

Control Number: 49189



Item Number: 188

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**SOAH DOCKET NO. 473-19-6297.WS  
PUC DOCKET NO. 49189**

**APPLICATION OF THE CITY OF  
AUSTIN DBA AUSTIN WATER FOR  
AUTHORITY TO CHANGE WATER  
AND WASTEWATER RATES**

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**BEFORE THE STATE OFFICE**

**OF**

**ADMINISTRATIVE HEARINGS**

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**DIRECT TESTIMONY OF  
GREG CHARLES  
INFRASTRUCTURE DIVISION  
PUBLIC UTILITY COMMISSION OF TEXAS  
November 15, 2019**

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**I. PROFESSIONAL QUALIFICATIONS**

**Q. Please state your name and business address.**

A. Greg Charles, Public Utility Commission of Texas, 1701 N. Congress Avenue, Austin, Texas  
78711-3326.

**Q. By whom are you currently employed and in what capacity?**

A. I have been employed by the Public Utility Commission of Texas (Commission) since  
September 1, 2016, as an Engineer currently in the Infrastructure Division.

**Q. What are your principal responsibilities at the Commission?**

A. My responsibilities include reviewing rate filings for water and sewer tariff changes and  
Certificate of Convenience and Necessity applications. I also participate in negotiation of  
settlements and prepare testimony and exhibits for contested case matters involving investor-  
owned, non-profit and governmental water and sewer utilities.

**Q. Please state your educational background and professional experience.**

A. I provided a summary of my educational background and professional regulatory experience  
in Attachment GC-1.

**Q. Have you testified as a regulatory technical expert before the Commission or the State  
Office of Administrative Hearings (SOAH)?**

A. Yes. I have testified before SOAH.

**Q. Have you previously pre-filed testimony before the Commission or SOAH?**

A. Yes. A list of the dockets I have previously testified in is included in Attachment GC-2.

**Q. On whose behalf are you testifying?**

A. I am testifying on behalf of the Staff of the Public Utility Commission (Staff).

**II. PURPOSE AND SCOPE OF TESTIMONY**

**Q. What is the purpose of your testimony in this proceeding?**

A. I am presenting Staff's recommendation on the City of Austin dba Austin Water's (Austin Water) operation and maintenance expenses and the used and useful portion of the assets associated with providing water and wastewater service to the North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control and Improvement District No. 10, and Wells Branch Municipal Utility District (Districts).

**Q. What is the scope of your participation in this proceeding?**

A. I reviewed the rate application filed by Austin Water, as well as the pre-filed direct testimonies and discovery responses. I also reviewed the operation and maintenance expenses of both the water and wastewater facilities presented in the application and the used and usefulness of the water and wastewater plant assets.

**Q. What test year did you consider while preparing your testimony?**

A. The test year of October 1, 2017 to September 30, 2018.

**Q. What issues identified by the Commission in the Preliminary Order issued on August 8, 2019 will you address?**

A. I will partially address the following issues identified in the Preliminary Order:

2. Does the Austin Water's proposed revenue requirement include any category of cost that in Docket No. 42857 the City agreed should not have been allocated to wholesale customers?

a. If so, what are those categories?

b. As to each category identified in issue 2a, are the cost categories included in the City's proposed revenue requirement precluded under any doctrine of estoppel?

3. Does Austin Water's proposed revenue requirement in this docket include any category of cost that in Docket No. 42857 the Commission disallowed because it was not a reasonable and necessary cost of providing water and wastewater services to the districts?

a. If so, what are those categories?

b. As to each category identified in issue 3a, are the cost categories included in Austin Water's proposed revenue requirement precluded under any doctrine of estoppel?

6. What is Austin Water's reasonable and necessary cost to procure the water it supplies to the districts?

11. Are there established priority of rights to water supplied by Austin Water? If so, what priority do the districts have for water supplied by Austin Water?

18. What facilities and systems, if any, are dedicated exclusively to the provision of water or wastewater services to the districts?

**Q. If you do not address an issue or position in your testimony, should that be interpreted as Staff supporting Austin Water's position on that issue?**

A. No. The fact that I do not address an issue or position in my testimony should not be construed as agreeing with, endorsing, or consenting to any position taken by Austin Water.

### **III. RECOMMENDATION**

**Q. Does Austin Water's proposed revenue requirement in this docket include any category of cost that the Commission disallowed in Docket No. 42857 because it should not have been allocated to wholesale customers?**

A. Yes. I address two expense categories Austin Water included in its revenue requirement—operations and maintenance (O&M) expenses for reclaimed water and O&M and capital costs for the Govalle Wastewater Treatment Plant (Govalle).

**A. Reclaimed O&M Expenses**

**Q. What is reclaimed water?**

A. Reclaimed water is treated effluent produced by a wastewater treatment plant (WWTP). There are two types of municipal reclaimed water use, which require different levels of treatment.<sup>1</sup> For example, a higher level of treatment is required for use of reclaimed water for fire protection or use of reclaimed water for residential irrigation.<sup>2</sup> A reclaimed water system must meet special design criteria related to the storage and distribution of the reclaimed water.<sup>3</sup> However, the reclaimed water is treated using the same WWTP that treats wastewater for discharge. In other words, you cannot treat effluent to a level that is suitable for use as reclaimed water without a reclaim water authorization and a discharge permit.

**Q. How much reclaimed water did Austin Water produce during the test year?**

A. Austin Water produced 4,465 acre-feet (1,454,926,622 gallons) of reclaimed water.

**Q. Why did the Commission disallow the O&M expenses related to the reclaimed water system that were allocated to the Districts?**

A. The Commission adopted the finding in the Proposal for Decision that O&M expenses related to reclaimed water and included in the cost of service should not be allocated to the Districts because they are not necessary to provide service to the Districts.<sup>4</sup>

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<sup>1</sup> 30 TAC § 210.32.

<sup>2</sup> 30 TAC 210.32(1)(A), (C).

<sup>3</sup> 30 TAC § 210.25.

<sup>4</sup> *North Austin Municipal Utility District No. 1, Northtown Municipal Utility District, Travis County Water Control and Improvement District No. 10, and Wells Branch Municipal Utility District Appealing the Wholesale Water and Wastewater Rates Imposed by the City of Austin*, Docket No. 42857, Proposal for Decision at 37-38, 41 (Jul. 10, 2015) (PFD); Order on Rehearing at Finding of Fact No. 52e.

**Q. Does the testimony provided by Austin Water in this case change that conclusion?**

A. No. According to Stephen Coonan's testimony, wholesale customers, including the Districts, do not have access to reclaimed water.<sup>5</sup> Austin Water allocated O&M expenses associated with reclaimed water to the Districts. The amount of expenses allocated to the Districts cannot be identified, because it is embedded in Austin Water's total cost.<sup>6</sup> Therefore, I support the allocation adjustment recommended by Staff witness William Abbott and calculated by Staff witness Brian Murphy.

**B. Govalle Capital and O&M Costs**

**Q. Why did the Commission disallow the O&M expenses and capital costs related to Govalle in Docket No. 42857?**

A. The Commission adopted the finding in the Proposal for Decision that O&M expenses and capital costs related to Govalle should not be included in the cost of service because the plant is not used and useful in providing wastewater service.<sup>7</sup>

**Q. Was any new information provided by Austin Water in this case regarding the Govalle capital and O&M costs?**

A. No. The direct testimonies of David Anders and Joseph Gonzales address the training that takes place at Govalle.<sup>8</sup> The rebuttal testimony of David Anders from Docket No. 42857 also stated that several of the buildings at the Govalle plant are still used to train staff.<sup>9</sup>

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<sup>5</sup> Direct Testimony of Stephen J. Coonan at 352, (Apr. 15, 2019). All citations to the application and direct testimony are to bates page numbers.

<sup>6</sup> *Id.*

<sup>7</sup> Docket No. 42857, PFD at 45; Order on Rehearing at Finding of Fact No. 52k.

<sup>8</sup> Direct Testimony of David A. Anders at 50-51 (Apr. 15, 2019) (Anders Direct); Direct Testimony of Joseph H. Gonzales at 90 (Apr. 15, 2019) (Gonzales Direct).

<sup>9</sup> *Id.*



**Q. Do you agree that Govalle is not used and useful in providing wastewater service?**

A. Yes. Govalle was decommissioned in October 2006, and therefore, no longer functions as part of the system delivering wastewater service to customers. Austin Water has repurposed the facility for training as well as emergency storage for wastewater influent to the South Austin Wastewater Treatment Plant.<sup>10</sup> Because no wastewater treatment has taken place at the facility since October 2006, it is no longer used and useful in the provision of wastewater service to Austin Water's customers. Furthermore, the debt that Austin Water incurred for Govalle was for the purpose of wastewater treatment, and not for training.

**Q. What about Austin Water's use of Govalle for treatment support functions and emergency flow diversion?**

A. It is my opinion that the treatment support functions and emergency wastewater flow diversion, should be provided at one of Austin Water's active wastewater treatment facilities. Austin Water has not provided any information as to why this cannot happen. In addition, the wastewater discharge permit for this facility expired several years ago, and Austin Water cannot operate Govalle without one.<sup>11</sup>

**Q. What is your recommendation regarding the O&M and capital costs for Govalle?**

A. According to the list of assets from Austin Water's Fixed Assets Pivot Table,<sup>12</sup> Govalle carries a remaining net book value of \$77,600,452.<sup>13</sup> Excluding assets added post 2006, the facility has a book value of approximately \$18,792,074. In other words, Austin Water has added \$58,808,378 in value to a facility that is not used/useful for wastewater treatment. Also, operational expenses of \$409,997 (\$357,710 + 37,069 + 15,218)<sup>14</sup> for Govalle

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<sup>10</sup> Anders Direct at 51.

<sup>11</sup> TCEQ Permit No. WQ00110543003.

<sup>12</sup> Application of City of Austin d/b/a Austin Water and Wastewater Rates (April 15, 2019), 2018 Fixed Assets pivot Table, Sewer tab.

<sup>13</sup> Attachment GC-3.

<sup>14</sup> COS Model O&M Input Tables – Wastewater, Tab O&M Budget, Line 32-Govalle Operations – Govalle

Training Facility should be an additional adjustment to the cost of service because it is not providing wastewater treatment. It is Staff's recommendation that Austin Water's net plant in service be reduced by \$77,600,452 for allocation purposes and the determination of debt service and debt service coverage, and the operations and maintenance expenses in the cost of service be adjusted by \$409,997. The calculation of the recommended disallowance related to debt service and debt service coverage is discussed by Staff witness Emily Sears.

**C. Other Issues**

**Q. Are there established priority of rights to water supplied by Austin Water? If so, what priority do the Districts have for water supplied by Austin Water?**

A. A review of the separate agreements filed by the districts in Docket No. 42857<sup>15</sup> does not establish any priority of rights to the water supplied by Austin Water. In the agreements Austin Water agrees to sell water to the Districts, and the Districts agree to purchase water from Austin Water required for the operation of the Districts' systems.

**Q. What facilities and systems, if any, are dedicated exclusively to the provision of water or wastewater services to the Districts?**

A. Staff is unable to determine the specific facilities and systems that are dedicated to the districts, because Austin Water's facilities operate as an integrated water system.<sup>16</sup>

**Q. What is your recommendation for the adjustment of operation and maintenance expenses?**

A. My recommendation, as previously stated, is that Austin Water's net plant in service be reduced by \$77,600,452 for allocation purposes and the determination of debt service and debt service coverage, and the operations and maintenance expenses in the cost of service be

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Training Facility.

<sup>15</sup> Attachment GC-4 contains copies of the agreements.

<sup>16</sup> Direct Testimony of Joseph H. Gonzales at 90 (Apr. 15, 2019).

adjusted by \$409,997. I also support the operations and maintenance allocation adjustments recommended by Staff witness William Abbott for reclaimed water.

**IV. CONCLUSION**

**Q. Does this conclude your direct, pre-filed testimony?**

A. Yes, but I reserve the right to supplement this testimony during the course of the proceeding as new evidence is presented.

**Greg Charles P.E.**

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PO Box 13326  
Austin, Texas 78711-3326  
512-936-7014  
gregory.charles@puc.texas.gov

**Work Experience**

**Engineer IV**

9/1/2016 - Present Public Utility Commission, Austin, TX

Process Certificates of Convenience and Necessity (CCN) applications. Perform depreciation studies, quality of service evaluations, design rates for rate applications and testify in hearings.

**Engineer III – Project Manager**

1/1/2012 – 9/1/2016 Municipal Solid Waste, Waste Permits Division, Texas Commission on Environmental Quality, Austin, TX

Reviewed registration authorizations for landfills and transfer stations applications.

Reviewed authorizations for the scrap tire program, compost and recycling facilities

**Engineer V - Project Manager**

6/1/2005 – 1/1/2012 Districts Review Team, Water Supply Division, Texas Commission on Environmental Quality, Austin, TX

Conducted technical reviews and evaluations of municipal district applications: district creations, district bond applications, purchase of facilities, fire plans, surplus funds requests, and district board appointments.

Conducted on the spot district inspections for district bond issues.

Provided expertise for contested cases before the Commission.

**Owner/Managing Partner**

3/2002 - 4/2004 Trig Inc. dba Golden Chick, Austin, TX

**Technical Staff Product/Test Engineer**

7/1981 - 3/2002 Product/Test Engineering

Product/Test Engineering at various technology companies including Motorola Inc., Advanced Micro Devices, Ross Technology Inc., Intel Corp, Agere Inc. (Lucent Technology).

**Education**

5/1980 Howard University, Washington, D.C.

Bachelor's Degree in Electrical Engineering

6/1981 Cornell University, Ithaca, NY

Master of Engineering

**List of Pre-filed Testimony**

<b>Docket</b>	<b>Case</b>
SOAH 473-17-0529.WS	Complaint of Playa Vista Conroe, a Condominium Association, Inc. Against C & R Water Supply, Inc.
SOAH 473-17-0067.WS	Application of Double Diamond Properties Construction for Water Rate/Tariff Change
SOAH 473-16-4745.WS	Complaint of Yanney Gurrusquieta Against Southern Utilities
SOAH 473-18-1093.WS	Application of The Commons Water Supply, Inc
SOAH 473-18-3008.WS	Application of Forest Glen Utility Company for Authority to Change Rates
SOAH 473-18-3008.WS	Application of Cypress Gardens Mobile Home Subdivision for Authority to Change Rates
SOAH 473-18-1226.WS	Petition of Fort Belknap Water Supply Corporation, Graham East Water Supply Corporation, The City of Bryson, and the City of Newcastle Appealing the Decision by the City of Graham to Change Wholesale Water Rates
SOAH 473-19-2804.WS	Complaint of the City of Waco Against Prairie Hill Water Supply Corporation

