

Water Made Available

New Supply: 0 (acre-feet/year)/\$7,490,000 (capital cost)

New Conservation Savings: 0 (acre-feet/year)/\$0 (capital cost)

New Reuse Supply: 0 (acre-feet/year)/\$0 (capital cost)

Maintenance of Current Supply: 0 (acre-feet/year)/\$0 (capital cost)

Project Location

County: Collin

Primary: Y

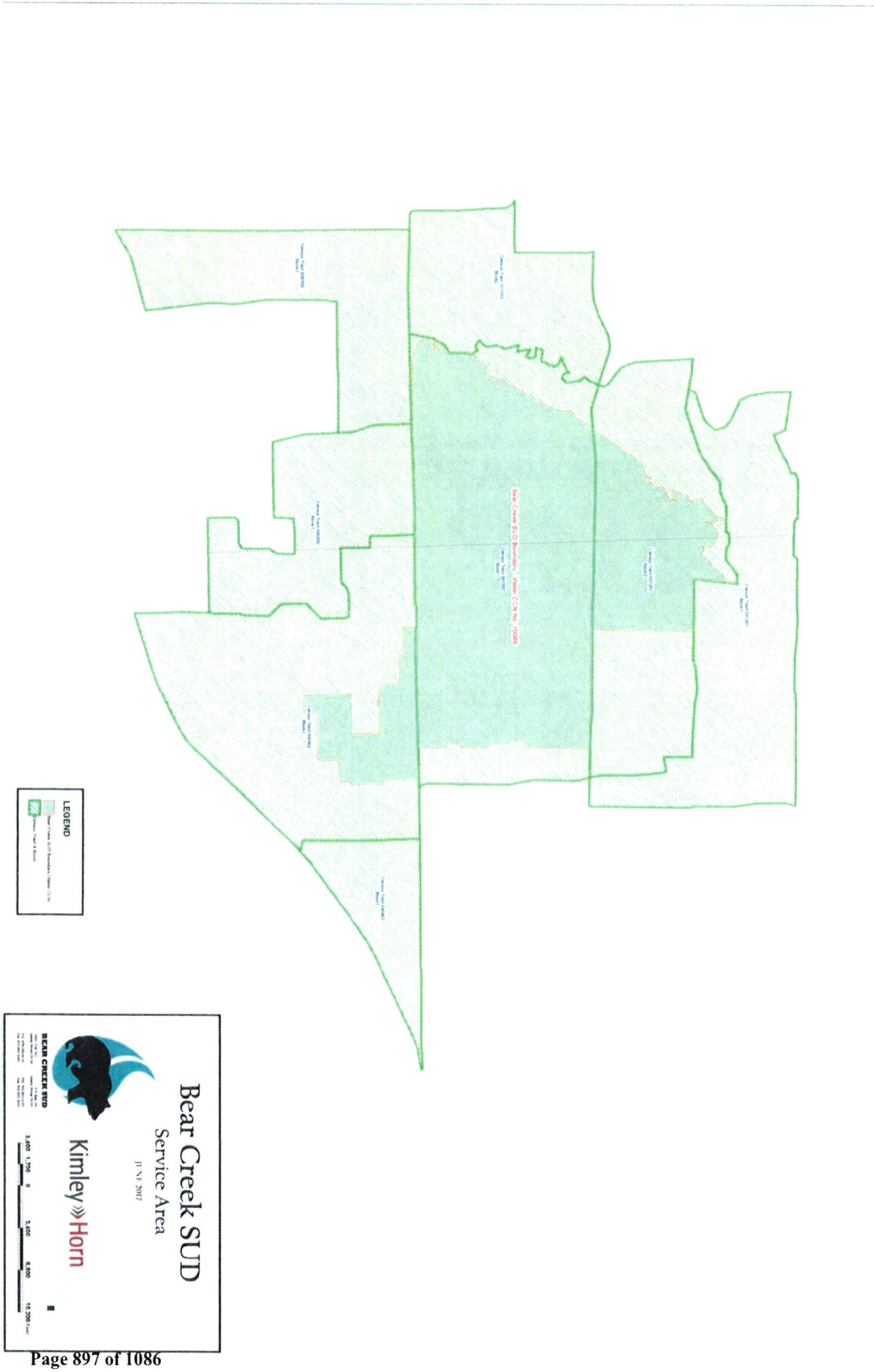
Can you locate your project to a specific address?: Y

