
Fax: (972) 982-8451

If to MUD 12, to:

Kaufman County Municipal Utility District No. 12
c/o Coats Rose
5420 LBJ Freeway, Suite 1300
Dallas, Texas 75240
Fax: (972) 982-8451

The Parties shall have the right from time to time to change their respective addresses by giving at least fifteen (15) days' written notice of such change to the other Party.

3.3 This Agreement embodies the entire understanding between the Parties, and there are no representations, warranties, or agreements between the Parties covering the subject matter of this Agreement other than this Agreement. This Agreement may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the Parties hereto.

3.4 This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Kaufman County, Texas. Venue shall lie solely in Kaufman County, Texas.

3.5 This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted and approved successors and assigns.

3.6 This Agreement is executed by the Parties hereto without coercion or duress and for substantial consideration, the sufficiency of which is forever confessed. Each signatory represents that this Agreement has been read by the Party for which this Agreement is executed, and that such Party has had an opportunity to confer with its counsel.

3.7 This Agreement may be executed in a number of identical counterparts, each of which shall be deemed an original for all purposes.

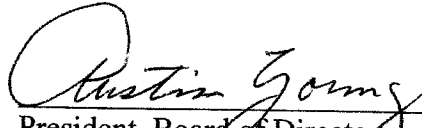
3.8 If any provision of this Agreement or the application thereof to any person or set of circumstances is ever judicially declared invalid, such provision shall be deemed severed from this Agreement and the remaining portions of this Agreement shall remain in effect.

3.9 This Agreement shall be deemed drafted equally by all Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against any Party shall not apply. Headings in this Agreement are for the convenience of the Parties and are not intended to be used in construing this document.

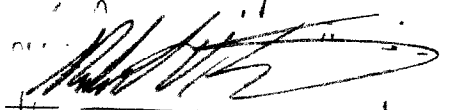
3.10 Time is of the essence in the performance of the obligations under this Agreement.

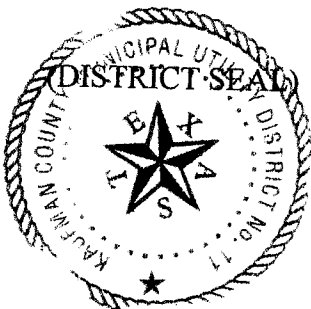
3.11 By executing this Agreement, the Parties waive to the fullest extent allowed by law sovereign immunity from suit and liability solely for the purpose of enforcing this Agreement pursuant to Chapter 13, Texas Water Code.

**KAUFMAN COUNTY MUNICIPAL UTILITY
DISTRICT NO. 11**


President, Board of Directors

ATTEST:


Secretary, Board Directors



**KAUFMAN COUNTY MUNICIPAL UTILITY
DISTRICT NO. 12**


President, Board of Directors

ATTEST:



Secretary, Board Directors



EXHIBIT A

BEING a tract of land located in the MARTHA MUSICK SURVEY, ABSTRACT NO. 312, Kaufman County, Texas and being a part of a tract of land as described as Tract 2 in Deed to 2219 KAUFMAN PARTNERS, L.P., a Texas Limited Partnership, recorded in Volume 2127 Page 184, Deed Records, Kaufman County, Texas and being more particularly described as follows:

BEGINNING at a point in the Northeast line of F.M. 741, a 90 foot right-of-way, at the most Southerly corner of said Tract 2;

THENCE Northwesterly and Northeasterly along the Northeast and Southeast line of said F.M. 741 the following nine (9) courses and distances:

North 45 degrees 17 minutes 35 seconds West, a distance of 3.79 feet to a point for corner;

North 44 degrees 55 minutes 38 seconds West, a distance of 752.58 feet to a point for corner at the beginning of a curve to the left having a central angle of 12 degrees 11 minutes 39 seconds, a radius of 5,745.58 feet and a chord bearing and distance of North 51 degrees 01 minutes 28 seconds West, 1,220.51 feet;

Northwesterly, along said curve to the left, an arc distance of 1,222.82 feet to a point for corner;