Test Year 1-Oct 18

Co Asset No	Acq Date	Description	Acq Value	Accum Deprec	Actual Deprec	Code	Useful Life	Standard Acq Date	Acq Yr	Useful Life	Annual Dep	Code Desc	Book Value	Year	CCI	RCNLD	2016 MPI	2016 check	2013 MPI	2013 check	Remaining Depr	Years
199000000216280	10/1/1990	GV D P LIT - SCREEN BLD	9,792.31	6,854.62	28.00	42	40	10/1/1990	1990	40	244.81	Prinlin Treatment - Bar S	2,938	1990	4,731.31	5,631.51	Prinlin Treatment - Ba	TRUE	Prinlin Treatment - Bar Screen	TRUE	12	
199000000216160	10/1/1990	GV SCREEN BLD - CONVEYORS	16,143.84	16,143.84	28.00	42	12	10/1/1990	1990	12	0	Prinlin Treatment - Bar S	0	1990	4,731.31	-	Prinlin Treatment - Ba	TRUE	Prinlin Treatment - Bar Screen	TRUE	12	
199000000216350	10/1/1990	GV SCREEN BLD - SCREENS	96,968.17	67,877.72	28.00	42	40	10/1/1990	1990	40	2,424.20	Prinlin Treatment - Bar S	29,090	1990	4,731.31	55,765.91	Prinlin Treatment - Ba	TRUE	Prinlin Treatment - Bar Screen	TRUE	12	
199000000216390	10/1/1990	GV SCREEN BLD - STRUCTURE	51,951.14	36,365.80	28.00	42	40	10/1/1990	1990	40	1,298.78	Prinlin Treatment - Bar S	15,585	1990	4,731.31	29,876.84	Prinlin Treatment - Ba	TRUE	Prinlin Treatment - Bar Screen	TRUE	12	
199500000216540	10/1/1995	GV SCREEN ROOM-ELEC IMPROV	154,355.00	88,756.77	23.00	42	40	10/1/1995	1995	40	3,858.88	Prinlin Treatment - Bar S	65,590	1995	5,471.16	108,745.67	Prinlin Treatment - Ba	TRUE	Prinlin Treatment - Bar Screen	TRUE	17	
199500000228010	10/1/1995	GV SCREEN ROOM-ENGINEERING	13,229.43	7,607.15	23.00	42	40	10/1/1995	1995	40	330.74	Prinlin Treatment - Bar S	5,622	1995	5,471.16	9,320.35	Prinlin Treatment - Ba	TRUE	Prinlin Treatment - Bar Screen	TRUE	17	
199000000232090	10/1/1990	GV A PLT - PIPE GALLERY	16,426.37	11,498.46	28.00	44	40	10/1/1990	1990	40	410.66	Primary Treatment - Pns	4,928	1990	4,731.31	9,446.72	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
199000000232150	10/1/1990	GV C P LIT - PIPE GALLERY	24,406.31	17,084.42	28.00	44	40	10/1/1990	1990	40	610.16	Primary Treatment - Pns	7,322	1990	4,731.31	14,035.95	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
199000000232160	10/1/1990	GV C P LIT - SCUM CONTROL	27,377.29	19,164.10	28.00	44	40	10/1/1990	1990	40	684.43	Primary Treatment - Pns	8,213	1990	4,731.31	15,744.54	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
199000000232100	10/1/1990	GV CLARIFIERS - A-2, A-3	350,429.29	245,300.50	28.00	44	40	10/1/1990	1990	40	8,760.73	Primary Treatment - Pns	105,129	1990	4,731.31	201,530.14	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
199000000232080	10/1/1990	GV D P LIT - SKIMMING EQPT	40,798.13	28,559.11	28.00	44	40	10/1/1990	1990	40	1,019.97	Primary Treatment - Pns	12,240	1990	4,731.31	23,463.15	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
199000000216340	10/1/1990	GV D P LIT - SKIMMING TANK	85,136.40	59,595.76	28.00	44	40	10/1/1990	1990	40	2,128.42	Primary Treatment - Pns	25,541	1990	4,731.31	44,961.75	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
198900000231810	10/1/1989	GV-HB COST OVERAGE - REPAIR	33,339.09	24,170.27	29.00	44	40	10/1/1989	1989	40	833.48	Primary Treatment - Pns	9,169	1989	4,731.31	4,609.25	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	11	
198900000231830	10/1/1989	GV-HB COST OVERAGE - SKIM AR	90,405.01	65,549.09	29.00	44	40	10/1/1989	1989	40	2,260.13	Primary Treatment - Pns	24,863	1989	4,731.31	44,923.96	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	11	
199000000216290	10/1/1990	GV D P LIT - SLUDGE PU BLD	93,001.74	65,101.22	28.00	45	40	10/1/1990	1990	40	2,325.04	Primary Treatment - Pns	27,901	1990	4,731.31	53,484.84	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
199000000216330	10/1/1990	GV D P LIT - SLUDGE PU PIT	9,058.60	6,341.02	28.00	45	40	10/1/1990	1990	40	226.47	Primary Treatment - Pns	2,718	1990	4,731.31	5,209.56	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	12	
199200000232210	10/1/1992	GV NITR PLT PS-PIPE GALLERY	54,382.33	35,346.65	26.00	46	40	10/1/1992	1992	40	1,359.56	Primary Treatment - Pns	19,036	1992	4,984.51	34,637.38	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	14	
199200000232200	10/1/1992	GV NITR PLT PS-PUMPING EQUIP	46,325.69	30,110.11	26.00	46	40	10/1/1992	1992	40	1,158.14	Primary Treatment - Pns	16,216	1992	4,984.51	29,505.92	Primary Treatment - P	TRUE	Primary Treatment - Primary C	TRUE	14	
199000000232380	10/1/1990	GV A PLT - BLOWER BLD REM	54,754.58	38,328.21	28.00	47	40	10/1/1990	1990	40	1,368.86	Secondary Treatment - A	16,426	1990	4,731.31	31,489.09	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	12	
199000000216430	10/1/1990	GV B PLT - BLOWER BLD REM	141,414.65	88,890.26	28.00	47	40	10/1/1990	1990	40	3,535.37	Secondary Treatment - A	44,424	1990	4,731.31	81,326.86	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	12	
199000000216420	10/1/1990	GV C P LIT - BLOWER BLD REM	167,234.71	117,064.30	28.00	47	40	10/1/1990	1990	40	4,180.87	Secondary Treatment - A	50,170	1990	4,731.31	96,175.85	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	12	
199000000216260	10/1/1990	GV D P LIT - BLWR BLD REMOD	26,587.73	18,611.41	28.00	47	40	10/1/1990	1990	40	664.69	Secondary Treatment - A	7,976	1990	4,731.31	15,200.47	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	12	
199000000232000	10/1/1990	GV IMP - FLQ BASIN AERATIO	492,072.81	344,450.97	28.00	47	40	10/1/1990	1990	40	12,301.82	Secondary Treatment - A	147,622	1990	4,731.31	282,988.63	Secondary Treatment - A	FALSE	Secondary Treatment - A	FALSE	12	
199000000232000	10/1/2002	GV IMP - FLQ BASIN AERATIO	7,004.31	2,801.72	16.00	47	40	10/1/2002	2002	40	1,115.97	Secondary Treatment - A	11,563	2002	4,984.51	5,830.09	Secondary Treatment - A	FALSE	Secondary Treatment - A	FALSE	24	
199200000225250	10/1/1992	GV NITR PLT TO GROUNDS	335,861.25	218,298.32	26.00	47	40	10/1/1992	1992	40	8,396.53	Secondary Treatment - A	11,563	1992	4,984.51	213,917.89	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	14	
189000000216090	10/1/1989	GV-HB COST OVERAGE - BLWR BLD	25,293.18	18,337.12	29.00	47	40	10/1/1989	1989	40	632.33	Secondary Treatment - A	6,956	1989	4,609.25	13,647.77	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	11	
189000000216100	10/1/1989	GV-HB COST OVERAGE - LAB/ADM	205,824.29	149,229.09	29.00	47	40	10/1/1989	1989	40	5,145.61	Secondary Treatment - A	56,605	1989	4,609.25	111,384.76	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	11	
189000000216110	10/1/1989	GV-HB COST OVERAGE - REPAIR	56,528.00	40,581.83	29.00	47	40	10/1/1989	1989	40	1,413.20	Secondary Treatment - A	15,546	1989	4,609.25	30,590.94	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	11	
199000000251170	10/1/1990	GV A PLT - BLOWERS	125,935.53	125,935.53	28.00	48	12	10/1/1990	1990	12	0	Admin & General - M	0	1990	4,731.31	-	Admin & General - M	FALSE	Secondary Treatment - A	TRUE	12	
199000000251200	10/1/1990	GV C P LIT - BLOWERS	166,453.91	166,453.91	28.00	48	12	10/1/1990	1990	12	0	Admin & General - M	0	1990	4,731.31	-	Admin & General - M	FALSE	Secondary Treatment - A	TRUE	12	
199000000251140	10/1/1990	GV D P LIT - BLOWERS	71,180.95	71,180.95	28.00	48	12	10/1/1990	1990	12	0	Admin & General - M	0	1990	4,731.31	-	Admin & General - M	FALSE	Secondary Treatment - A	TRUE	12	
199000000232100	10/1/1990	GV D P LIT - AERATION EQPT	27,377.29	19,164.10	28.00	48	40	10/1/1990	1990	40	684.43	Secondary Treatment - A	8,213	1990	4,731.31	15,744.54	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	12	
199000000232040	10/1/1990	GV D P LIT - PIPE GALLERY	232,866.84	163,006.79	28.00	48	40	10/1/1990	1990	40	5,821.67	Secondary Treatment - A	69,800	1990	4,731.31	133,020.56	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	12	
199000000232050	10/1/1990	GV D P LIT - PUMPS	172,728.79	120,910.15	28.00	48	40	10/1/1990	1990	40	4,318.22	Secondary Treatment - A	51,819	1990	4,731.31	99,333.31	Secondary Treatment - A	TRUE	Secondary Treatment - A	TRUE	12	
199000000216080	10/1/1989	GV-HB HVS PONDS - METERING B	44,658.66	32,378.76	29.00	49	40	10/1/1989	1989	40	1,116.47	Secondary Treatment - L	12,282	1989	4,609.25	24,167.07	Secondary Treatment - L	TRUE	Secondary Treatment - A	TRUE	11	
199000000231370	10/1/1989	GV-HB HVS PONDS - NON-PT HZ	151,804.99	105,102.13	29.00	49	40	10/1/1989	1989	40	3,796.71	Secondary Treatment - L	41,766	1989	4,609.25	82,183.86	Secondary Treatment - L	TRUE	Secondary Treatment - A	TRUE	11	
199000000231760	10/1/1989	GV-HB HVS PONDS - POPE GALL	58,812.47	42,638.03	29.00	49	40	10/1/1989	1989	40	1,470.31	Secondary Treatment - L	16,174	1989	4,609.25	31,827.21	Secondary Treatment - L	TRUE	Secondary Treatment - A	TRUE	11	
199000000216070	10/1/1989	GV-HB HVS PONDS - POND STAGE	1,176,249.31	852,760.62	29.00	49	40	10/1/1989	1989	40	29,406.23	Secondary Treatment - L	321,489	1989	4,609.25	636,544.13	Secondary Treatment - L	TRUE	Secondary Treatment - A	TRUE	11	
199200000232310	10/1/1992	GV NITR-CONTRACT-CLARIFIERS	230,965.79	150,118.96	26.00	51	40	10/1/1992	1992	40	5,774.14	Secondary Treatment - F	80,846	1992	4,984.51	147,075.51	Secondary Treatment - F	TRUE	Secondary Treatment - A	TRUE	11	
199200000251260	10/1/1992	GV NITR-EFF PS ELEC & INSTRU	38,269.05	38,269.05	26.00	52	12	10/1/1992	1992	12	0	Secondary Treatment - R	0	1992	4,984.51	-	Admin & General - M	FALSE	Secondary Treatment - Return	TRUE	14	
199200000251250	10/1/1992	GV NITR-PLT PS ELEC & INSTRU	35,247.81	35,247.81	26.00	52	12	10/1/1992	1992	12	0	Secondary Treatment - R	0	1992	4,984.51	-	Admin & General - M	FALSE	Secondary Treatment - Return	TRUE	14	
199200000251260	10/1/1992	GV NITR-PLT PS IMPR TO GROUND	101,463.33	65,947.69	26.00	52	40	10/1/1992	1992	40	2,536.58	Secondary Treatment - R	35,516	1992	4,984.51	64,624.37	Secondary Treatment - R	TRUE	Secondary Treatment - Return	TRUE	14	
199200000251620	10/1/1992	GV NITR-CONTRACT-BUILDING/BL	299,671.04	194,775.92	26.00	53	40	10/1/1992	1992	40	7,491.78	Effluent Disposal - Efflu	104,895	1992	4,984.51	190,867.49	Effluent Disposal - Eff	TRUE	Effluent Disposal - Effluent F	TRUE	14	
199200000251630	10/1/1992	GV NITR-CONTRACT-RETAILING/W	10,070.80	6,545.68	26.00	53	40	10/1/1992	1992	40	251.77	Effluent Disposal - Efflu	3,525	1992	4,984.51	6,414.33	Effluent Disposal - Eff	TRUE	Effluent Disposal - Effluent F	TRUE	14	
199000000251180	10/1/1990	GV CHLOR MAINT SHOP - ELE &	16,426.37	16,426.37	28.00	54	12	10/1/1990	1990	12	0	Effluent Disposal - Chlor	0	1990	4,731.31	-	Admin & General - M	FALSE	Effluent Disposal - Chlorinate	TRUE	12	
199000000232140	10/1/1990	GV CHLOR MS AERATION EQPT	49,278.12	34,495.38	28.00	54	40	10/1/1990	1990	40	1,231.58	Effluent Disposal - Chlor	14,784	1990	4,731.31	28,340.18	Effluent Disposal - Ch	TRUE	Effluent Disposal - Chlorinate	TRUE	12	
199000000216410	10/1/1990	GV CHLOR MS - BUILDING	146,519.62	116,563.73	28.00	54	40	10/1/1990	1990	40	4,162.99	Effluent Disposal - Chlor	49,956	1990	4,731.31	95,764.61	Effluent Disposal - Ch	TRUE	Effluent Disposal - Chlorinate	TRUE	12	
199000000251190	10/1/1990	GV CHLOR MS - COMPRESSOR	10,850.91	10,850.91	28.00	54	12	10/1/1990	1990	12	0	Effluent Disposal - Chlor	0	1990	4,731.31	-	Admin & General - M	FALSE	Effluent Disposal - Chlorinate	TRUE	12	
199000000232130	10/1/1990	GV CHLOR MS - METER BOXES	27,377.29	19,164.10	28.00	54	40	10/1/1990	1990	40	684.43	Effluent Disposal - Chlor	8,213	1990	4,731.31	15,744.54	Effluent Disposal - Ch	TRUE	Effluent Disposal - Chlorinate	TRUE	12	
199000000232120	10/1/1990	GV CHLOR MS - PIPE GALLERY	29,547.47	20,697.23	28.00	54	40	10/1/1990	1990	40	739.19	Effluent Disposal - Chlor	8,870	1990	4,731.31	17,004.11	Effluent Disposal - Ch	TRUE	Effluent Disposal - Chlorinate	TRUE	12	