Project Address: 585 Geren Drive

Project City: Lavon

Project State: TX

Project ZIP: 75166-0000



Project Schedule

- a) Requested loan closing date: 02-01-2019
- b) Estimated date to submit environmental planning documents.: 10-01-2018
- c) Estimated date to submit engineering planning documents.: 08-01-2018
- d) Estimated date for completion of design.: 01-01-2019
- e) Estimated Construction start date for first contract.: 03-01-2019
- f) Estimated Construction end date for last contract: 04-01-2020

GTUA/CITY OF BEAR CREEK SUD APPLICATION TO TWDB

Current & future population and projected water use:

The current population of the service area is 5,652 based on recent data. The current water use is 586 AF/YR.

Projected Population and Water Use of Service Area

Year	2020	2030	2040	2050	2060	2070
Population	6,225	10,098	16,404	26,676	38,055	38,781
Projected Water Use (AF/YR)	767	1,244	2,021	3,287	4,689	4,778

- Entities to be served – residents of Lavon, TX
- Current population from existing water meter count and calculated using 3 persons / connection
- Population projections and projected water use based on a projected growth rate of 5% annually with a water usage of 110 gpcd.
- Service areas defined as Pressure Plane #1 and #2, are currently being served by NTMWD Delivery Point #2
- NTMWD minimum contract amount is 235,231,000 gallons per year for total system. Current water use communicated is proportional amount based on number of connections for the NTMWD Delivery Point #2 service area (1,884 connections (Delivery point number 2) / 2,323 connections (Total number of connections system wide))

Cost Estimates

Exhibit CR-16

TWDB-1201
Revised 04/17

PROJECT BUDGET - Entity Name GTUA/Bear Creek SUD						
Uses	TWDB Funds Series 1	TWDB Funds Series 2	TWDB Funds Series 3	Total TWDB Cost	Other Funds	Total Cost
Construction						
Construction	\$5,214,000	\$0	\$0	\$5,214,000	\$0	\$5,214,000
Subtotal Construction	\$5,214,000	\$0	\$0	\$5,214,000	\$0	\$5,214,000
Basic Engineering Fees						
Planning +	\$200,000	\$0	\$0	\$200,000	\$0	\$200,000
Design	\$398,000	\$0	\$0	\$398,000	\$0	\$398,000
Construction Engineering	\$150,000	\$0	\$0	\$150,000	\$0	\$150,000
Basic Engineering Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Basic Engineering Fees	\$748,000	\$0	\$0	\$748,000	\$0	\$748,000
Special Services						
Application	\$7,000	\$0	\$0	\$7,000	\$0	\$7,000
Environmental	\$5,000	\$0	\$0	\$5,000	\$0	\$5,000
Water Conservation Plan	\$500	\$0	\$0	\$500	\$0	\$500
I/I Studies/Sewer	\$0	\$0	\$0	\$0	\$0	\$0
Surveying	\$0	\$0	\$0	\$0	\$0	\$0
Geotechnical	\$0	\$0	\$0	\$0	\$0	\$0
Testing	\$0	\$0	\$0	\$0	\$0	\$0
Permits	\$0	\$0	\$0	\$0	\$0	\$0
Inspection	\$0	\$0	\$0	\$0	\$0	\$0
O&M Manual	\$0	\$0	\$0	\$0	\$0	\$0
Project Management (by engineer)	\$0	\$0	\$0	\$0	\$0	\$0
Pilot Testing	\$0	\$0	\$0	\$0	\$0	\$0
Water Distribution	\$0	\$0	\$0	\$0	\$0	\$0
Special Services Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Special Services	\$12,500	\$0	\$0	\$12,500	\$0	\$12,500
Other						
Administration	\$7,000	\$0	\$0	\$7,000	\$0	\$7,000
Land/Easements	\$200,000	\$0	\$0	\$200,000	\$0	\$200,000
Water Rights Purchase (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Capacity Buy-In (If Applicable)	\$0	\$0	\$0	\$0	\$0	\$0
Project Legal Expenses	\$1,200	\$0	\$0	\$1,200	\$0	\$1,200
Other **	\$0	\$0	\$0	\$0	\$0	\$0
Subtotal Other Services	\$208,200	\$0	\$0	\$208,200	\$0	\$208,200
Fiscal Services						
Financial Advisor	\$35,435	\$0	\$0	\$35,435	\$0	\$35,435
Bond Counsel	\$56,200	\$0	\$0	\$56,200	\$0	\$56,200
Issuance Cost	\$2,000	\$0	\$0	\$2,000	\$0	\$2,000
Bond Insurance/Surety	\$0	\$0	\$0	\$0	\$0	\$0
Fiscal/Legal	\$7,490	\$0	\$0	\$7,490	\$0	\$7,490
Capitalized Interest	\$0	\$0	\$0	\$0	\$0	\$0
Bond Reserve Fund	\$0	\$0	\$0	\$0	\$0	\$0
Loan Origination Fee	\$157,646	\$0	\$0	\$157,646	\$0	\$157,646
Other ** Paying Agent	\$3,500	\$0	\$0	\$3,500	\$0	\$3,500
Subtotal Fiscal Services	\$262,271	\$0	\$0	\$262,271	\$0	\$262,271
Contingency						
Contingency	\$1,045,029	\$0	\$0	\$1,045,029	\$0	\$1,045,029
Subtotal Contingency	\$1,045,029	\$0	\$0	\$1,045,029	\$0	\$1,045,029
TOTAL COSTS	\$7,490,000	\$0	\$0	\$7,490,000	\$0	\$7,490,000
Other ** description must be entered						
+ For Planning applications under the EDAP Program, please break down Planning costs as follows:						
Category A						0
Category B						0
Category C						0
Category D						0
Total Planning Costs				0	0	0