North 57 degrees 07 minutes 17 seconds West, a distance of

329.74 feet to a point for corner at the beginning of a curve to the right having a central angle of 11 degrees 54 minutes 00 seconds, a radius of 11,382.09 feet and a chord bearing and distance of North 51 degrees 10 minutes 17 seconds West, 2,359.75 feet;

Northwesterly, along said curve to the right, an arc distance of 2,363.99 feet to a point for corner;

North 45 degrees 13 minutes 17 seconds West, a distance of 1,653.79 feet to a point for corner at the beginning of a curve to the right having a central angle of 90 degrees 30 minutes 21 seconds, a radius of 909.93 feet and a chord bearing and distance of North 00 degrees 01 minutes 54 seconds East, 1,292.50 feet;

Northerly, along said curve to the right, an arc distance of 1,437.35 feet to a point for corner;

North 45 degrees 17 minutes 04 seconds East, a distance of 197.76 feet to a point for corner;

North 46 degrees 08 minutes 16 seconds East, a distance of 857.28 feet to a point for corner;

THENCE South 89 degrees 50 minutes 39 seconds East, leaving said Southeast line of F.M. 741, a distance of 242.06 feet to a point for corner;

THENCE South 84 degrees 41 minutes 48 seconds East, a distance of 595.07 feet to a point for corner at the beginning

of a curve to the left having a central angle of 15 degrees 54 minutes 22 seconds, a radius of 950.00 feet and a chord bearing and distance of South 74 degrees 25 minutes 59 seconds East, 262.89 feet;

THENCE Southeasterly, along said curve to the left, an arc distance of 263.73 feet to a point for corner;

THENCE South 82 degrees 23 minutes 10 seconds East, a distance of 172.65 feet to a point for corner at the beginning of a curve to the right having a central angle of 10 degrees 28 minutes 31 seconds, a radius of 300.00 feet and a chord bearing and distance of South 77 degrees 08 minutes 55 seconds East, 54.77 feet;

THENCE Easterly, along said curve to the right, an arc distance of 54.85 feet to a point for corner at the beginning of a reverse curve to the left having a central angle of 10 degrees 28 minutes 31 seconds, a radius of 300.00 feet and a chord bearing and distance of South 77 degrees 08 minutes 55 seconds East, 54.77 feet;

THENCE Easterly, along said curve to the left, an arc distance of 54.85 feet to a point for corner;

THENCE South 82 degrees 23 minutes 10 seconds East, a distance of 23.30 feet to a point for corner at the beginning of a curve to the right having a central angle of 36 degrees 41 minutes 46 seconds, a radius of 790.00 feet and a chord bearing

and distance of South 64 degrees 02 minutes 17 seconds East,
497.37 feet;

THENCE Southeasterly, along said curve to the right, an arc
distance of 505.97 feet to a point for corner;

THENCE South 45 degrees 41 minutes 24 seconds East, a
distance of 2,039.00 feet to a point for corner;

THENCE North 44 degrees 47 minutes 12 seconds East, a
distance of 15.00 feet to a point for corner;

THENCE South 46 degrees 16 minutes 15 seconds East, a
distance of 3520.12 feet to a point for corner;

THENCE South 43 degrees 51 minutes 39 seconds West, a distance
of 2,650.46 feet to the POINT OF BEGINNING and containing
453.675 acres of land, more or less.

**AGREEMENT CONCERNING
RETAIL WATER AND SEWER SERVICE AREAS
(KAUFMAN COUNTY MUD NOS. 11 AND 12)**

This Agreement Concerning Retail Water and Sewer Service Areas ("Agreement") is made and entered into on the 20th day of July 2011 by and between Kaufman County Municipal Utility District No. 11 ("MUD 11") and Kaufman County Municipal Utility District No. 12 ("MUD 12"). MUD 11 and MUD 12 may be referred to herein each as a "Party" or collectively as the "Parties."