198900000231720	10/1/1989	GV-HB SLDY DIGEST - SLUDGE M	415,257.01	301,054.23	29.00	60	40	10/1/1989	1989	40	10,381.43	Sludge Handling & Dwp	114,203	1989	4,609.25	224,722.27	Sludge Handling & Dn	TRUE	Sludge Handling & Disposol -	TRUE	11
198900000216040	10/1/1989	GV-HB SLDY DIGESTORS - DIGES	1,696,781.69	1,230,137.69	29.00	60	40	10/1/1989	1989	40	42,419.54	Sludge Handling & Dwp	466,644	1989	4,609.25	918,237.67	Sludge Handling & Dn	TRUE	Sludge Handling & Disposol -	TRUE	11
199000000232070	10/1/1990	GV D PLT - INFLUENT EQPT	18,616.56	13,031.69	28.00	61	40	10/1/1990	1990	40	465.41	Sludge Handling & Dwp	5,585	1990	4,731.31	10,706.29	Sludge Handling & Dn	TRUE	Sludge Handling & Disposol -	TRUE	12
199000000232060	10/1/1990	GV D PLT - POLYMER STS	9,855.82	6,899.07	28.00	61	40	10/1/1990	1990	40	246.40	Sludge Handling & Dwp	2,957	1990	4,731.31	5,668.03	Sludge Handling & Dn	TRUE	Sludge Handling & Disposol -	TRUE	12
198900000231780	10/1/1989	GV-HB COST OVERAGE - DE WATE	45,683.54	33,119.78	29.00	61	40	10/1/1989	1989	40	1,142.09	Sludge Handling & Dwp	12,564	1989	4,609.25	24,722.30	Sludge Handling & Dn	TRUE	Sludge Handling & Disposol -	TRUE	11
198900000231820	10/1/1989	GV-HB COST OVERAGE - RAPID M	26,194.64	18,990.67	29.00	61	40	10/1/1989	1989	40	654.87	Sludge Handling & Dwp	7,204	1989	4,609.25	14,175.60	Sludge Handling & Dn	TRUE	Sludge Handling & Disposol -	TRUE	11
199000000251150	10/1/1990	GV D PLT - CONVEYORS	17,521.46	17,521.46	28.00	65	12	10/1/1990	1990	12		Sludge Handling & Dwp	0	1990	4,731.31		Admin & General - M	FALSE	Sludge Handling & Disposol -	FALSE	12
199000000216320	10/1/1990	GV D PLT - HYDROPHILU TANK	30,401.93	21,781.33	28.00	66	40	10/1/1990	1990	40	760.05	Admin & General - Treat	9,121	1990	4,731.31	17,484.00	Admin & General - Tr	TRUE	Admin & General - Treatment	TRUE	12
199000000225210	10/1/1990	GV IMP - IMP TO GROUNDS	1,649,158.15	1,154,410.71	28.00	66	40	10/1/1990	1990	40	41,228.95	Admin & General - Treat	494,747	1990	4,731.31	94,442.66	Admin & General - Tr	TRUE	Admin & General - Treatment	TRUE	12
199000000216400	10/1/1990	GV IMP - JUNCTION BOX ABC	59,562.03	41,693.42	28.00	66	40	10/1/1990	1990	40	1,489.05	Admin & General - Treat	17,869	1990	4,731.31	24,253.83	Admin & General - Tr	TRUE	Admin & General - Treatment	TRUE	12
199200000225310	10/1/1992	GV NTR-CONTRACT-IMP-RO TO GRO	25,274.29	16,427.42	26.00	66	40	10/1/1992	1992	40	631.86	Admin & General - Treat	8,847	1992	4,984.51	16,097.79	Admin & General - Tr	TRUE	Admin & General - Treatment	TRUE	14
199000000251210	10/1/1990	GV YARD - ELEC & INSTR	366,855.67	366,855.67	28.00	66	12	10/1/1990	1990	12		Admin & General - Treat	0	1990	4,731.31		Admin & General - M	FALSE	Admin & General - Treatment	FALSE	12
199000000225230	10/1/1990	GV YARD - IMPROV TO GROUNDS	54,754.58	38,328.21	28.00	66	40	10/1/1990	1990	40	1,368.86	Admin & General - Treat	16,426	1990	4,731.31	31,489.09	Admin & General - Tr	TRUE	Admin & General - Treatment	TRUE	12
199000000225220	10/1/1990	GV YARD - ROADWAYS	87,607.32	61,325.12	28.00	66	40	10/1/1990	1990	40	2,190.18	Admin & General - Treat	26,282	1990	4,731.31	50,382.53	Admin & General - Tr	TRUE	Admin & General - Treatment	TRUE	12
199000000225240	10/1/1990	GV YARD - SPRINKLER SYS	98,558.24	68,990.77	28.00	66	40	10/1/1990	1990	40	2,463.96	Admin & General - Treat	29,567	1990	4,731.31	56,680.35	Admin & General - Tr	TRUE	Admin & General - Treatment	TRUE	12
199000000251220	10/1/1990	GV YARD - YARD LIGHTING	153,401.52	153,401.52	28.00	66	12	10/1/1990	1990	12		Admin & General - Treat	0	1990	4,731.31		Admin & General - M	FALSE	Admin & General - Treatment	FALSE	12
199200000232300	10/1/1992	GV NTR-CONTRACT-PUMPING EQU	320,308.84	208,189.78	26.00	93	40	10/1/1992	1992	40	8,007.72	Pumping	112,119	1992	4,984.51	204,012.19	Admin & General - Ps	FALSE	Admin & General - Pumping	FALSE	14
201410000010953	5/1/2012	GOVALL TUNNEL ODOOR/CORROSION RI	8,589,902	1,378,147.15	6.42	90	40	5/1/2012	2012	40	214,747.55	Collection - Collection S	7,211,755	2012	9,308.17	7,027,099.47	Collection - Collection	TRUE	n/A	n/A	34
199000000233040	10/1/1990	GV I&D - MANHOLES	103,938.65	72,757.06	28.00	90	40	10/1/1990	1990	40	2,598.47	Collection - Collection S	31,182	1990	4,731.31	59,774.60	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	12
199000000233070	10/1/1990	GV I&D - MECH & PUMPING EQP	2,004,873.31	1,403,411.32	28.00	90	40	10/1/1990	1990	40	50,121.83	Collection - Collection S	601,462	1990	4,731.31	1,152,992.68	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	12
199000000233050	10/1/1990	GV I&D - PIPE GALLERY	1,565,560.29	1,095,892.20	28.00	90	40	10/1/1990	1990	40	39,139.01	Collection - Collection S	469,608	1990	4,731.31	900,345.94	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	12
199000000233060	10/1/1990	GV I&D - PROCESSING EQUIP	476,212.90	298,699.03	28.00	90	40	10/1/1990	1990	40	10,667.82	Collection - Collection S	128,014	1990	4,731.31	245,490.47	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	12
199000000233030	10/1/1990	GV I&D - SAR SHAFT	1,514,530.52	1,060,171.36	28.00	90	40	10/1/1990	1990	40	37,863.26	Collection - Collection S	454,319	1990	4,731.31	870,998.98	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	12
199200000232280	10/1/1992	GV NTR-CONTRACT-MANHOLES	10,574.34	6,872.96	26.00	90	40	10/1/1992	1992	40	264.36	Collection - Collection S	3,701	1992	4,984.51	6,735.04	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	14
199200000232290	10/1/1992	GV NTR-CONTRACT-PIPE GALLER	504,837.22	328,126.92	26.00	90	40	10/1/1992	1992	40	12,620.93	Collection - Collection S	176,710	1992	4,984.51	321,542.63	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	14
199000000232170	10/1/1990	GV YARD - PIPE GALLERY	632,080.27	442,456.19	28.00	90	40	10/1/1990	1990	40	15,802.01	Collection - Collection S	189,624	1990	4,731.31	363,506.22	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	12
199000000232170	10/1/2002	GV YARD - PIPE GALLERY	8,997.22	3,598.89	28.00	90	40	10/1/2002	2002	40	224.93	Collection - Collection S	5,398	2002	6,537.94	7,488.90	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	24
198900000231790	10/1/1989	GV-HB COST OVERAGE - PIPE GA	95,383.23	69,151.21	29.00	90	40	10/1/1989	1989	40	2,384.58	Collection - Collection S	26,232	1989	4,609.25	51,618.00	Admin & General - V	FALSE	Admin & General - Valves/Pip	FALSE	11
199000000231840	10/1/1989	GV-OC LIFT STAT - MANHOLES	158,342.05	114,795.28	29.00	90	40	10/1/1989	1989	40	3,958.55	Collection - Collection S	43,547	1989	4,609.25	85,689.06	Collection - Lift Stations	TRUE	Collection - Lift Stations	TRUE	11
199700000216550	9/30/1997	GOVAL-PL-SWAGER-BLDG & ST	133,418.00	70,051.30	21.00	72	40	9/30/1997	1997	40	3,335.45	Admin & General - Struct	63,367	1997	5,825.13	98,663.19	Admin & General - St	TRUE	Admin & General - Structures	TRUE	19
199000000216310	10/1/1990	GV D PLT - WATER PUMP BLD	187,676.79	131,373.75	28.00	72	40	10/1/1990	1990	40	4,691.92	Admin & General - Struct	56,303	1990	4,731.31	107,931.99	Admin & General - St	TRUE	Admin & General - Structures	TRUE	12
199000000216370	10/1/1990	GV IMP - ADMIN BLD	254,061.24	177,842.87	28.00	72	40	10/1/1990	1990	40	6,351.53	Admin & General - Struct	76,218	1990	4,731.31	146,109.36	Admin & General - St	TRUE	Admin & General - Structures	TRUE	12
199000000216390	10/1/1990	GV IMP - RETAINING WALLS	40,370.55	28,350.22	28.00	72	40	10/1/1990	1990	40	1,009.26	Admin & General - Struct	12,111	1990	4,731.31	23,216.90	Admin & General - St	TRUE	Admin & General - Structures	TRUE	12
199200000225300	10/1/1992	GV NTR MISC STRUC IMP-RO TO G	86,709.61	56,358.28	26.00	72	40	10/1/1992	1992	40	2,167.74	Admin & General - Struct	30,351	1992	4,984.51	55,227.38	Admin & General - St	TRUE	Admin & General - Structures	TRUE	14
199700000225300	9/30/1997	GOVAL-PL-SWAGER-ELECTRIC	224,105.62	124,105.62	21.00	74	12	9/30/1997	1997	12		Admin & General - Electr	0	1997	5,825.13		Admin & General - El	TRUE	Admin & General - Electric/C	TRUE	19
199700000218100	9/30/1997	GOVAL-PL-SWAGER-ENG	181,402.47	95,245.65	21.00	75	40	9/30/1997	1997	40	4,535.06	Admin & General - Engi	86,157	1997	5,825.13	134,147.89	Admin & General - En	TRUE	Admin & General - Engineeri	TRUE	19
198900000227900	10/1/1989	GV IMPROVMENTS PH II - ENGIN	71,025.53	515,481.34	29.00	75	40	10/1/1989	1989	40	17,775.64	Admin & General - Engi	195,544	1989	4,609.25	384,781.63	Admin & General - En	TRUE	Admin & General - Engineeri	TRUE	11
199000000227910	10/1/1989	GV-HB COST OVERAGE - ENGINEE	1,106,753.50	802,377.35	29.00	75	40	10/1/1989	1989	40	27,668.84	Admin & General - Engi	304,376	1989	4,609.25	598,935.48	Admin & General - En	TRUE	Admin & General - Engineeri	TRUE	11
199000000225510	10/1/1990	GV I&D - BERGS IMP TO GRD	22,577.40	15,804.18	28.00	78	40	10/1/1990	1990	40	564.44	Admin & General - Impo	6,773	1990	4,731.31	12,984.15	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225460	10/1/1990	GV I&D - CANTERBURY LSTA IM	86,247.94	60,373.56	28.00	78	40	10/1/1990	1990	40	2,156.20	Admin & General - Impo	25,874	1990	4,731.31	49,600.76	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225520	10/1/1990	GV I&D - FARM IMP TO GRD	33,866.10	23,706.27	28.00	78	40	10/1/1990	1990	40	846.65	Admin & General - Impo	10,160	1990	4,731.31	19,476.23	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225530	10/1/1990	GV I&D - FIELD IMP TO GRD	45,154.80	31,608.36	28.00	78	40	10/1/1990	1990	40	1,128.87	Admin & General - Impo	13,546	1990	4,731.31	25,968.30	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225550	10/1/1990	GV I&D - GV IMP TO GRD	33,583.89	23,508.72	28.00	78	40	10/1/1990	1990	40	839.60	Admin & General - Impo	10,075	1990	4,731.31	19,313.93	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225500	10/1/1990	GV I&D - HWY71 IM TO GRD	33,866.10	23,706.27	28.00	78	40	10/1/1990	1990	40	846.65	Admin & General - Impo	10,160	1990	4,731.31	19,476.23	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225470	10/1/1990	GV I&D - KREG IMP TO GRD	56,443.51	39,510.46	28.00	78	40	10/1/1990	1990	40	1,411.09	Admin & General - Impo	16,933	1990	4,731.31	32,460.38	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225490	10/1/1990	GV I&D - LUED IM TO GRD	39,510.45	27,657.32	28.00	78	40	10/1/1990	1990	40	987.76	Admin & General - Impo	11,853	1990	4,731.31	22,722.26	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225480	10/1/1990	GV I&D - MPOUS IM TO GRD	108,696.65	76,087.66	28.00	78	40	10/1/1990	1990	40	2,717.42	Admin & General - Impo	32,609	1990	4,731.31	62,510.80	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000225540	10/1/1990	GV I&D - SAR IMP TO GRD	152,723.01	106,906.11	28.00	78	40	10/1/1990	1990	40	3,818.08	Admin & General - Impo	45,817	1990	4,731.31	87,830.24	Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000251130	10/1/1990	GV IMP - FL EQ ELEC & INSTR	653,703.95	653,703.95	28.00	78	12	10/1/1990	1990	12		Admin & General - Impo	0	1990	4,731.31		Admin & General - In	TRUE	Admin & General - Improvem	TRUE	12
199000000251130	10/1/2002	GV IMP - FL EQ ELEC & INSTR	9,3																		

199000000233000	10/1/1990 GV I&D - FARM SHAFT	733,765.57	513,635.90	28.00	90	40	10/1/1990	1990	40	18,344.14	Collection - Collection S	220,130	1990	4,731.31	421,984.93	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000233010	10/1/1990 GV I&D - FIELD SHAFT	496,702.85	347,692.00	28.00	90	40	10/1/1990	1990	40	12,417.57	Collection - Collection S	149,011	1990	4,731.31	285,651.34	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000232960	10/1/1990 GV I&D - HWY 71 SHAFT	966,312.81	676,418.97	28.00	90	40	10/1/1990	1990	40	24,157.82	Collection - Collection S	280,894	1990	4,731.31	555,721.70	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000232970	10/1/1990 GV I&D - HWY71 ACC TUNNEL	430,099.51	301,069.66	28.00	90	40	10/1/1990	1990	40	10,752.49	Collection - Collection S	129,030	1990	4,731.31	247,348.09	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000232910	10/1/1990 GV I&D - KRIEG SHAFT	507,991.55	355,594.09	28.00	90	40	10/1/1990	1990	40	12,699.79	Collection - Collection S	152,397	1990	4,731.31	292,143.42	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000232950	10/1/1990 GV I&D - LHEED ACC TUNNEL	186,263.57	130,384.50	28.00	90	40	10/1/1990	1990	40	4,656.59	Collection - Collection S	55,879	1990	4,731.31	107,119.25	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000232940	10/1/1990 GV I&D - LOCKHEED SHAFT	978,730.39	685,111.27	28.00	90	40	10/1/1990	1990	40	24,468.26	Collection - Collection S	293,619	1990	4,731.31	562,862.98	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000232930	10/1/1990 GV I&D - MPOUS ACC TUNEL	20,319.66	14,223.76	28.00	90	40	10/1/1990	1990	40	507.99	Collection - Collection S	6,096	1990	4,731.31	11,685.74	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000232920	10/1/1990 GV I&D - MPOUS SHAFT	925,673.49	647,971.44	28.00	90	40	10/1/1990	1990	40	23,141.84	Collection - Collection S	277,702	1990	4,731.31	532,350.23	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
199000000233020	10/1/1990 GV I&D - SAR TUNNEL	15,107,460	10,575,222.07	28.00	90	40	10/1/1990	1990	40	377,686.50	Collection - Collection S	4,532,238	1990	4,731.31	8,088,225.25	Collection - Collection	TRUE	Collection - Collection System	TRUE	12
Total		145,773,675	72,173,223							4,526,276		77,600,452				Av Remaining Years =			14	



## Attachment GC-4

# EXHIBIT A

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

THE STATE OF TEXAS §

COUNTIES OF TRAVIS §  
AND WILLIAMSON §

KNOW ALL MEN BY THESE PRESENTS:

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

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

## ARTICLE I

### ISSUANCE OF BONDS BY THE DISTRICT

#### A. Bonds For District Facilities

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

## EXHIBIT A

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

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

### B. Bonds for Special Facilities

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

# EXHIBIT A

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

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

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

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

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

## EXHIBIT A

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

### ARTICLE II

#### WATER SUPPLY

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

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

## EXHIBIT A

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

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

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

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

### ARTICLE III

#### SEWAGE TREATMENT

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

## EXHIBIT A

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

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

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

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

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

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

# EXHIBIT A

## ARTICLE IV

### OPERATION AND MAINTENANCE

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

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

## ARTICLE V

### AREA OF AND LIMITATIONS ON SERVICE

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

## ARTICLE VI

### LIMITATION ON LIABILITY

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



# EXHIBIT A

## ARTICLE VII

### ANNEXATION

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

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

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

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

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

## EXHIBIT A

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

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

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

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

## EXHIBIT A

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

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

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

## EXHIBIT A

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

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

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

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

# EXHIBIT A

## ARTICLE VIII

### ADDITIONAL REQUIREMENTS

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

## ARTICLE IX

### CONSTRUCTION OF DISTRICT FACILITIES

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

## ARTICLE X

### LAND AND EASEMENT COSTS

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

## ARTICLE XI

### LAND USE AND DEVELOPMENT

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

## EXHIBIT A

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

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

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

## EXHIBIT A

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

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

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

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

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

### ARTICLE XII

#### ASSIGNMENT OF AGREEMENT

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

# EXHIBIT A

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

## ARTICLE XIII

### TERM OF AGREEMENT

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

## ARTICLE XIV

### JOINT CONTRACTING

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

## ARTICLE XV

### SEVERABILITY AND ENFORCEABILITY

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

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

## ARTICLE XVI

### BENEFITS OF AGREEMENT

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



# EXHIBIT A

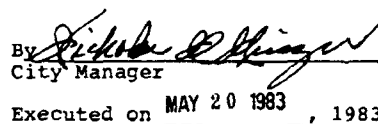
confirmation of the creation of the District and approval and execution of this Agreement by the Board of Directors of the District.

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

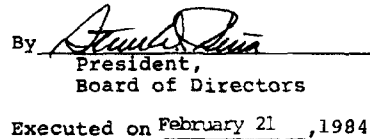
APPROVED AS TO FORM:

By   
Albert DeLaRosa  
City Attorney

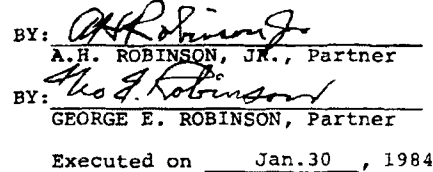
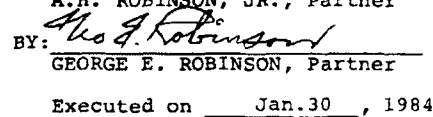
CITY OF AUSTIN, TEXAS

By   
City Manager  
Executed on MAY 20 1983, 1983

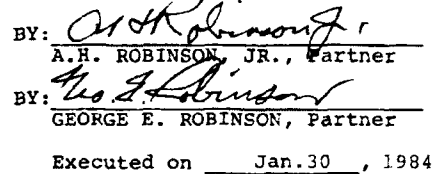
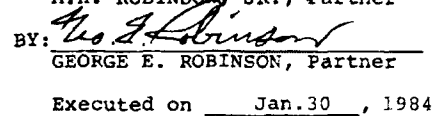
NORTH AUSTIN MUNICIPAL  
UTILITY DISTRICT NO. 1

By   
President,  
Board of Directors  
Executed on February 21, 1984

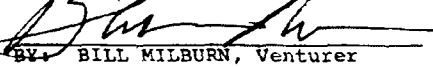
AUSTIN WHITE LIME COMPANY

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

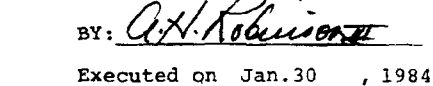
ROBINSON RANCH

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

MILWOOD JOINT VENTURE

  
BY: BILL MILBURN, Venturer

BY: PALMAR ASSOCIATES, Venturer

BY:   
Executed on Jan.30, 1984

# EXHIBIT B

#2

## AGREEMENT CONCERNING CREATION AND OPERATION OF NORTHTOWN MUNICIPAL UTILITY DISTRICT NO. 1

THE STATE OF TEXAS §  
§ KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF TRAVIS §

THIS AGREEMENT is made and entered into by and among the City of Austin, Texas (hereinafter referred to as the "City"), a municipal corporation situated in Travis County, Texas, acting herein by and through its undersigned duly authorized City Manager, as authorized by specific action of its City Council; Northtown Municipal Utility District No. 1 (hereinafter referred to as the "District"), a municipal utility district created on the 14th day of August, 1985, by order of the Texas Water Commission and operating pursuant to Chapter 54 of the Texas Water Code; and Pflugerville Joint Venture, a Texas joint venture, (hereinafter collectively referred to as the "Joint Venture"), the holder of legal title to all of the land comprising the District, which consists of approximately 1231.772 acres situated wholly in Travis County, Texas, and lying within the extraterritorial jurisdiction of the City and the extraterritorial jurisdiction of the City of Pflugerville, which land is more particularly described in Exhibit "A", attached hereto and incorporated herein by reference and lying within the preferred growth corridor of the City as designated by the Austin Tomorrow Comprehensive Plan.