Exhibit CR-16

WRD-253d
10/17

Texas Water Development Board Water Project Information							
A. Project Name GTUA/Bear Creek SUD		B. Project No. 12892		C. County Collin			
D. Program(s) DWSRF		E. Date 7/24/18		F. Regional Planning Group (A-P) C			
G. Water Project Description: (Multiphase project, new or expansion; plant, well, storage, pump station, distribution system, etc)							
Attach map of service area affected by Project or other documentation.							
H. Is an Inter Basin Transfer potentially involved? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>			I. Is project located in a Groundwater District (If yes, identify District by name)? Yes <input checked="" type="checkbox"/> <u>North Texas Groundwater Conservation District</u> No <input type="checkbox"/>				
J. Service Area Projected Population for at least a 20 year period: (if different from Planning Area, discuss in separate attachment)	Current Population		Projected Population				
	Year:	20	2020	2025	2030	2035	2040
	Population:	5,652	6,225	7,926	10,098	12,867	16,404
Project Design Year (Year for which project will be sized)		2035		Design Population (Population served by project on the design year)		12,867	
K. Is the proposed project included in a current Regional Water Plan? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Don't Know <input type="checkbox"/> (If Yes, please specify on what page in the Regional Water Plan - Regional Water Plan Page Number <u>N/A</u>)							
L. What type of water source is associated directly with the proposed project? Surface Water <input checked="" type="checkbox"/> Groundwater <input type="checkbox"/> Reuse <input type="checkbox"/>							
M. Will the project increase the volume of water supply? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>							
N. What volume of water is the project anticipated to deliver/ treat per year? (at project design year) <u>1,585</u> Acre-Feet/Year							
O. Current Water Supply Information							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
NTMWD		VARIOUS		VARIOUS		476 GPM	
Groundwater Supply Aquifer		Well Field location		Source County		Annual Volume and Unit	
N/A		N/A		N/A		N/A	
Reuse Water		Certificate No.		Annual Amount Used and Unit			
N/A		N/A		N/A			
P. Proposed Water Supply Associated Directly with the Proposed Project							
Surface Water Supply Source / Provider Names		Certificate No.		Source County		Annual Volume and Unit	
NTMWD		VARIOUS		VARIOUS		476 GPM	
Groundwater Supply Aquifer		Well Field location		Source County		Annual Volume and Unit	
N/A		N/A		N/A		N/A	
Reuse Water		Certificate No.		Annual Amount Used and Unit			
N/A		N/A		N/A			
Q. Consulting Engineer Name			Telephone No.		E-mail address		
Todd Strouse, P.E.			469-301-2592		todd.strouse@kimley-horn.com		
R. Applicant Contact Name, Title			Telephone No.		E-mail address		
Drew Satterwhite, P.E.			903-786-4433		drews@gtua.org		