RECITALS

WHEREAS, MUD 12 is a municipal utility district and political subdivision, operating under Chapters 49 and 54, Texas Water Code, as amended;

WHEREAS, the Texas Commission on Environmental Quality ("TCEQ") has issued Certificate of Convenience and Necessity ("CCN") Nos. 13087 and 20982 to MUD 12 authorizing it to provide retail water and sewer service to specified areas in Kaufman County, Texas;

WHEREAS, MUD 11 is a municipal utility district and political subdivision, operating under Chapters 49 and 54, Texas Water Code, as amended;

WHEREAS, MUD 11 and MUD 12 have determined that it is in the best interest of both Parties and also customers within MUD 11 to allow MUD 11 to be the retail water and sewer service provider within its boundaries;

WHEREAS, MUD 11 and MUD 12 are both "retail public utilities" as defined in Section 13.002, Texas Water Code; and

WHEREAS, MUD 11 and MUD 12 wish to enter into a binding agreement governing the specific retail water and sewer utility service areas described herein, and as allowed by Section 13.248, Texas Water Code.

AGREEMENT

NOW THEREFORE, in consideration of the mutual promises expressed herein and other good and valuable consideration, the sufficiency of which is acknowledged by the Parties, MUD 11 and MUD 12 hereby agree as follows:

1. Retail Water and Sewer Service Areas

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purposes, shall be customers of MUD 11. MUD 11 shall be authorized to provide retail water and sewer service within its boundaries as MUD 12's agent pending TCEQ approval of this Agreement.

1.2 MUD 11 shall be responsible for providing continuous and adequate service to all customers within its boundaries and shall bill customers and collect payments for water and sewer service according to a duly adopted rate order.

2. Approval of Agreement

2.1 This Agreement shall be submitted to the TCEQ for approval under Section 13.248, Texas Water Code. The Parties agree to cooperate to obtain TCEQ approval in a reasonably expeditious manner. All costs associated with preparing and filing the application and the pursuit of regulatory approvals shall be borne equally by the Parties.

2.2 No facilities, lines, equipment, or other property or property rights of MUD 12 are transferred to MUD 11 by this Agreement. Except as otherwise provided herein, MUD 12's CCN rights shall not be affected by this Agreement, and the Parties do not seek the issuance of any new CCN.

3. Miscellaneous

3.1 This Agreement may not be assigned by any Party without the written consent of the other Party.

3.2 Unless otherwise provided in this Agreement, any notice to be given under this Agreement shall be given in writing and may be given either by depositing the notice in the United States mail postpaid, registered or certified mail, with return receipt requested; delivering the notice to such Party by a private delivery or private messenger service as evidenced by a receipt signed by any person at the delivery address; or sending the notice by facsimile. Notice deposited by mail in the foregoing manner shall be effective the day after the day on which it is deposited. Notice given in any other manner shall be effective only when received by the Party to be notified. For the purposes of notice, the addresses of the Parties shall be as follows:

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Kaufman County Municipal Utility District No. 11
c/o Coats Rose
5420 LBJ Freeway, Suite 1300
Dallas, Texas 75240
Fax: (972) 982-8451

If to MUD 12, to:

Kaufman County Municipal Utility District No. 12
c/o Coats Rose
5420 LBJ Freeway, Suite 1300
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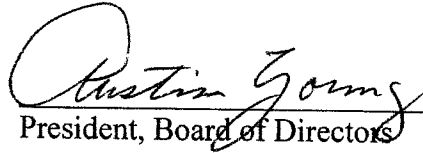
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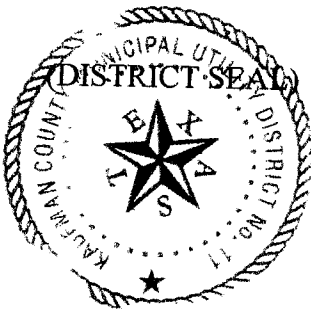
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**KAUFMAN COUNTY MUNICIPAL UTILITY
DISTRICT NO. 11**


President, Board of Directors

ATTEST:


Secretary, Board Directors



**KAUFMAN COUNTY MUNICIPAL UTILITY
DISTRICT NO. 12**


President, Board of Directors

ATTEST:


Secretary, Board Directors



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