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

### ARTICLE I COMPLIANCE WITH CITY WATER DISTRICT ORDINANCE

A. Except as otherwise expressly provided herein, the consent to the creation of the District hereby granted by the City is subject to, and the creation and operation of the District shall be in accordance with, the Water District Ordinance adopted by the City Council of the City of Austin on August 19, 1981, by Ordinance Number 810819-B, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein by reference ("Water District Ordinance"). The terms and conditions of the Water District Ordinance are made a part of this Agreement for all purposes to the extent permitted by law.

B. Anything herein and in the Water District Ordinance to the contrary notwithstanding, the City has granted the District an exception to the Water District Ordinance by granting the District the authority to issue bonds and to make surcharge calculations, if applicable, for all internal drainage facilities built by the District to the extent permitted by the Texas Water Commission, but in any case, Joint Venture shall pay 30% of the costs of the internal drainage facilities as required by the Water District Ordinance.

C. Anything herein and in the Water District Ordinance to the contrary notwithstanding, financial consultant and bond counsel fees which are paid with proceeds of bonds issued by the District shall be limited in accordance with Exhibit "C", attached hereto and incorporated herein by reference.

### ARTICLE II ISSUANCE OF BONDS BY THE DISTRICT

#### A. Bonds for District Facilities

1. The District agrees that it shall only issue bonds and notes, including bond anticipation notes, for the purposes and in the manner provided by the Water District Ordinance and

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the rules and requirements of the Texas Water Commission. All bonds and notes of the District (the "District bonds") and the terms and provisions thereof shall be approved by the City Council of the City prior to the issuance thereof; provided, however, that any authorization which may be granted hereunder by the City of a principal amount of District bonds (plus interest) proposed to be issued by the District shall be deemed to include the approval of bond anticipation notes in a principal amount not to exceed the amount of principal and interest of the District bonds so authorized. It is specifically agreed that the District bonds, when issued, shall be secured by a pledge of the District's taxes and revenues. The District shall be authorized to issue bonds to finance temporary wastewater pump stations and related facilities with participation by area landowners desiring service.

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

### B. Bonds for Special Facilities

To enable the City to supply water to the District and to receive and treat wastewater from the District in accordance with the provisions of Articles III and IV hereof, the parties hereby acknowledge that major extensions and improvements to the City's existing water and sewer facilities shall be necessary, all as more fully described and identified in the Utility Construction Contract (the "Construction Contract") by and between the District and the City, a proposed form of which is attached hereto as Exhibit "B" and incorporated herein by reference. The Construction Contract shall be approved by the City Council of the City simultaneously with its approval of this Agreement. It is expressly acknowledged that the "Project", as such is defined in the Construction Contract, includes approach mains necessary to serve the District and that no additional City approval of such approach mains shall be required upon completion of the Project.

To finance the cost of acquiring and constructing the Project, the District is hereby authorized to issue bonds and bond anticipation notes, subject to the terms, conditions and procedures set forth in the Construction Contract (the "Contract Bonds"). The Project shall be constructed by the District in accordance with the provisions of the Construction Contract and, upon completion thereof, shall be dedicated to the City. Upon such dedication, all right, title and interest of the District in and to the Project shall vest in the City. The City agrees that, upon completion of the Project, adequate distribution capacity shall be reserved by the City to serve all land within the

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present boundaries of the District and to meet the City's other agreed obligations to supply treated water to the District and to collect wastewater therefrom.

### ARTICLE III WATER SUPPLY

A. At the times and in the manner requested by the District, the City agrees to sell and deliver to the District all water which may be reasonably required for domestic and commercial purposes by users within the District. All such water shall be supplied from the City's water distribution system, as extended by the District, to a point or points of delivery adjacent to the boundaries of the District designated by the District's engineer and approved by the City. The sale and furnishing of water to the District shall be nondiscriminatory and uniform with the policy or policies of the City relating to utilities inside the City's utility service area as established by Ordinance Number 810820-B, as now in effect or hereafter amended. Water supplied to the District pursuant to this Agreement shall be at the rate or rates established by the City for water supplied to water districts generally. The District specifically agrees that the supply of water to the District may be reasonably limited by the City on the same basis and to the same extent as the supply of water to any other customer within the City's service area. "Water", as used in this Article III, shall mean potable water meeting the requirements of the Texas Department of Health for human consumption and other domestic uses. The City agrees to use reasonable efforts to acquire and maintain a supply of water adequate to provide service to the District. The City further agrees to permit the Joint Venture and the District to utilize existing City water facilities for temporary water service on the same basis as other customers within the City's service area until such time as the facilities described in the Construction Contract are completed. Upon execution hereof by the City, this Agreement shall serve as an approved approach main request for water service under the City's approach main policy, as established by Ordinance No. 81 0514-D as hereafter amended from time to time.

B. Metering equipment and related facilities, including a meter loop, a meter house or pit, and standard-type devices required for properly measuring the quantity of water delivered to the District, shall be installed at each point of delivery of water to the District. The District, at its expense, shall install and provide the meter loop and the meter house or pit. The City, at the District's expense, shall provide and install the meter. The City, at its expense, shall operate and maintain the metering equipment and related facilities and shall calibrate the metering equipment upon request by the District; provided, however, that the cost of calibrating the metering equipment shall be borne by the District if requested more frequently than once every twelve (12) months. Any meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered during the corresponding period immediately preceding such failure, subject to reasonable adjustments for seasonal and climatic considerations, unless the City and the District otherwise agree. The metering equipment shall be read once each City billing cycle.

C. 1. Rates charged to customers of the District for water delivered pursuant to this Article III shall be set by the District and shall not be less than those normally charged by the City for comparable customers within the City, as established from time to time by the City Council of the City.

2. In addition to the rates charged under the preceding subsection C.1., the District shall charge and collect from its in-district customers a monthly surcharge which shall be calculated in the same manner as provided in Article VIII,

## EXHIBIT B

Section E. of this Agreement for calculating the surcharge which may be charged by the City after annexation of the District into the City. In the event the District utilizes the Big Walnut Creek Wastewater Interceptor to serve a customer of the District, the District shall also collect a fee at the time of purchase of a tap from the District of Three Hundred Forty-five Dollars (\$345.00) per living unit equivalent from that customer as required by City Ordinance No. 821014-B as a subsequent user of the Interceptor, and shall further collect a monthly fee of \$10.07 pursuant to City Ordinance No. 821014-B from such customers who utilize the Big Walnut Creek Wastewater Interceptor. Provided, however, such fee shall not be collected by the City from the District at the time the District purchases its master meter. Further provided, that the exemptions set forth in Ordinance 821014-B shall remain applicable. The City and the District agree to work together to establish a one time charge in lieu of the monthly charge of \$10.07. All such fees collected by the District pursuant to Ordinance 821014-B shall be remitted to the City on a monthly basis.

3. The District shall collect from all customers to whom the District sells water and/or sewer taps, a fee designed to foster the general purposes and intent of the City's Capital Recovery Fee Ordinance, Ordinance No. 821216-B, as amended from time to time. Such fees and any applicable offsets or credits shall be calculated according to the criteria and formula provided for in Exhibit "E" attached hereto and incorporated herein by reference. The District shall promptly remit all such fees collected by the District to the City's Water and Wastewater Department.

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

E. The District shall promote compliance with the City's water conservation ordinance, as amended from time to time.

### ARTICLE IV SEWAGE TREATMENT

A. The City agrees to receive, treat, and dispose of all sewage which is collected by the District and delivered to a point or points of delivery into the City's sanitary sewer trunk line, as extended by the District. Said point or points of delivery shall be designated by the District's engineer and approved by the City. Sewage treatment and disposal services provided to the District shall be nondiscriminatory and uniform with the policy or policies established by the City Council of the City relating to utilities in the City's utility service area, as established by Ordinance Number 810820-B, as now in effect or hereafter amended. Sewage received from the District and treated by the City pursuant to the terms of this Agreement shall be at the rate or rates established by the City for sewage received from water districts generally. The District specifically agrees that the treatment of sewage received from the District may be reasonably limited by the City on the same basis and to the same extent as the treatment of sewage received from any other customer within the City's service area. The City agrees to use reasonable efforts to acquire and maintain sewage treatment capacity adequate to provide service to the District. The City further agrees to permit the Joint Venture and the District to utilize existing City sewer facilities for temporary sewer service on the same basis as other customers within the City's service area until such facilities described in the Construction Contract are completed. Upon execution hereof by the City, this Agreement shall serve as an approved approach main

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request for sewer service under the City's approach main policy, as established by Ordinance No. 810514-D as hereafter amended from time to time.

B. 1. Rates charged to customers of the District for sanitary sewer service shall be set by the District and shall not be less than those normally charged by the City for comparable customers within the City, as established from time to time by the City Council of the City.

2. In addition to the rates charged under the preceding subsection C.1., the District shall charge and collect from its in-district customers a monthly surcharge which shall be calculated in the same manner as provided in Article VIII, Section E. of this Agreement for calculating the surcharge which may be charged by the City after annexation of the District into the City.

3. The District shall collect from all customers to whom the District sells water and/or sewer taps, a fee designed to foster the general purposes and intent of the City's Capital Recovery Fee Ordinance, Ordinance No. 821216-B, as amended from time to time. Such fees and any applicable offsets or credits shall be calculated according to the criteria and formula provided for in Exhibit "E" attached hereto and incorporated herein by reference. The District shall promptly remit all such fees collected by the District to the City's Water and Wastewater Department.

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

D. Industrial waste, if any, received by the District, shall be processed in a manner consistent with the provisions of the City's Industrial Waste Ordinance, Sections 12-2-76 through 12-2-85 of the 1981 Code of the City of Austin, as amended from time to time.

### ARTICLE V OPERATION AND MAINTENANCE

The District shall operate and maintain the water and wastewater system located within the District (the "District facilities"). Unless the City and the District enter into a contract for the City to operate the system in such manner and for such compensation as may be mutually agreeable. The District shall have the obligation to inspect all water and wastewater connections made in the District for compliance with the requirements of the Uniform Plumbing Code and the City's local amendments thereto, the water and wastewater service detail promulgated by the Water and Wastewater Department of the City, as hereafter amended from time to time, and the rules and regulations of the Texas Department of Water Resources. Water meters shall be purchased by the District from the City's Water and Wastewater Department at cost.

B. The District shall operate and maintain the parks and recreational facilities located within the District to the extent permitted by law; provided, however, that in the event it is ever determined by the Texas Water Commission or any court of competent jurisdiction that the District is legally incapable of operating and maintaining such facilities, the City shall accept the public parks and recreational facilities located within both the District and the City's extraterritorial jurisdiction for operation and maintenance.

## EXHIBIT B

C. The District shall file a copy of its annual audit, and a copy of its proposed budget for the following year showing expenses, income and revenue sources, with the City Clerk, Director of Finance and City Manager of the City.

### ARTICLE VI AREA OF AND LIMITATIONS ON SERVICE

A. Except as authorized in Section B of this Article VI, unless the prior approval of the City Council of the City is obtained, the District shall not: (1) construct or install water or wastewater lines or facilities to serve areas outside the District; (2) sell or deliver City water or wastewater service to areas outside the District; or (3) annex any additional lands to the District.

B. With respect to all land within the City's extraterritorial jurisdiction for which annexation to the District or out-of-district service is hereafter requested, the owner of such land shall be required to submit a land use plan covering the land for which annexation or out-of-district service is sought at the time such approval is requested. Any land within the City's extraterritorial jurisdiction for which annexation or out-of-district service is requested shall be developed in accordance with the approved land use plan, in the same manner set forth in Article XII for land originally included within the District.

### ARTICLE VII LIMITATION ON LIABILITY

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

### ARTICLE VIII ANNEXATION BY CITY

A. The parties hereto acknowledge and agree that approximately 1230.872 acres, more or less, of the total 1231.772 acres of land comprising the District lie within the extraterritorial jurisdiction of the City and that .9 acres of the total 1231.772 acres of land lie within the extraterritorial jurisdiction of the City of Pflugerville; the land is not bordered by any other city, town or village; and that the portion lying within the extraterritorial jurisdiction of the City is scheduled for annexation by the City in accordance with the Annexation Plan of the City.

B. In furtherance of the purposes of this Agreement, the District and the Joint Venture, and their respective successors and assigns, covenant and agree to the extent allowed by law that, except upon written consent of the City Council of the City they will not: (1) seek or support any effort to incorporate any land within the District, or any part thereof; or (2) sign, join in, associate with, or direct to be signed any petition seeking to incorporate any land in the District or to include any of such land within the boundaries of the City or any other incorporated entity. The Joint Venture shall notify each person or entity purchasing property within the District from the Joint Venture of the annexation provisions of this Agreement and that any attempt to incorporate all or any part of the District would be contrary to the intent and purpose of this Agreement.

C. All parties to this Agreement respectively agree that one of the purposes of this Agreement is to effectuate the provisions of Section 54.016(f) of the Texas Water Code regarding annexation pursuant to the terms and conditions of a contract

## EXHIBIT B

between a district and a city. It is further understood that, by enacting the ordinance granting consent to the creation of the District and by executing this Agreement, the City has begun to provide for the legal process of annexation of the District land which lies within the City's extraterritorial jurisdiction, and it is mutually agreed that all parties hereto shall use their best efforts to bring about the conclusion of that process in accordance with the terms hereof.

D. It is expressly understood and agreed that the City may complete the annexation process and annex land lying within the City's extraterritorial jurisdiction upon the following terms and conditions:

1. The District agrees that at least ninety percent (90%) by dollar amount of the total District facilities to be constructed for which District bonds are being authorized in this Agreement ("requisite percentage of District facilities") will be installed within eight (8) years from the date of confirmation of the creation of the district. At anytime following the installation of the requisite percentage of District facilities, the annexation process may begin on land within the District and such land may be included in the corporate boundaries of the City. If such installation of the requisite percentage of facilities has not been accomplished within said eight (8) year period, the City, at its option may begin to annex land within the District lying within the City's extraterritorial jurisdiction. After the City has annexed more than seventy-five percent (75%) of the land within the district by acreage or after the City has annexed more than seventy-five percent (75%) of the land within the District by tax assessed value, whichever occurs later, whether or not the requisite percentage of District facilities has been installed, the City shall, within ninety (90) days of that time annex the remaining portion of the District in its extraterritorial jurisdiction. The District shall be dissolved on the date and in the manner specified in the ordinance completing such annexation of all land within the District lying within the City's extraterritorial jurisdiction, but in no event more than ninety (90) days after the effective date of such annexation. Upon the dissolution of the District, the City shall immediately succeed to all properties, powers, duties, assets, debts, liabilities and obligations of the District.

2. Notwithstanding the provisions of the preceding Subsection D.1 or of Article IX of this Agreement, if, prior to the installation of the requisite percentage of District facilities, the City is presented with a valid petition for annexation of lands within the District in aid of incorporation which complies with the provisions of the Municipal Annexation Act (Article 970a, V.T.C.S.) and all other statutes, ordinances and charter provisions relating to incorporation, or if the City finds annexation to be feasible, the City shall be authorized to complete the annexation process to include such land within the corporate boundaries of the City. Provided, however the District shall continue in existence until and under terms and conditions set out in Subsection D1 above.

3. During the period following annexation of lands within the District but preceding dissolution of the District, the District shall, to the extent permitted by law, be responsible for providing water and wastewater service to residents of the annexed lands. The City shall be responsible for the provision of all other governmental services, including maintenance of parks and recreational areas, to the residents of the annexed lands within the district. Upon dissolution of the District, the City shall become responsible for provision of all governmental services to residents of such lands.



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E. The District shall be dissolved and the City shall succeed to all the remaining properties, powers, duties, assets, debts, liabilities, and obligations to the District no later than the occurrence of the first of either of the following: (i) the retirement of the District's bonded indebtedness or (ii) the expiration of forty (40) years from the date this Agreement is executed by the District.