Project Description for WRD-253d

Project is necessary in order to provide a separate pump station and 2.0 ground storage tank for Pressure Zone 2. Pumps for Pressure Zone 1 and Pressure Zone 2 are currently located on top of an existing 500,000 gallon concrete ground storage tank. The pump stations at this delivery point account for 60% of the customers and is the only delivery site source for Pressure Zones 1 and 2. The lack of redundancy for delivery to the ground storage tank is unacceptable. The pump station at delivery point #1 would not have the capacity to support the system in the event of an outage at delivery point #1. In addition, the pump station needs to be moved off the top of the ground storage tank. The location of the pumps on top of the ground storage tank have proven to create maintenance issues and safety hazards. Proposed project will move pump station off of the top of the ground storage tank to an area at ground level, which will facilitate maintenance responsibilities associated with the pump station and limit the safety concerns associated with working on top of a ground storage tank. By the time the proposed pump station is constructed in 2020, the system will have approximately seven (7) hours of ground storage capacity available during a maximum day event for delivery point #2. This is unacceptable as it only achieves 58% of the engineer's recommendation for ground storage capacity. The proposed 2.0 million gallon ground storage tank will include yard piping and valving to allow for emergency interconnection between Pressure Zones #1 and #2. This capability will provide adequate ground storage capacity for emergency events at delivery point #2 when constructed in 2020. Proposed upgrades to delivery point #2 include 5,800 LF of 12-inch and 2,000 LF of 16-inch off-site water lines to serve Pressure Zone #1. The 16-inch water line will discharge from delivery point #2 north to SH 78. The proposed 12-inch water line will extend from Grand Heritage Boulevard to Bentley Drive. The proposed upgrades are necessary to provide both adequate facilities and improved water distribution.

Property Rights

a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?: Y

b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits.

Type of Permit Water Right	Entity from which the right must be acquired	Acquired by lease or full ownership	Expected acquisition date	Permit / Water Right ID No.
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SURFACE WATER AFFIDAVIT

1. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I am an authorized representative of Bear Creek Special Utility District, an entity that has filed an application for financial assistance with the Texas Water Development Board for a project that proposes the development of a new surface water supply source.
3. Does the applicant possess a Certificate of Adjudication and/or Water Rights Permit(s) issued by the Texas Commission on Environmental Quality or a predecessor agency authorizing the appropriation and use of the surface water needed for the Project?

Item attached: Yes ☐ No ☒

Yes ☒ No ☐

Item attached: Yes ☒ No ☐

Exhibit CR-16

WRD-208a
06-23-2016

Please identify the Certificate of Adjudication(s) and Water Rights Permit(s) possessed by the wholesale water provider pursuant to which the contract, lease or other legal instrument has been or will be executed.

Certificate of Adjudications: _____

Item attached: Yes ☐ No ☐

Water Rights Permit(s): _____

Item attached: Yes ☐ No ☐

Signed the day of 26th July, 2018

Name: Camille Reagan

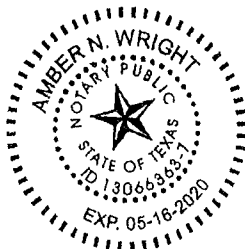
Title: GENERAL MANAGER

Sworn to and subscribed before me by Camille Reagan on July 26,
2018

[Signature]

Notary Public in and for the State of Texas

[SEAL]



My Commission expires: 5/16/2020

NORTH TEXAS MUNICIPAL WATER DISTRICT

**LAVON WATER SUPPLY CORPORATION
POTABLE WATER SUPPLY CONTRACT**

THE STATE OF TEXAS §
 §
THE COUNTY OF COLLIN §

THIS CONTRACT (the "Contract") made and entered into as of this the 15th day of December, 2005, by and between the North Texas Municipal Water District, hereinafter called "NTMWD", a conservation and reclamation district created under Article 16, Section 59, of the Texas Constitution, and the Lavon Water Supply Corporation, hereinafter called "Customer".