F. After annexation of all District land located within the City's extraterritorial jurisdiction into the City and dissolution of the District resulting therefrom, the City may collect a surcharge in addition to the rates for water and sewer services for property that was within the territorial boundaries of the District at the time of annexation, as provided by Section 54.016(h) of the Texas Water Code. Such surcharge shall be calculated according to the criteria and formula provided for in Exhibit "F" attached hereto and incorporated herein by reference. The surcharge may continue for thirty (30) years after the initial District debt is issued or until the bonded indebtedness of the District has been retired, whichever occurs last, but in no case for a longer period of time than is necessary to wholly compensate the City for its assumption of the bonded indebtedness of the District. If the total principal amount of bonds for District facilities is greater or less than the total estimated amount of bonds which was used to calculate the surcharge, if the average annual effective interest rate of the bonds becomes greater or less than the rate used to calculate the surcharge, or if it becomes evident as a result of the subdivision process or annexation of land to the District that the total number of dwelling unit equivalents within the District will be greater or less than the total number used to calculate the surcharge, then the District and the City agree to recalculate the surcharge accordingly, and such recalculated surcharge shall be charged and collected beginning in the month following such recalculation as provided herein. It is specifically acknowledged and agreed that the special rate described above has been calculated, and any recalculation thereof shall be calculated, as provided in the Water District Ordinance for Growth Area III, Extraterritorial Jurisdiction 0-2 miles. Each purchaser of land within the District shall be furnished by the Joint Venture, or its successors or assigns, prior to the final closing of the sale and purchase, a separate written notice executed and acknowledged by the seller which shall contain the information required by Section 54.016(h)(4)(A) of the Texas Water Code. The District shall comply with Section 54.016(h)(4)(B) of the Texas Water Code.

### ARTICLE IX OBLIGATIONS AFTER ANNEXATION

Except as otherwise provided herein, when the land within the District and within the City's extraterritorial jurisdiction is annexed to the City and the District is dissolved, the Joint Venture and the District shall incur no further contractual obligations and responsibilities pursuant to this Agreement; provided, however, that any such obligations or responsibilities which may have been incurred prior to annexation shall not be affected thereby unless the City succeeds to such obligations or responsibilities pursuant to law or this Agreement or by further agreement of the applicable parties.

### ARTICLE X CONSTRUCTION OF DISTRICT FACILITIES

With the consent of the District, the Joint Venture or its successors and assigns may serve as the project manager for the construction of all water, wastewater and drainage facilities to be constructed or acquired by the District. It is provided, however, that no construction of any facility shall commence unless the plans and specifications therefor have been approved by the City; the Texas Department of Water Resources; the Texas Department of Health, where applicable; and all other governmental entities having jurisdiction. The City shall have

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the right to inspect all facilities being constructed by the District and to charge and collect the standard inspection fee therefor; provided, that no such inspection fees may be collected as to the facilities described as the "Project" by the Construction Contract. Upon the issuance and sale of its bond anticipation notes or bonds for such purposes, the District may reimburse the Joint Venture for the cost of construction of any facilities constructed by the Joint Venture to the extent authorized by the Texas Department of Water Resources and permitted by the Water District Ordinance. To the extent the District is not permitted to pay the Joint Venture for any facilities, the Joint Venture shall dedicate such facilities to the District without compensation. Construction of the facilities herein contemplated shall be accomplished in accordance with the provisions of Article VIII, Section D.1. of this Agreement.

### ARTICLE XI LAND AND EASEMENT COSTS

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

### ARTICLE XII LAND USE AND DEVELOPMENT

A. The Joint Venture, its successors and assigns, covenant and agree that, at the time the creation of the District is confirmed by the residents of the District or prior to development of the Property, whichever occurs first, the following restrictive covenants, numbered one (1) through nine (9), shall be placed of record in the Real Property Records of Travis County, Texas, in a form approved by the City Attorney, which covenants and restrictions shall run with the property and be binding upon the Joint Venture and its successors and assigns:

1. The property shall be developed and maintained in a manner which meets or exceeds the standards for landscaping set out in the City's Landscape Ordinance, as codified in Section 13-2-135 of the 1981 Code of the City of Austin, as amended from time to time, or as such landscaping standards may be carried forward into any comprehensive revision to the City Zoning Ordinance which may hereafter become effective.

2. The property shall be developed and maintained in a manner which meets or exceeds the standards set out in the City's Waterway Development Ordinance, as codified in Divisions 1 and 2, Article IV of Chapter 9-10 of the 1981 Code of the City of Austin, as amended from time to time.

3. Construction on the property shall be in compliance with the City's Building Code, including but not limited to any provisions thereof relating to construction in floodplains, the City's Plumbing Code and the City's Electrical Code, as the same may be amended from time to time. The City Building Inspection Department shall have the right, but not the obligation, to inspect and approve all construction for compliance with this subsection 3. ✓

4. The subdivision of the property shall require approval of subdivision plats by the City Planning Commission as provided by Art. 974a V.T.C.S., as amended, and Chapter 13-3 of the 1981 Code of the City of Austin, as amended from time to time.

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5. Any use of any portion of the property for a use or uses other than single family residential or duplex residential shall require site plan approval of such use(s) by the City Planning Commission in accordance with the site plan review procedures and the development standards prescribed by the City's Principal Roadway Area Ordinance, as codified in Article VI of Chapter 13-2 of the City of Austin, as amended from time to time, or as such Principal Roadway Area standards and site plan review procedures may be carried forward into any comprehensive revision to the City Zoning Ordinance which may hereafter become effective. Such portion of the property requiring site plan approval shall be developed and maintained in a manner consistent with the approved site plan. Such site plan approvals which may be required after the effective date of any comprehensive revision to the City Zoning Ordinance shall comply with such "compatibility standards" as may be included therein. ✓

6. Portions of the property may be used for industrial use, as described by the City's Zoning Ordinance, upon the approval of the City. The owner(s) of such proposed industrial site(s) shall be required to enter into a Planned Development Area and Industrial District Agreement with the City as allowed by Art. 970a, Sec. 5 V.T.C.S., as amended, upon such approval. Provided, however, that this requirement to enter into a Planned Development Area and Industrial District Agreement shall not apply if the proposed industrial site has been annexed into the City.

7. The erection and maintenance of billboards and signs on the property shall be consistent with the standards of Chapter 13-13 of the 1981 Code of the City of Austin, as amended from time to time.

8. The property shall be developed and maintained in accordance with the land use buffering standards established in any revisions to the City's Zoning Ordinance which may hereafter become effective.

9. Any City reviews, permits, approvals or inspections required by these covenants and restrictions or necessary to evidence compliance herewith shall require the payment to the City of the standard fees for performing the same.

B. The Joint Venture, its successors and assigns, shall develop and maintain the land within the District in accordance with the land plan attached hereto as Exhibit "C" and incorporated herein by reference, including all notations thereon, as the same may be amended from time to time with the concurrence of a majority of the members of the City Council of the City and Joint Venture, its successors and assigns (the "land plan"), except as otherwise hereinafter provided. It is acknowledged and agreed that the densities and land use intensities reflected on the land plan are not guaranteed levels of development, but represent the maximum levels of development which can be achieved subject to the reduction thereof necessitated by compliance with the requirements of applicable ordinances. Variances, exceptions or waivers from the requirements of the preceding Section A. are not guaranteed. Any increases in the overall gross density of development, any changes in the intensity of the land uses, or any changes in the land uses shown on the land plan may only be made with the concurrence of a majority of the members of the City Council of the City and the Joint Venture, its successors and assigns. The City Planning Commission shall make a recommendation to the City Council on any such proposed change in the land plan. Provided, however, that transfers of densities and land uses at or below the maximum levels as reflected on the land plan may be approved administratively by the City Planning Director. Any decreases in land use intensity or density shall not require approval by the Planning Commission or City Council of the City, except as to plat approval by the Planning Commission as provided above. X

## EXHIBIT B

C. All subdivision plats of the property shall be consistent with the land plan, which shall be updated as each section of the property is platted. The City Planning Director shall determine whether a plat is in substantial compliance with the land plan. Any person aggrieved by the decision of the Planning Director may appeal such decision by filing a written notice thereof with the City Clerk within ten (10) days of the date of such decision. The City Council shall then hold a public hearing and render a decision either affirming or reversing such decision within fifteen (15) days of the date of such notice of appeal.

D. All boundary street improvements within the District shall be constructed in accordance with applicable City policies and ordinances. The Joint Venture shall construct, at its expense, all arterial roadways within the District, the final design and alignment of which shall be approved by the Planning Commission through the subdivision process after recommendations by the Urban Transportation and Public Works Departments of the City. Further, the arterial roadways within the District shall be constructed with divided sections where adjacent land uses are residential. Dessau Road (Howard Lane) from the District's most westerly boundary west to the service road of Interstate 35 shall be fully built to urban standards and according to the City's adopted Roadway Plan, as it may be amended, at or prior to such time that enough lots receive final plat approval to increase the projected traffic counts to 2,500 trips per day on that section of Dessau Road (Howard Lane). This section of roadway shall be built under the following conditions:

- (1) The Joint Venture shall attempt to acquire right-of-way for this roadway section and then fully construct the road; or
- (2) Should the Joint Venture be unable to acquire the right-of-way, the City shall acquire the right-of-way and the Joint Venture shall construct this section as set forth above, or
- (3) Should the adjacent property owner subdivide and/or develop his property adjacent to the roadway, such property owner shall be required to construct the roadway according to the above standards.

The Joint Venture shall also dedicate to the public Sprinkle Road Cutoff right-of-way as shown on the Land Plan attached to this Agreement. Nothing in this subsection D shall be construed to preclude the Joint Venture from requesting or accepting funds from the State of Texas or County of Travis for use in connection with such roadway construction. No driveway curb cuts for single family or duplex residential property shall be permitted on arterial roadways, as defined by the City's Austin Metropolitan Area Roadway Plan. All allowable curb cuts on major arterial roadways shall be at least two hundred (200) feet apart.

*deleted by  
and amended*

~~E. The Joint Venture agrees to perform a preliminary stormwater detention study which shall be approved by the City's Director of Public Works, prior to approval of the first preliminary subdivision plat. The District and the City agree that should the City determine that regional drainage facilities should be constructed, the District will issue contract bonds for such facilities under Article II, Section B above and pursuant to the requirements for issuance of bonds under the Utility Construction Contract attached hereto as Exhibit "D".~~

F. The Joint Venture agrees and covenants to dedicate, and by these presents does hereby express its intention to dedicate the following:

1. Approximately one hundred and fifty-five and one-tenth (155.1) acres of land in the District as shown on the Land Plan shall be dedicated to the District for parkland

## EXHIBIT B

*deleted by second amendment*  
~~purposes. The acreage designated on the Land Plan as District Park shall be dedicated to the District within one (1) year of confirmation of the District. The acreage designated on the Land Plan as greenbelt shall be dedicated in segments as adjacent property is platted. Provided, however, that the Joint Venture shall retain the right to use all such acreage for calculating density on other parts of the Joint Venture Development even though platted after such dedication. The Joint Venture and the Director of the City's Parks and Recreation Department shall agree on the exact location and configuration of the parkland to be so dedicated.~~

2. The following contributions and dedications shall be made no later than the date of disbursement of the proceeds of the first sale of District bonds.

a. A fire station site of approximately 0.8 acres and located approximately 1.5 miles east of Interstate Highway 35 and one mile north of Dessau Road (Howard Lane) shall be dedicated to the District, as shown on the Land Plan attached hereto.

b. A school site of approximately ten (10) acres shall be dedicated to the Pflugerville Independent School District as shown on the Land Plan attached hereto.

*deleted by second amendment*  
~~c. No later than the date of disbursement of proceeds of the first sale of District bonds, the Joint Venture agrees to construct or acquire the recreational facilities listed on Exhibit "B" attached hereto, for use within the District. The Joint Venture shall not be obligated to expend more than \$1,770,000.00 on the total facilities. Such facilities shall be established in the public parkland shown on the Land Plan and as stated in Exhibit "B". Such facilities shall be donated to the District without cost to the District after construction or acquisition of the facilities.~~

d. In the event that the District is not created, the intention and offer to dedicate expressed in Sections F or G above shall not be effective, but shall be of no force or effect.

### ARTICLE XIII ASSIGNMENT OF AGREEMENT

The Joint Venture, its successors and assigns may, from time to time, transfer, convey or assign all or any part of its rights and obligations under this Agreement with respect to all or any part of the land within the District owned by it. Upon approval by the City of the assignee or assignees, which approval shall not be unreasonably withheld provided that the assignee or assignees assume the liabilities, responsibilities and obligations of the assignor under this Agreement, the party assigning its rights and obligations under this Agreement shall be released from the liabilities, responsibilities and obligations hereof to the extent of the land involved in such assignment or assignments, or to the extent otherwise approved by the City. Neither the District nor the City shall assign this Agreement without written consent of each of the other parties hereto. The Joint Venture is specifically authorized to assign this Agreement to the District upon its creation; provided, however, that such assignment shall not relieve the Joint Venture or its successors or assigns from the obligation to comply with the land use requirements and the other provisions contained herein affecting the use and conditions of sale of property within the District.

### ARTICLE XIV TERM OF AGREEMENT

This Agreement shall be effective from the date of execution hereof by the City and the Joint Venture, and shall continue in effect for a period of forty (40) years from the date of the execution hereof by the District; provided, however, if the

## EXHIBIT B

District is not created within one (1) year after execution of this Agreement by the City, this Agreement shall terminate and be of no effect.

### ARTICLE XV JOINT CONTRACTING

The District shall be and is hereby authorized to contract with any entity, individual, governmental authority or political subdivision for the construction, operation and maintenance of any water, wastewater or other facilities which are within the power of the District to construct, operate or maintain.

### ARTICLE XVI SEVERABILITY AND ENFORCEABILITY

The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect and the application thereof to any other person or circumstance shall not be affected thereby.

In the event that the Texas Water Commission or any court of competent jurisdiction determines that any provision of this Agreement is beyond the scope of the Texas Water Code, the City, the Joint Venture and the District agree to immediately amend this Agreement to conform to such ruling or decision.

### ARTICLE XVII BENEFITS OF AGREEMENT

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

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by its undersigned duly authorized representative, in multiple copies, each of equal dignity, as of the date hereinabove first mentioned.

APPROVED AS TO FORM:

Linda S. Wiegman  
City Attorney - ASST.

CITY OF AUSTIN, TEXAS

By Jorge Carrasco  
Jorge Carrasco  
City Manager

Executed on August 31, 1984

NORTHTOWN MUNICIPAL  
UTILITY DISTRICT NO. 1

By Robert M. Hampel  
Robert M. Hampel, President,  
Board of Directors

Executed on Jan. 6, 1985  
96

## EXHIBIT B

PFLUGERVILLE JOINT VENTURE,  
a Texas joint venture

By: BILL MILBURN INC, a Texas  
corporation, venturer

By: [Signature]  
Bill Milburn, President

Executed on Oct. 18, 1984

By: [Signature]  
William T. Gunn

Executed on Oct 3, 1984

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on 8-31,  
1984 by Jorge Carrasco, City Manager of the City of Austin,  
Texas.

My Commission Expires:  
1-20-85

[Signature]  
Notary Public, State of Texas  
Norma Taylor  
(Name - Typed or Printed)

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on January 6,  
1986 by Robert M. Tiemann, President of the Board of Directors  
of Northtown Municipal Utility District No. 1, on behalf of said  
District.

My Commission Expires:  
9/4/88

[Signature]  
Notary Public, State of Texas  
Judy W. McAnnis  
(Name - Typed or Printed)

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on Oct. 18,  
1984 by Bill Milburn, President of Bill Milburn, Inc., a Texas  
corporation, Venturer of Pflugerville Joint Venture, on behalf of  
said corporation and as Venturer of said joint venture.

My Commission Expires:  
11-13-84

[Signature]  
Notary Public, State of Texas  
DONNA PAIR  
(Name - Typed or Printed)

## EXHIBIT B

STATE OF TEXAS §  
COUNTY OF TRAVIS §

This instrument was acknowledged before me on October 3,  
1983 by William T. Gunn, Venturex of said joint venture.

My Commission Expires:  
5-24-86

Carol Kay George Seale  
Notary Public, State of Texas

Carol Kay George Seale  
(Name - Typed or Printed)



## EXHIBIT C

THE STATE OF TEXAS |  
                          |  
COUNTY OF TRAVIS |

KNOW ALL MEN BY THESE PRESENTS:

THAT FOR and in consideration of the mutual agreements, conditions, covenants and terms hereinafter contained, the City of Austin and Travis County Water Control and Improvement District No. 10 mutually covenant and agree as follows:

### ARTICLE I - Delivery of Water

(a). During the term of this contract City agrees to sell to District, subject to the limitations hereinafter expressed, and District agrees to purchase from City all water required for the operation of District's system within the limits of District for domestic and industrial uses, such water to be supplied from City's water distribution system and delivered at a point in the right-of-way of Red Bud Trail at its intersection with Rocky River Road, in a sixteen inch (16") water main to be constructed under the terms of this agreement.

(b). City shall deliver water to District at a minimum pressure of twenty-five (25) pounds at the master meter or at the point of delivery.

(c). City shall furnish such supply of water as will be adequate to care for the needs of District for domestic and industrial uses, subject at all times to the capacity of its facilities to furnish water to the District after supplying water for all municipal, domestic and industrial uses within the City limits, and after meeting all obligations of the City to supply water, resulting from contracts heretofore executed between the City and other water control and improvement Districts.

(d). No such water delivered to the District by the City under the terms of this contract, shall be sold, or delivered to consumers outside the limits of the District without the written consent of the City; nor shall the District sell or deliver any of such water to any customer who shall offer such water for resale. No such water delivered to the District shall be sold or delivered to customers in any subdivision within the District and within five (5) miles of the corporate boundaries of the City of Austin until such subdivision has been approved by the Planning Commission of the City of Austin, if said subdivision lies outside the Village of West Lake Hills, or approved by the governing body or planning commission of the Village of West Lake Hills if said subdivision lies within said Village. No such water shall be sold or delivered to any customer at any point outside of the present outer perimeter of the limits of the Village of West Lake Hills at any location which is within the limits of any city, town, or village other than the City of Austin.

(e). City shall not be liable to the District or any of its customers, or others for its failure to deliver water to the District where such failure results from the impairment of its facilities, strikes, or conditions beyond its control.

## EXHIBIT C

(f). In every instance where the City of Austin is given a right by this contract to furnish any material or do or perform any act in the District, City may furnish any such material or do or perform any such act, but in no event shall it ever be required to do so.

### ARTICLE II - Rates

(a) District agrees to pay City for all water delivered to District one and one-half (1-1/2) times the rate fixed by the City for retail consumers within the City Limits for like quantities.

(b) City shall render a bill to District for water consumed once each month.

(c) Payments shall be made by District within fifteen (15) days from the billing date for the water delivered to District during the period covered by such bill. Failure to make such payment when and as specified will terminate all obligations of City under this contract, at the option of the City.

(d) The service deposits made by individual customers of District shall be held by the City for the benefit of the District.

(e) Water consumed by the District shall be measured by a compound master water meter of suitable size which shall be installed at the point of delivery of water.

(f) District shall charge its individual customers within District such uniform rate or rates as District shall determine.

### ARTICLE III - Construction

District shall construct its own mains and service lines for the transmission and delivery of water within District and shall use City Standard Specifications, and there shall be no privately owned mains or service lines within such District.

### ARTICLE IV - Present Customers in District

All customers who are now served by lines within the District connected with water lines of the City of Austin shall become customers of the District.

### ARTICLE V - Bonds and Duration of Contract

(a) Inasmuch as any water Improvement Bonds sold by the District may later be assumed by the City, no bonds shall be sold by the District except

## EXHIBIT C

for prices, interest rates, and redemption premiums approved by the City. The Water Improvement Bonds of District shall be callable fifteen (15) years from their date or on any interest paying date thereafter (by giving due notice as provided for in the bonds) and City shall have the option two (2) years after the date of this contract, and on any interest paying date thereafter, to buy the system from District for a price represented by the outstanding bond debt and interest thereon, less funds on hand in the Bond Fund and all other net cash assets of District, upon ninety (90) days' notice prior to any interest paying date thereafter. Any such sale shall be conducted and concluded according to the laws of the State of Texas.

(b). Whenever during the life of this contract the City extends its limits to include any part of the water system of the District, the City shall have the option at any time within one year thereafter to purchase the part of the system so included in the City for the proportionate part of the outstanding indebtedness of the District which the cost of the part so included bears to the total cost of the system, or which the net revenue produced during the year preceding the exercise of such option from the part so included bears to the total net revenue of the District during such year, whichever amount is the greater. Any amounts so paid by the City shall be applied to payment of the outstanding indebtedness of the District.

(c). This contract shall be effective from this date and shall continue in effect for a period of thirty (30) years, but may be terminated at the option of either party hereto by giving twelve (12) months written notice to the other party; upon the expiration of twelve (12) months from the delivery of such notice this contract shall come to an end.

### ARTICLE VI - Operation and Management

(a). The City agrees to operate and manage the District's water system for District and further agrees that such operation and management shall be in accordance with the current system and practices followed by said City in the operation of its own water system.

(b). City shall assume operation and management of such water system from the date upon which such system is put into operation. And in this connection it is agreed and stipulated that from and after such date the City shall have complete control and management of such system, including reading of the meters of District's customers and any and every other thing necessary or incident to the operation and management of an efficient water system, including the servicing of District's outstanding bonds. The City shall disconnect and discontinue service of any customers who may be connected to the District's water system in violation of this contract.

## EXHIBIT C

(c). In order to encourage the extension and development of District's Water system, the District may enter into refund contracts with subdividers within the District; such contracts shall provide for the extension of the water mains to serve such subdivided territory the cost of such extension or extensions to be financed by subdivider and such contracts to provide for refund of such cost to the subdivider as follows:

At the end of the fourth year after the completion of such extension or extensions the District shall refund to such subdivider an amount not to exceed one-half of the total amount of water bills of customers served by and directly connected to such extension or extensions for the preceding year, based upon whatever rates may be charged by the District or any successor of District serving such customers during such year; and at the end of each year thereafter District shall refund to such subdivider an amount not to exceed one-half (1/2) of the total amount of the water bills of customers served by and directly connected to such extension or extensions, based upon whatever rates may be charged by the District or any such successor during such years, such payments to continue for a period of ten (10) years or until the total amount of the cost of such improvements has been refunded, whichever occurs first. Such contracts shall also provide that title to such extension or extensions shall be in the District and that no part of title to such extension or extensions shall remain in the subdivider.

If and when the City exercises its option to purchase such water system or any part thereof from District, City agrees to assume all outstanding obligations of District under all refund contracts involving extensions in approved subdivisions directly connected to the part of the system purchased.

(d). In consideration of its services in this regard the City shall receive the following fees:

(1). For reading meters, billing and collecting from District's customers, the sum of sixty cents (60¢) per bill; provided, however, that such sixty cents (60¢) charge is based on the salary scale existing for city employees as of July 3, 1953, and that for any change in such salary scale, whether an increase or decrease, there shall be a corresponding proportionate change in the charge made under this subsection.

(2). Service charge for maintenance of such water system the sum of forty cents (40¢) per customer per bill. Provided, however, that at the end of each calendar year there shall be an accounting and an adjustment of the fund so accumulated. If the actual cost of maintenance exceeds the total amount of such fees collected then the District shall pay to the City an amount equal to such excess, but if the actual cost of maintenance is less than such accumulated fund, then the excess of such fund over and above the actual cost of such maintenance shall be paid by the City over to the District.

## EXHIBIT C

(3). Connection charge for new customers connected to such system from and after the date upon which the City assumes control and management of such system shall be according to the schedule shown upon the attached rate schedule.

Wherever in this Section (Article VI-d) the term "actual cost" is used, such term means the actual cost of labor and materials plus ten (10%) per cent of such amount for administrative overhead; and for any other service rendered by the City for the District in pursuance of this contract it shall receive as a fee therefor the actual cost, as above defined, to it of such service.

(e). The City shall receive from each individual customer within the District a service deposit as shown upon the attached rate schedule; and neither the City nor the District shall furnish water to any customer until such contract sum has been deposited.

(f). City agrees, in the event it exercises its option to purchase the water system from the District to honor all valid obligations of the District to make refunds to customers of the District who have extended the water system under the terms of a refund contract with the District.

(g). Wherever under the terms of this contract the City is entitled to receive any amount of money, such amount shall be deducted by the City from the fund in its possession derived from collections made for the benefit of the District.

(h). The District shall not furnish water to any customer in a subdivision unless such subdivision complies with the provisions of Article 974a, Vernon's Annotated Civil Statutes of Texas, and with the regulations of the City of Austin concerning subdivisions, if said subdivision lies outside the Village of West Lake Hills and with the regulations of the Village of West Lake Hills if said subdivision lies within the Village of West Lake Hills.

### ARTICLE VII - Ratification and Execution

(a). All the stipulations, promises, undertakings and agreements herein contained by or on behalf of either City or District shall bind the successors and assigns of either party whether so expressed or not; but neither City nor District shall have the right to assign this contract or any part thereof without the consent of the other party.

(b). Either party may waive any default on the part of the opposite party in respect to any provision of this contract without affecting any other provision of the contract; and a waiver of any one default shall not be deemed a waiver of any other or subsequent default or defaults. No delay by either party in enforcing any of its rights under this contract shall be deemed a waiver of such rights.

## EXHIBIT C

(c). In the event either party fails to diligently and punctually perform and comply with any of its obligations under this contract, within the time and in the manner herein provided, such failure shall, at the option of the other party, terminate this contract.

(d). This contract shall be automatically terminated in the event District sells or delivers water to any customer at any point outside of the present outer perimeter of the limits of the Village of West Lake Hills at any location which is within any city, town, or village other than the City of Austin.

### ARTICLE VIII - Approach Main Construction and Reimbursement

(a). Under the supervision of City, and at unit and total prices approved by City, District agrees to cause the following described extension to be made to City's water system, and to furnish all labor, tools, equipment, implements, appliances, materials and funds necessary to construct the same, to wit:

A sixteen inch steel cylinder water pipe line in Red Bud Trail from the east line of Districts booster pumping station site described in Article IX below, and City's water distribution main at the intersection of Red Bud Trail and Lake Austin Blvd.

(b). District agrees that title to said improvement shall pass to City upon acceptance and approval thereof by City after payment by District of all contractors, materialmen, and laborers. District agrees to cause said improvement to be commenced by reliable independent contractors selected upon the basis of being the lowest and best bidders for said work under sealed bids made upon the work to be done and materials to be furnished according to plans and specifications approved in advance of bid opening by City.

(c). Immediately upon completion of the improvements described in Paragraph I, District will furnish City a statement of the actual cost of such work. City will reimburse to District the total cost of such work, in five equal installments, without interest, to become due and payable on or before the first day of July in each of the years 1958, 1959, 1960, 1961 and 1962.

### ARTICLE IX- Site for Booster Pump Station Granted

City hereby grants District the right to construct a booster pumping station and to maintain the same upon the land more particularly described below so long as this contract shall remain in full force and effect, to wit:

Being part of a 43.596 acre tract conveyed to the City of Austin, Travis County, Texas, and more particularly described by metes and bounds as follows to wit:

Beginning at a point in the north right of way line of Red Bud Trail a street in the City of Austin, said point of beginning being N 68° 25' W. 695.56 feet from the point of intersection between the North right of way line of Red Bud Trail and the

## EXHIBIT C

common boundary line between the City of Austin 43.596 acre tract and a 97.15 acre tract owned by the University of Texas;

Thence leaving said point of beginning N. 21° 35' E. 67.33 feet to a point;

Thence N. 68° 25' W. 58.67 feet to an iron pin;

Thence S. 21° 35' W. 67.33 feet to an iron pin in the North right of way line of Red Bud Trail and the most Western corner hereof;

Thence with the north right of way line of Red Bud Trail S. 68° 25' E. 58.67 feet to the Point of Beginning and containing 0.092 acres.

### ARTICLE X.- Special Provisions in Event Contract is Terminated

(a) In the event that City should terminate this contract City hereby agrees to grant to District for the consideration hereinafter provided, easements for the following purposes upon the premises described as follows, to wit:

(1) To be used as a site for a water treatment plant:

Being part of a 43.596 acre tract conveyed to the City of Austin, Travis County, Texas, and more particularly described by metes and bounds as follows to wit:

Beginning at an iron pin in the North right of way line of Red Bud Trail, a street in the City of Austin, Travis County, Texas, said point being N. 68° 25' W. 18.13 feet from a point where the North right of way line of Red Bud Trail intersects the common boundary line between the City of Austin 43.596 acre tract and a 97.15 acre tract owned by the University of Texas;

Thence leaving said Point of Beginning N. 30° 15' E. 350 feet along the West right of way line of a 10 foot egress and ingress easement to an iron pin;

Thence N. 68° 25' W 207.73 feet to an iron pin being the most Northern corner hereof;

Thence S. 30° 15' W. 350 feet to an iron pin in the North Right of Way line of Red Bud Trail and being the most Western corner hereof;

Thence S. 68° 25' E. 207.73 feet along the North right of way line of said Red Bud Trail to the Point of Beginning and containing 1.65 acres more or less.

(2) To be used as a site for a booster pumping station:

That certain tract particularly described by metes and bounds in Article IX of this contract.

## EXHIBIT C

(3) To be used for a water intake line:

Being part of a 43.596 acre tract conveyed to the City of Austin, Travis County, Texas, and more particularly described by metes and bounds as follows to wit:

Beginning at a point in the North right of way line of Red Bud Trail, said point being N. 68° 25' W. 13.07 feet from the point of intersection between the North right of way line of Red Bud Trail and a common boundary line between a 43.596 acre tract owned by the City of Austin and a 97.15 acre tract owned by the University of Texas;

Thence leaving said point of beginning N. 30° 15' E. 405.06 feet along the center line of a 10 foot proposed egress and ingress easement, said centerline being parallel and 5 feet from the East boundary line of a 1.65 acre filter plant site tract;

Thence continuing along the centerline of proposed 10 foot easement N. 29° 07' W. 115.85 feet to a point;

Thence N. 21° 24' W. 146.76 feet to a point;

Thence N. 10° 39' W. 108.28 feet to a point;

Thence N. 31° 47' E. 264.40 feet to a point;

Thence N. 53° 57' E. 387.15 feet to a point;

Thence N. 41° 36' E. 180.92 feet to a point;

Thence N. 84° 48' E. 54.50 feet to a point in the centerline of a proposed 15 foot easement;

Thence along the centerline of said proposed 15 foot easement N. 14° 29' E. 162.42 feet to a point;

Thence N. 20° 52' E. 205.07 feet to a point;

Thence N. 45° 56' E. 173.23 feet to a point;

Thence S. 65° 46' E. 80.72 feet to a point at the approximate edge of Lake Austin;

(b). In the event that City should terminate this contract within five years from its date, the consideration for all said easements to be granted to District shall be Ten Thousand Dollars (\$10,000.00), but if said contract be terminated by City after five years from its date the consideration therefor shall be Ten Thousand Dollars (\$10,000.00) plus Five Hundred Dollars (\$500.00) for each year or fraction of a year in excess of ten years that said contract shall have been in force at the time of such termination.

(c). In the event this contract is terminated, title to that portion of the 16" steel cylinder pipe line which lies in Red Bud Trail between the "beginning" point described in Article IX hereof, and the "beginning" point described in (a) (1) of this Article X shall revert to District and District shall refund to City the cost paid by City for said portion of said line.



## EXHIBIT C

### ARTICLE XI - Costs of Expansions to Distribution System to Serve District.

It is understood and agreed that City's existing distribution system for the delivery of water to District will be enlarged and expanded between West 35th Street and Enfield Road and between Enfield Road and Red Bud Trail in order to serve District's needs, and for that purpose District agrees:

(a) Either to furnish in aid of such construction the sum of Forty Thousand Dollars (\$40,000.00) in cash upon demand by City to aid in such construction, to be reimbursed to District by City in five equal annual installments, without interest, to become due and payable on or before the first day of July in each of the years 1959, 1960, 1961, 1962 and 1963;

(b) Or, in the alternative, and at the option of City, District agrees to pay to City as a fixed connection charge the sum of Six Thousand Dollars (\$6,000.00), no part of which said sum is to be refunded to District.

IN TESTIMONY WHEREOF, the City of Austin, Texas, has executed these presents by its City Manager, hereunto authorized by the City Council, attested with the City's seal by the City Clerk, and the Travis County Water Control and Improvement District No. 10 has executed the same by the President of the Board of Directors, and has caused its seal to be affixed and attested by its Secretary all as of the 13 day of June, 1957.

CITY OF AUSTIN

By [Signature]  
City Manager

ATTEST:

[Signature]  
City Clerk

TRAVIS COUNTY WATER  
CONTROL AND IMPROVEMENT  
DISTRICT NO. 10

By [Signature]  
President

ATTEST:

[Signature]  
Secretary

## EXHIBIT C

THE STATE OF TEXAS |  
|  
COUNTY OF TRAVIS |

BEFORE ME, the undersigned authority, on this day personally appeared W. T. Williams, Jr., City Manager of the City of Austin, known to me to be the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as the act and deed of the City of Austin for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL of office, on this the 13<sup>th</sup> day of JUNE, 1957.

B. L. L. L.  
Notary Public in and for Travis  
County, Texas

THE STATE OF TEXAS |  
|  
COUNTY OF TRAVIS |

BEFORE ME, the undersigned authority, on this day personally appeared P. J. J., known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same as the act and deed of Travis County Water Control and Improvement District No. 10, and as the President of the Board of Directors thereof, and for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, this the 17 day of June, 1957.

P. J. J.  
Notary Public in and for Travis  
County, Texas

# EXHIBIT C

## TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 10

### RATE SCHEDULE

<u>SIZE</u>	<u>TAP CHARGES</u>	<u>SERVICE DEPOSIT</u>	<u>MINIMUM MONTHLY CHARGE</u>
3/4"	\$ 40.00	\$ 10.00	\$ 2.50
1"	50.00	30.00	7.50
1-1/4"	60.00	40.00	10.00
1-1/2"	75.00	60.00	15.00
2"	100.00	80.00	20.00

No tap charge will be made to any consumer applying for service during the period of construction of the present water-works system in the District for the 3/4" meter; for meter connections larger than 3/4" the tap charge during the period of construction will be the amount of the charge for the larger meter less the amount of the meter charge for 3/4" meter.

In addition to the above tap charges, there will be added the cost of replacing any street paving which may have to be removed or damaged in making such connections.