W I T N E S S E T H:

WHEREAS, NTMWD and Customer are authorized to enter into this Contract pursuant to NTMWD's Enabling Legislation, Chapter 791 of the Texas Government Code, (the "Interlocal Cooperation Act") and other applicable laws; and,

WHEREAS, Customer is desirous of obtaining an adequate and dependable water supply; and

WHEREAS, Customer and NTMWD are parties to a potable water supply contract dated March 25, 2004 under which NTMWD agreed to tender and make available to Customer and Customer agreed to purchase from NTMWD water in accordance with the provisions of said contract; and

WHEREAS, NTMWD currently delivers potable water to Customer at a point of delivery located on NTMWD's twelve inch (12") Rockwall to Royse City Pipeline and a point of delivery located on NTMWD's twenty inch (20") Wylie to Rockwall Pipeline; and

WHEREAS, NTMWD and Customer desire to relocate potable water delivery from NTMWD's twenty inch (20") Wylie to Rockwall Pipeline to NTMWD's thirty-six inch (36") Wylie-Rockwall-Farmersville Pipeline; and

WHEREAS, it is deemed necessary and advisable by the parties hereto that the existing potable water supply contract date March 25, 2004 be amended and completely replaced with this Contract so that the entire relationship between NTMWD and Customer with respect to potable water service will be set forth in this Contract.

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained, NTMWD agrees to furnish water, and Customer agrees to pay for water upon the terms and conditions and for the consideration hereinafter set forth, to wit:

Section 1. DEFINITION OF TERMS. The following terms and expressions as used in this Contract, unless the context clearly shows otherwise, shall have the following meanings:

- (a) "Annual Payment" means the amount of money to be paid to NTMWD by Customer during each Annual Payment period.
- (b) "Annual Payment Period" means NTMWD's fiscal year, which currently begins on October 1 of each calendar year and ends on September 30 of the next following calendar year, but which may be any twelve (12) consecutive month period fixed by NTMWD.
- (c) "Contract Date" means the effective date of this Contract as executed by both parties.
- (d) "Customer" means Lavon Water Supply Corporation, the contracting party.
- (e) "Customer City or Cities" means any customer other than the Member Cities with which NTMWD contracts with to furnish water.
- (f) "NTMWD" means the North Texas Municipal Water District as defined in the preamble to this Contract.
- (g) "Member City or Cities" means the Cities of Allen, Farmersville, Forney, Frisco, Garland, McKinney, Mesquite, Plano, Princeton, Richardson, Rockwall, Royse City and Wylie.
- (h) "MGD" is an abbreviation for "million gallons of water per day" and means a quantity of water during a period of time expressed for convenience in terms of an average annual daily quantity during an Annual Payment Period.
- (i) "Regional Contract" means the "North Texas Municipal Water District Regional Water Supply Facilities Amendatory Contract" dated August 1, 1988 together with all similar contracts between NTMWD and contracting parties.
- (j) "System" means collectively the existing system and the future improvements and water of NTMWD included as part of the System under the Regional Contract for projects, water storage, treatment, transmission and supply, including all dams, reservoirs, and other properties or interests therein wherever located. Said terms do not include any of NTMWD's facilities that provide wastewater treatment or disposal services, or solid waste disposal services, of any kind. Said terms do not include any facilities acquired or constructed by NTMWD with the proceeds from the issuance of "Special Facilities Bonds", which are payable from any source, contract, or revenues whatsoever, other than revenues from the System.
- (k) "Water Year" means the period of August 1 of each calendar year through July 31 of the next following calendar year or such other twelve (12) month period designated by NTMWD to all Member Cities and customers.

Section 2. QUANTITY. NTMWD agrees to sell and to deliver potable water under this Contract to Customer at its Point of Delivery as described in Section 5 hereof, and Customer agrees to take at its Point of Delivery all water required for use by Customer during the term of this Contract, including all potable water for Customer's own use and for distribution to all customers served by Customer's water distribution system, or within Customer's existing Texas Commission on Environmental Quality ("TCEQ") certified service area. It is specifically

provided, however, that after the Contract Date, unless required to do otherwise by the TCEQ or a court of competent jurisdiction, Customer shall not enter into, renew, or amend with regard to volume of water to be supplied, any agreement to provide wholesale or retail potable water for use outside its boundaries, its extraterritorial jurisdiction, or its certified service area unless each such agreement is approved by NTMWD (which approval shall not be unreasonably withheld unless the projected additional volume affects NTMWD's ability to provide service to others or conflicts with law or NTMWD policy). Customer shall not become a party to any contract for the sale of potable water, which would violate or be inconsistent with the provisions of this Contract. NTMWD will use its best efforts to furnish and remain in a position to furnish potable water sufficient for all reasonable potable water requirements of Customer, but its obligation shall be limited to the amount of potable water available to it from the System during routine operation.