### RATE SCHEDULE

First	1,500	Gallons	2.50 min. charge
Next	2,000	Gallons	.90 per 1,000
Next	12,500	Gallons	.80 per 1,000
Next	34,000	Gallons	.60 per 1,000
Next	200,000	Gallons	.40 per 1,000
Excess			.35 per 1,000

# EXHIBIT C

WATER SERVICE CONTRACT BETWEEN THE CITY OF AUSTIN  
AND TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT  
DISTRICT NO. 10

THE STATE OF TEXAS       §  
                                  §       KNOW ALL MEN BY THESE PRESENTS:  
COUNTY OF TRAVIS       §

WHEREAS, this Contract is made and entered into by and among the City of Austin, Texas, (hereinafter referred to as "City"), a Texas municipal corporation, and the Travis County Water Control and Improvement District No. 10 (hereinafter referred to as "District"); and

WHEREAS, the City and the District entered into a Water Supply Contract dated August 9, 1957, which contract expired on or about August 9, 1987; and

WHEREAS, the City and the District desire to enter into a new water service contract (hereinafter referred as "Contract"); setting out the terms and conditions for City's provision of wholesale water service to the District;

NOW, THEREFORE, in consideration of the foregoing premises and the mutual undertakings herein contained, the parties agree as follows:

## ARTICLE I

### DEFINITIONS

Unless expressly provided otherwise, the following terms shall have the meanings set out below:

Section 1.1. Water: as used in Article II, shall mean potable water meeting the requirements of the Texas Department of Health for human consumption and other domestic uses.

## EXHIBIT C

Section 1.2. District Water Facilities: means the lines, reservoirs, pump stations, mains, residential and industrial connections, and any other parts or components that comprise the public water system of the District.

Section 1.3. Point of Delivery: means a point in a City water line where the District may withdraw water for distribution within the District's water system as more particularly described in Article II below.

### ARTICLE II

#### DELIVERY OF WATER

Section 2.1. Sales Volume. The City agrees to sell the District water required for the operation of the District's public water system for municipal, domestic, commercial, fire, industrial and recreational uses on an as needed basis in an amount not to exceed an annual average of three (3) million gallons per day (MGD) in any one fiscal year of the District, subject at all times to the capacity of the City's facilities to furnish water to the District after supplying water for all municipal, domestic, commercial, and industrial users within the City limits. For planning purposes, District advises the City that its maximum daily peak demand should not exceed a maximum of ten(10)MGD.

Section 2.2. Manner of Delivery. The District desires to provide water service within its designated service area by means of District Water Facilities connected to the City's water facilities located in proximity to the District.

Section 2.3. Nondiscrimination. Water service provided

## EXHIBIT C

to the District by the City shall be nondiscriminatory and consistent with the City's reasonable policies, ordinances, and regulations adopted in good faith by the City, from time to time, for the provision of wholesale water service to other special districts.

Section 2.4. Impact Fees and Similar Fees. City shall not charge an impact fee or capital recovery fee or any similar fee, charge, cost or expense to District or any customer or prospective customer of District within District's designated service area so long as District's use does not exceed an annual average of three (3) million gallons per day (MGD) in any one fiscal year of District. In the event District's use exceeds this maximum annual average in any one fiscal year of the District, beginning in the following fiscal year, City and District agree that District shall collect and tender to City the then applicable impact fees or capital recovery fees established from time to time by City.

Section 2.5. Points of Delivery. The existing points of delivery are shown on Exhibit "A". In the future, the points of delivery may be changed at any time by agreement in writing between the District and the Director of the City's Water and Wastewater Utility. In the event the change in point of delivery is requested by the City, the City shall bear the expense of changing such point of delivery and shall, at its own expense, make any changes or improvements necessary for District to receive water of a different pressure at such point of delivery. With respect to all other events requiring a

## EXHIBIT C

change in a point of delivery, District shall bear the expense of changing such point of delivery and shall, at its own expense, make any changes or improvements necessary for the District to receive water of different pressure at such point of delivery.

Section 2.6. Approval of Points of Delivery. For new points of delivery requested by the District, the District agrees that each new connection of its public water facilities to the City's facilities shall be approved by the City and the District's requests for such approval shall be accompanied by an engineering report and plans, as prepared by a Texas registered professional engineer and approved by the District board, which detail the area to be served and include the quantity of water to be delivered to the requested point of delivery.

Section 2.7. Cost of Expansion. If the District at any time requires more water than existing District facilities are capable of providing, the cost of any necessary expansion of District's system to provide the additional water to the District shall be at the expense of the District or the developer requiring the additional expansion. The City agrees to consider and take into account the future needs of the District in regard to any future expansion of the City's water system.

### ARTICLE III

#### COMPLIANCE WITH STATE LAWS AND CITY REGULATIONS

Section 3.1. Code Compliance. Operation of the District

## EXHIBIT C

shall comply with the Chapter 13-4 of City's Land Development Code (the City's "Water District Ordinance") and the laws of the State of Texas and in particular, the Texas Water Code, as amended from time to time.

Section 3.2. Application of Chapter 212, Texas Government Code. The District acknowledges the applicability of Chapter 212 of the *Texas Local Government Code* with respect to the application of municipal ordinances prescribing rules governing plats and subdivisions of land to certain land lying within the designated service area of District.

Section 3.3. Service Outside District. The District may not construct or install water facilities to serve areas outside the limits of the District, nor may the District sell or deliver water to areas outside the limits of the District unless it first obtains either the prior written consent of the City in accordance with Chapter 13 of the City's Interim Land Development Code, as amended from time to time, or when ordered by the Texas Water Commission to provide such service in involuntary proceedings not initiated by the District to enlarge its service area. In this latter event, District shall provide the City with advance notice (provided District has been given advance notice of the Texas Water Commission's hearing process) of any hearing at the Texas Water Commission relating to the expansion of District's facilities outside the limits of the District. District further agrees that it will not initiate proceedings to enlarge its service area through the Texas Water Commission or through any other agency or court



## EXHIBIT C

of competent jurisdiction without the prior written consent of the City.

Section 3.4. Conservation Restrictions. The District agrees to impose on its customers and enforce all voluntary and mandatory conservation and use restrictions imposed by the City on its own customers.

### ARTICLE IV

#### WATER RATES CHARGES AND BILLING

Section 4.1. District Water Rates. District agrees to pay to the City for all water delivered to the District, the water rate established from time to time by the City, which water rate shall be fair, just and reasonable and based on the cost of service.

Section 4.2. Utility Service Regulation Applicable. The City shall deliver water and charge the District in accordance with the terms of this Contract. The District shall make payment to City for water delivered hereunder in accordance with City's Utility Service Regulations, as amended from time to time, applicable to the customer class in which District has been classified.

Section 4.3. Billing and Payment. City shall render a bill to the District not more than once per month in accordance with City's Utility Service Regulations. Each such bill shall set forth the quantity of water delivered to the District as determined by City's periodic readings of master meters installed by City at the points of delivery. Each such bill shall also include the total amount owed to City based on the

## EXHIBIT C

quantity of water delivered multiplied by City's applicable water rate for District. If the District in good faith questions the amount of the bill, the District shall follow the procedures therefor established in the City of Austin Utility Customer Service Regulations, as amended from time to time, so long as such regulations are reasonable and rational.

Section 4.4. Effect of Nonpayment. Failure of the District to make a payment as specified in the City Utility Service Regulations and subject to the terms of this Contract, will, at the option of the City, terminate all obligations of the City under this Agreement.

### ARTICLE V

#### MASTER METERS AND TELEMETRIC MONITORING

Section 5.1. Master Metering Required. Water consumed by the District shall be measured by master water meters of suitable size installed at the points of delivery.

Section 5.2. Meter Installations. Metering equipment and related facilities, including a meter loop, a meter house or pit, and appurtenances required for properly measuring the quantity of water delivered to the District, shall be installed at each point of delivery of water to the District. The District, at its own expense, shall install and provide the meter loop and the meter house or pit and appurtenances; unless such expense is related to the City's desire to change the point of delivery, in which event, the City shall bear such expense. The City, at the District's expense, shall provide and install the meter and the meter shall be the property of

## EXHIBIT C

the City for all purposes hereunder. The City, at its own expense, shall operate and maintain the metering equipment and related facilities and shall calibrate the metering equipment upon request by the District provided, however, that the cost of calibrating the metering equipment shall be borne by the District if requested more frequently than once every twelve (12) months. Any meter registering not more than two percent (2%) above or below the test result shall be deemed to be accurate. Unless otherwise agreed in writing, if any meter fails to register accurately for any period, City's charge for the amount of water furnished during such period shall be determined in accordance with City's Utility Service Regulations as in effect at the date of this Agreement. The metering equipment shall be read by the City at least once for each monthly billing cycle.

5.3 Telemetric Monitoring. During the term of this Contract and so long as District maintains its telemetric signaling devices at the City's Ulrich Water Treatment Plant, the City shall monitor such devices daily and promptly notify District if any of District's water tanks drop below their critical operating level, as specified by the District from time to time.

### ARTICLE VI

#### WASTEWATER BILLINGS

Section 6.1. Wastewater Billings. For any customers that receive retail water service from the District, but receive wastewater service from the City, the City shall be permitted

## EXHIBIT C

to use the District customers' water billing (consumption) to calculate the wastewater service charge and District agrees to provide such information or records as are kept by the District for this purpose. The City shall continue to be allowed to use the District customers' water billing (consumption) to calculate the wastewater service even at such time as the City is no longer responsible for District water billing.

### ARTICLE VII

#### CONSTRUCTION OF FACILITIES

Section 7.1. Construction by District. The District shall construct its own internal facilities for the transmission and delivery of water within the District. Unless otherwise agreed in writing, City shall not be responsible for replacement, construction, maintenance or expansion of District capital facilities. District shall ensure that no privately owned mains or service lines or appurtenances from District's mains to customer's meter are installed, maintained or utilized within the District's service area.

Section 7.2. Specifications. All District water facilities shall be constructed and installed to City of Austin Standard Specifications and Requirements and in accordance with plans and specifications approved by the City, the Texas Department of Health, and any other governmental agency or agencies having jurisdiction. However, the District shall have the right to impose specifications and requirements for construction and installation which exceed or are more restrictive than those established by the City and other governmental agencies.

## EXHIBIT C

Section 7.3. Construction Responsibilities. It is understood and acknowledged that the District is responsible for the financing, construction and inspection of all District Water Facilities, and that, upon completion of construction, the District shall be the sole owner of its capital facilities. District shall act in good faith at all times and shall coordinate its construction activities with City so as not to interfere with City's delivery of water service to the District's system.

Section 7.4. Inspection by City. The City may inspect, at the expense of the party contracting for the construction (developer or District), all phases of the construction and installation of the District's Water Facilities required to deliver District's water to and throughout the District's system. Inspection fees for construction associated with subdivisions shall be determined in conformance with City Ordinances, as such ordinances may be amended from time to time. Inspection fees charged to the District related to construction of major facilities shall be based on the actual costs of labor, travel and incidental expenses of the inspectors plus 10% overhead.

Section 7.5. Approval of Plans. Before the beginning of construction of District Water Facilities or any modification or expansion thereof, the District shall submit to the City the plans and specifications for such capital facilities. The plans and specifications must be approved by both the District and the City, which approval shall not be unreasonably denied,

## EXHIBIT C

before construction begins. After all approvals are obtained and before construction of the facilities begins, the District or its engineer must give written notice to the Director of City's Water and Wastewater Utility of the date on which construction is scheduled to begin, so that the City may assign an inspector. Following completion of construction, District shall provide as-built drawings to the Director of City's Water and Wastewater Utility or his designee.

Section 7.6. Required Rights-of-Way. The District shall be responsible for obtaining any easements or rights-of-way necessary for the construction of its District Water Facilities. The City shall be responsible for obtaining any easements or rights-of-way necessary for the construction of City's lines or facilities inside of the District's boundaries.

Section 7.7. Operation and Maintenance. The City shall be responsible for operation and maintenance of any facilities it constructs for the purpose of transporting water to the District or its customers. The District shall be responsible for operation and maintenance of its internal lines and facilities for the transportation and delivery of water within the District.

### ARTICLE VIII

#### ISSUANCE OF BONDS BY DISTRICT

Section 8.1. Approval by City. No bonds shall be sold by the District except upon approval by the City and in accordance with City ordinances and the laws of the State of Texas and all applicable federal laws.

## EXHIBIT C

Section 8.2. Annual Audits. The District shall file a copy of its annual audit with the Director of City's Water and Wastewater Utility. The annual audit shall be filed with the City within one hundred and thirty five (135) days after the end of the District's fiscal year.

### ARTICLE IX

#### SERVICE AREA AND LIMITATIONS ON SERVICE

Section 9.1. Limitation of District Service. Unless the prior approval of the City is obtained or unless the District is ordered to do so by the Texas Water Commission in involuntary proceedings not initiated by the District to enlarge District's service area, the District shall not: (1) construct or install water lines or facilities to serve areas outside the District except when ordered by the Texas Water Commission; (2) provide water service to areas outside the District through facilities or capacity owned by the District except when ordered by the Texas Water Commission; (3) annex any additional lands to the District; or (4) connect or serve a customer who, in turn, sells water service directly or indirectly to another person or entity except when ordered by the Texas Water Commission.

Section 9.2. Requests for Annexation or Out-of-District Service. Requests to the City for annexation and out-of-district service shall be considered by the City in accordance with City Ordinances as adopted or amended from time to time. With respect to all land for which annexation to the District or out-of-district service is hereafter requested, the

## EXHIBIT C

petitioner shall submit a land use plan covering the land for which annexation or out-of-district service is sought at the time such approval is requested. Any land for which annexation or out-of-district service is requested shall be developed in accordance with the approved land use plan.

### ARTICLE X

#### TERM AND RENEWALS

Section 10.1. Term of Agreement. This Contract shall be effective from the date of its execution by both the City and the District and continues in effect for a period of 30 years unless earlier terminated by mutual agreement or at the option of either party by giving 36 months written notice to the other party. In the event of termination hereunder, the District shall exercise reasonable diligence to secure an alternative supply of treated water. In the event of termination hereunder, City shall not be responsible for any costs or expenses of District related directly or indirectly to securing alternative water service to District.

Section 10.2. Renewal. This Contract may be renewed or extended by mutual agreement of the parties for such additional periods as may be approved by the respective governing bodies of the District and City.

### ARTICLE XI

#### CITY ANNEXATION

Section 11.1. District and City acknowledge that Section 43.076 of the Local Government Code, as may be amended from time to time, and/or such other codes or statutes as may be



## EXHIBIT C

adopted by the Texas Legislature that apply to water control and improvement districts similarly situated to District shall control the annexation of District's designated serviced area by the City.

### ARTICLE XII

#### PERFORMANCE AND FORCE MAJEURE

Section 12.1. Performance by City. In every instance where the City is given a right by this Contract to furnish any facilities or material or to do or perform any act in the District, the City shall in good faith make every reasonable effort to furnish any such facilities or material or do or perform any such act but shall never be required to do so.

Section 12.2. Effect of Force Majeure. In the event either party is rendered unable by force majeure to carry out any of its obligations under this Contract, in whole or in part, then the obligations of that party, to the extent affected by the force majeure, shall be suspended during the continuance of the inability provided, however, that due diligence is exercised to resume performance at the earliest practicable time. As soon as reasonably possible after the occurrence of the force majeure relied upon to suspend performance, the party whose contractual obligations are affected thereby shall give notice and full particulars of the force majeure to the other party. The cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure" includes acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, orders

## EXHIBIT C

of the government of the United States or the State of Texas or any civil or military authority, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraints of government and civil disturbances, explosions, breakage, or accidents to equipment, pipelines, or canals, partial or complete failure of water supply, and any other incapacities of either party, whether similar to those enumerated or otherwise, that are not within the control of the party claiming the inability and that could not have been 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 requirement that any force majeure be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demands of the opposing party if the settlement is unfavorable to it in the judgment of the party having the difficulty. Force majeure shall relieve the City from liability to the District or any water customer of the District for failure to provide water service due to an inability covered by this article. Force majeure shall not relieve the District of its obligation to make payments to the City as provided in this Contract.

### ARTICLE XIII

#### ADDRESSES

Section 13.1. Address Change Procedure. The addresses of the parties shall, until changed as hereinafter provided, be as

## EXHIBIT C

shown below. The parties shall have the right at any time to change their respective addresses by giving written notice of same to the other party.

1. City of Austin  
P. O. Box 1088  
Austin, Texas 78767-8828  
Attention: City Manager
2. Travis County WCID #10  
Building M. Suite 100  
5524 Bee Cave Road  
Austin, Texas 78746

### ARTICLE XIV

#### DOCUMENTS IN CITY'S POSSESSION

Section 14.1. The City acknowledges that while the City currently provides certain services to the District, the District is in the process of hiring an independent contractor ("Operations Manager") to manage, operate and maintain the District Water Facilities and to bill and collect the water bills sent to District's customers by District. The City agrees to cooperate with the District and its Operations Manager in providing copies or originals of all drawings, plans, specifications, designs and similar documentation related to District Water Facilities in the possession of the City and all billing history and information pertaining to the customers of the District as reasonably requested by the District or Operations Manager. The City agrees to provide copies or originals of this information or these documents to the District within fifteen (15) working days (or such shorter

## EXHIBIT C

time period as may be agreed to by the parties) after District has provided written notice setting forth a description of the information or documents so requested to the Director of City's Water and Wastewater Utility. Any copies of this information or documentation to be made by City for District shall be done so at City's cost.

### ARTICLE XV

#### GENERAL PROVISIONS

Section 15.1. Severability. The provisions of this Contract are severable, and if any word, phrase, clause, sentence, paragraph, section, or other part of this Contract or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Contract and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Contract to other persons or circumstances shall not be affected thereby and this agreement shall be construed as if such invalid or unconstitutional portion had never been contained herein.

Section 15.2. Entire Agreement. This Contract, including any exhibits attached hereto and made a part hereof for all purposes, constitutes the entire agreement between the parties relative to the subject matter of this Contract and supersedes all prior or contemporaneous agreements, covenants, representations, or warranties, whether oral or in writing, respecting the subject matter hereof.

## EXHIBIT C

Section 15.3. Amendment. No amendment of this Contract shall be effective unless and until it is duly approved by the governing bodies of each party and reduced to a writing signed by the authorized representatives of the District and the City, respectively, which amendment shall incorporate this Contract in every particular not otherwise changed by the amendment.

Section 15.4. Governing Law. This Contract shall be construed under and in accordance with the laws of the State of Texas and all obligations of the parties are expressly deemed performable in Travis County, Texas.

Section 15.5. Venue. Venue for any suit arising hereunder shall be in Travis County, Texas.

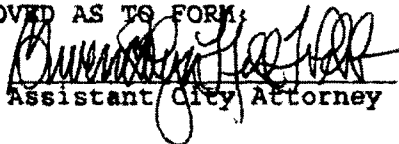
Section 15.6. Assignability. The rights and obligations of either party hereunder may not be assigned without the prior written consent of the other.

Section 15.7. Effective Date. This Contract shall be effective from and after the date of due execution by all parties.

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

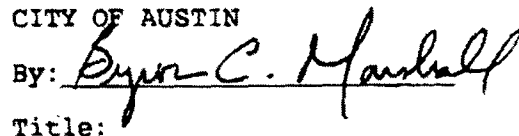
APPROVED AS TO FORM:

By:

  
Assistant City Attorney

CITY OF AUSTIN

By:

  
Title: \_\_\_\_\_

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

# EXHIBIT C

APPROVED AS TO FORM:

TRAVIS COUNTY WATER  
CONTROL AND IMPROVEMENT  
DISTRICT NO. 10

By: [Signature]  
Title: Attorney

By: [Signature]  
Title: President  
Date: 20<sup>th</sup> AUG '90

THE STATE OF TEXAS

§

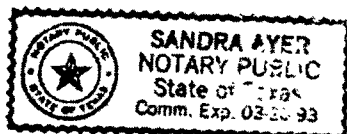
COUNTY OF TRAVIS

§

§

This instrument was acknowledged before me on this the 29<sup>th</sup> day of August, 1990, Bryan C Marshall, as Assistant City Manager of the City of Austin, Texas, a municipal corporation, on behalf of said municipal corporation.

(SEAL)



Sandra Ayer  
Notary Public, State of Texas

Sandra Ayer  
Typed/Printed Name of Notary

My Commission Expires:

3-20-93

THE STATE OF TEXAS

§

COUNTY OF TRAVIS

§

§

This instrument was acknowledged before me on this the 20<sup>th</sup> day of August, 1990, by Cliff W Drummond, as President of Travis County Water Control and Improvement District No. 10, a water control and improvement district, on behalf of said district.

(SEAL)

Diane Freitag Lung  
Notary Public, State of Texas

Diane Freitag Lung  
Typed/Printed Name of Notary

My Commission Expires:

January 31, 1994

# EXHIBIT D

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

THE STATE OF TEXAS                   §  
COUNTY OF TRAVIS                   §       KNOW ALL MEN BY THESE PRESENTS:

THAT FOR and in consideration of the mutual agreements, conditions, and covenants contained herein, the City of Austin, Texas (the "City"), Wells Branch, a joint venture ("Wells Branch"), and North Austin Growth Corridor Municipal Utility District No. 1 (the "District"), mutually contract and agree as follows:

### ARTICLE I

#### PARTIES

This is a contract among the City, acting through Dan H. Davidson, City Manager, as authorized by specific action of the Austin City Council; the District, a municipal utility district created on March 18, 1981, by order of the Texas Water Commission and operating pursuant to Chapter 54, Texas Water Code; and Wells Branch, a joint venture of the holders of legal title to all of the land comprising the District, which consists of approximately 906.14 acres situated wholly in Travis County, Texas, and lying within the extra-territorial jurisdiction of the City.

# EXHIBIT D

## ARTICLE II

### ISSUANCE OF BONDS BY DISTRICT

A. The City has granted its consent to the creation of the District pursuant to the municipal utility district policy adopted by the City on March 20, 1980, under Ordinance No. 80 0320-E as the same may be amended, a true and correct copy of such policy as it exists on the date hereof being attached hereto as Exhibit A and incorporated herein by reference. Except as otherwise provided herein, the District agrees that it shall issue bonds and notes only for the purposes and in the manner provided by said City policy, as the same may be amended from time to time. It is specifically agreed, however, that the District's bonds, when issued, may be secured by a pledge of the District's taxes or revenues or both.

B. Water and wastewater trunk lines to serve the District will be constructed by the District pursuant to the Utility Construction Contract between the City and the District, a copy of which is attached hereto as Exhibit B. The District is hereby authorized to issue the bonds described in the Utility Construction Contract. Upon completion of construction by the District, the City shall own and operate said lines, but shall reserve adequate capacity therein to serve all land within the District. The District hereby agrees to pay a pro rata share of the cost of said lines based upon the capacity reserved for service to the District. The District shall make payments to the City semi-annually not later than fifteen (15) days prior to each principal and interest payment date on the bonds issued to finance said lines, in an amount equal to the percentages of the principal and/or interest due on said bonds on such date as follows:

*Revised by  
Second  
Amendment*



## EXHIBIT D

Water Approach Main	66.7%
Wastewater Approach Main	35 %
Walnut Creek Extension	5 %
(Described on Exhibit B)	

All such payments shall bear interest at the rate of ten percent (10%) per annum from their due date until paid.

C. The parties hereto acknowledge and agree that this Contract and the City's municipal utility district policy have the effect of restricting the general statutory purposes for which the District may issue bonds and notes. The parties further recognize and agree that neither this Contract nor said policy restrict or limit the powers and authority of the District otherwise to acquire, own, operate and maintain water or wastewater systems, drainage facilities, recreational facilities, or any other systems, facilities, assets or properties of or serving the District. The District may use funds and assets from any other lawful source available to it to provide for such acquisition, ownership, maintenance and operation, as well as to accomplish any purpose and exercise any function, act, power or right authorized by law. Such funds and assets shall include, without limiting the generality of the foregoing, revenues from any of the systems, facilities, properties and assets of the District not otherwise committed for the payment of indebtedness of the District; maintenance taxes; loans, gifts, grants and donations from public or private sources; and revenues from any other source lawfully available to the District; provided, however, that no payment for such purposes shall be made from the proceeds of bonds issued by the District, or from tax or other revenues pledged to the retirement of the bonded indebtedness of the District or payable to the City pursuant to the terms hereof.

*add 9D.  
by Amendment*

# EXHIBIT D

## ARTICLE III

### WATER SUPPLY

A. The City agrees to sell and to deliver to the District all water reasonably required by users within the boundaries of the District for domestic and commercial uses, such water to be supplied from the City's water distribution system as extended by the District pursuant to the Utility Construction Contract, at a point or points of delivery adjacent to the boundaries of the District to be designated by the District's engineer and approved by the City. The sale of water to the District shall be nondiscriminatory and shall be uniform with the policy or policies established by the Austin City Council for the provision of utilities outside the City limits. Water as used in this Article III means potable water meeting the requirements of the Texas Department of Health for human consumption and other domestic uses. The City presently has, and shall maintain, an adequate water supply to provide service to the District. Without limiting the generality of the foregoing, the City agrees that it will maintain the capability to deliver to the District a minimum of 10,000 gallons of water per minute.

B. The City shall furnish, install, operate, and maintain, at its expense, at each point of delivery to the District, the necessary metering equipment to measure the water delivered to the District under this Contract, including a meter house or pit and metering devices of standard type for properly measuring the quantity of water delivered to the District. The City shall calibrate the metering equipment whenever requested by the District, but no more frequently than once every twelve (12) months. A meter registering not more than two percent (2%) above or below the test result shall be

## EXHIBIT D

deemed to be accurate. If any meter fails to register for any period, the amount of water furnished during such period shall be deemed to be the amount of water delivered in the corresponding period immediately prior to the failure, unless the City and the District agree on a different amount. The metering equipment shall be read once each calendar month.

*deleted by  
Third Amendment*

C. Rates for customers of the District for water delivered pursuant to this Article III shall not be less than those normally charged by the City for comparable customers within the City or more than those normally charged by the City for comparable customers outside the City, all as established from time to time by the Austin City Council.

D. Billings and payments will be rendered to customers of the District in substantial compliance with the procedures established in the City of Austin Utility Service Regulations, as now in effect or hereafter amended; provided, however, the District may vary the procedures to the extent required by law.

### ARTICLE IV

#### SEWAGE TREATMENT

A. The City agrees to receive, treat, and dispose of all sewage collected by the District and delivered to the City at a point or points of delivery into the City's sanitary sewer trunk line as extended by the District pursuant to the Utility Construction Contract, said point or points of delivery to be designated by the District's engineer and approved by the City. Sewage treatment and disposal services provided to the District shall be non-discriminatory and uniform with the policy or policies established by the

## EXHIBIT D

Austin City Council for the provision of utilities outside the City limits. The City presently has, and will maintain, adequate sewage treatment capacity to provide service to the District. Without limiting the generality of the foregoing, the City agrees that it will maintain the capability to receive, treat, and dispose of 2,000 gallons per minute average sewage flow from the District.

*deleted by  
Third Amendment*

B. Rates for customers of the District for sanitary sewer service shall not be less than those normally charged by the City for comparable customers within the City or more than those normally charged by the City for comparable customers outside the City, all as established from time to time by the Austin City Council.

<sup>B</sup>2. Billings and payments will be rendered to customers of the District in substantial compliance with the procedures established in the City of Austin Utility Service Regulations, as now in effect or hereafter amended; provided, however, the District may vary the procedures to the extent required by law.

### ARTICLE V

#### OPERATION AND MAINTENANCE

The District shall operate and maintain the water and wastewater system within the District, unless the City and the District enter into a contract for the City to operate the system. The City shall have the right to inspect all water and wastewater connections made in the District. Water meters shall be purchased by the District from the City's Water and Wastewater Department at cost.

# EXHIBIT D

## ARTICLE VI

### AREA OF AND LIMITATIONS ON SERVICE

Except as provided in the Utility Construction Contract, the District may not construct or install water or wastewater lines or facilities to serve areas outside the District, or sell or deliver City water or wastewater service to areas outside the District, or annex any additional lands to the District without the prior approval of the Austin City Council.

## ARTICLE II

### LIMITATION OF LIABILITY

The City shall not be liable to Wells Branch, any member thereof, the District, or any customer of the District for the failure of the City to provide water or sewer service where the failure results from the impairment of facilities by strikes or other conditions beyond the City's control so long as the City uses reasonable efforts to correct such condition.

## ARTICLE VIII

### CITY ANNEXATION

*Revised by  
Third Amendment*

A. The District agrees that at least 90% of the facilities and amenities for which the District bonds have been authorized will be installed within twelve (12) years from the date of execution of this Contract by the District. If such facilities are installed prior to such date, the City may annex the District at anytime thereafter. If installation of 90% or more of the facilities and amenities for which District bonds have been authorized has not been accomplished within the twelve (12) year period, the City, at its option, may

## EXHIBIT D

revoke its authorization for or approval of the installation of any further facilities or amentities and also may revoke its authorization for the issuance of the balance of the District's unissued bonds; provided, however, that the City's right to revoke such authorization may be exercised only if the City concurrently annexes to the City the entire District as it then exists; and provided further that, if the installation of any items of authorized facilities has commenced in good faith in compliance with and in reliance on the provisions hereof and is in progress at the time the City proposes to revoke such authorizations, the annexation of the District to the City and the revocation of such authorizations shall be postponed until the installation of the items has been completed and the purchase of such items with the proceeds from the sale of District bonds or other funds of the District has been accomplished.

*deleted by  
Secret  
J.M. 10/10/04*

B. The District shall charge and collect a special water and sewer service surcharge in the amount of \$8.89 per month for each single-family residential customer or the equivalent of the District's water or sewer system. The surcharge shall be charged in addition to the regular water and sewer rates in the District. The District shall pay to the City each month all surcharges as collected and such payments shall be credited by the City to the amounts due the City for the District's pro rate share of the cost of the water and sewer trunk lines serving the District, as provided in Article II, Paragraph B of this Contract. At such time as the District has deposited surcharge payments with the City equal in amount to the next semi-annual payment due the City pursuant to Article II, Paragraph B hereof, all further surcharge payments made by the District prior to the due date of said

## EXHIBIT D

~~semi-annual payment shall be credited against the amounts due the City for water and sewer service pursuant to Articles III and IV hereof.~~

*Revised by  
Second Amendment*

C. The parties hereby agree that the amount of said surcharge has been calculated pursuant to Paragraph IV of Part 1 of the City's municipal utility district policy. The surcharge shall be continued by the City after annexation of the District as authorized by Section 54.016(h), Texas Water Code, until the bonded indebtedness of the District has been retired. The surcharge may be charged in addition to the City's normal water and sewer rates.

D. All contract obligations and responsibilities of Wells Branch and the District under this Contract shall terminate when the area within the District is annexed to the City.

### ARTICLE IX

#### ADDITIONAL REQUIREMENTS

Wells Branch and the District hereby respectively agree to comply with all applicable requirements contained in Paragraph VI of Part 1 of the City's municipal utility district policy, except that where said requirements are inconsistent with the provisions of this Contract, the provisions of this Contract shall control.

### ARTICLE X

#### CONSTRUCTION OF DISTRICT FACILITIES

All water, wastewater, and drainage facilities to be acquired or constructed by the District may be constructed by Wells Branch, with the con-

## EXHIBIT D

sent of the District. Neither Wells Branch nor the District shall commence construction of any facility unless the plans and specifications for such facility have been approved by the City, the Texas Department of Water Resources, the Texas Department of Health, where applicable, and all other governmental agencies having jurisdiction. Upon issuance and sale of its bonds for such purposes, the District shall pay Wells Branch the cost of construction of any such facilities constructed by Wells Branch to the extent authorized by the Texas Department of Water Resources and permitted by the City's municipal utility district policy. To the extent the District is not permitted to pay Wells Branch for any such facilities, Wells Branch shall dedicate the facilities to the District without compensation.

### ARTICLE XI

#### LAND AND EASEMENT COSTS

Easements and rights-of-way needed for District purposes within the District will be dedicated to the District by Wells Branch or its assigns. The District may acquire land from Wells Branch in accordance with the rules of the Texas Department of Water Resources. Land and rights-of-way outside the District needed by the District may be acquired by the District in accordance with the usual and customary public purchasing standards and procedures applicable to the District.



# EXHIBIT D

## ARTICLE XII

### ASSIGNMENT OF CONTRACT

Wells Branch from time to time may transfer, convey or assign its rights and obligations under this Contract with respect to all or any part of the land owned by it. Upon prior approval by the City of the assignee or assignees (which approval will not be unreasonably withheld), and only upon the condition that the assignee or assignees assume the liabilities, responsibilities and obligations of this Contract, the party assigning this Contract shall be released from the liabilities, responsibilities and obligations under this Contract to the extent of the land involved in the assignment or assignments, or as may be otherwise approved by the City. Neither the District nor the City shall assign this Contract without written consent of each of the other parties hereto.

## ARTICLE XIII

### TERM OF CONTRACT

This Contract shall be effective from the date of execution hereof by the City and shall continue in effect for a period of forty (40) years.

## ARTICLE XIV

### BENEFITS OF CONTRACT

This Contract is for the benefit of the City, the District, and Wells Branch and shall not be construed to confer any benefit on any other party except as expressly provided herein. This Contract may be executed by the City and Wells Branch prior to creation of the District and shall be binding

## EXHIBIT D

upon said parties for a period of one year pending creation and confirmation of the District and approval and execution of this Contract by the Board of Directors thereof and shall thereafter be binding upon all parties in accordance with its terms.

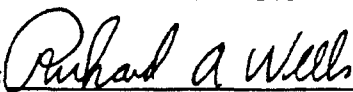
IN WITNESS WHEREOF each of the parties has caused this Contract to be executed by its duly authorized representative, in multiple copies, each of equal dignity, on the date or dates indicated below.

CITY OF AUSTIN, TEXAS

By:   
City Manager

Executed on 4/13, 1981.

NORTH AUSTIN GROWTH CORRIDOR  
MUNICIPAL UTILITY DISTRICT NO. 1

By:   
President, Board of Directors

Executed on 4/13, 1981.

WELLS BRANCH, a Joint Venture

By:   
Its duly authorized Manager

Executed on 4/13, 1981.

DBA25G