The maximum volume allowed shall be that volume capable of being supplied by the routine operation of NTMWD's System utilizing the meter and meter sizes as described in Section 5, POINT(S) OF DELIVERY, at the defined Point of Delivery.

Section 3. OTHER CONTRACTS. NTMWD reserves the right to supply potable water from the System to additional parties as determined by the Board of Directors of NTMWD.

Section 4. QUALITY. The water to be delivered by NTMWD and received by Customer shall be potable water. Customer has satisfied itself that such water will be suitable for its needs, but NTMWD is obligated to treat such water so as to meet the standards of all State and Federal agencies having jurisdiction over water quality. NTMWD and Customer shall cooperate, each within its legal powers, in preventing, to the extent practicable, the pollution and contamination of the reservoirs and watersheds from which water is obtained.

Section 5. POINT(S) OF DELIVERY. The Point of Delivery for Customer shall be as follows:

1. A three inch (3") meter and three inch (3") tap located at pipeline station 325+20 on the Rockwall to Royse City twelve inch (12") Pipeline.
2. A six inch (6") meter and eight inch (8") tap located at pipeline station 274+00 on the Wylie-Rockwall-Farmersville thirty-six inch (36") Pipeline.

Customer shall construct, maintain, and operate, at its own cost and expense, all facilities and equipment necessary to receive and take all potable water delivered to it under this Contract. All facilities and equipment must be inspected and approved by NTMWD and any construction from NTMWD's pipeline through the air gap connection must meet NTMWD standard specifications. No change in the type or size of meters, or size of the tap, shall be allowed unless this Contract has been amended as set forth in Section 10, MODIFICATION.

Section 6. MEASURING EQUIPMENT. Customer shall furnish, and install at its own expense at the Point of Delivery the necessary rate of flow equipment of a standard type approved by NTMWD for measuring properly the quantity of potable water delivered under this Contract and such meter and other equipment so installed shall become the property of NTMWD. Customer shall have access to such metering equipment at all reasonable times, but the reading, calibration, and adjustment thereof shall be done only by the employees or agents of NTMWD. For the purpose of this Contract, the original record or reading of the meter shall be the journal or other record book maintained by NTMWD in its office in which the records of the employees or agents of NTMWD who take the reading may be transcribed. Upon written request of Customer,

NTMWD will provide a copy of such journal or record book, or permit it to have access to the same in the office of NTMWD during reasonable business hours.

Not more than once in any six (6) month time period, NTMWD shall test its meter if requested in writing by Customer to do so, in the presence of a representative of Customer, and the parties shall jointly observe any adjustments which are made to the meter in case any adjustments shall be necessary, and if the check meter hereinafter provided for has been installed, the same shall also be calibrated by Customer in the presence of a representative of NTMWD and the parties shall jointly observe any adjustment if necessary. If Customer shall in writing request NTMWD to calibrate its meter, then NTMWD shall give Customer notice of the time when any such calibration is to be made and if a representative of Customer is not present at the time set, NTMWD may proceed with calibration and adjustment in the absence of any representative of Customer.

If either party at any time observes a variation between the delivery meter and the check meter or meters, if any such check meter or meters shall be installed, such party will promptly notify the other party, and the parties hereto shall then cooperate to procure an immediate calibration test and joint observation of any adjustment and the same meter or meters shall then be adjusted to accuracy. Each party shall give the other party forty-eight (48) hours notice of the time of all tests of meters so that the other party may conveniently have a representative present.

If upon any test, the percentage of inaccuracy of any metering equipment is found to be in excess of two percent (2%), registration thereof shall be corrected for a period extending back to the time when such inaccuracy began, if such time is ascertainable, and if such time is not ascertainable, then for a period extending back one-half (1/2) of the time elapsed since the last date of calibration, but in no event further back than a period of six (6) months. If for any reason any meters are out of repair so that the amount of water delivered cannot be ascertained or computed from the reading thereof, the water delivered through the period such meters are out of service or out of repair shall be estimated and agreed upon by the parties hereto upon the basis of the best data available. For such purpose, the best data available shall be deemed to be the registration of any check meter or meters if the same have been installed and are accurately registering. Otherwise, the amount of water delivered during such period may be estimated (i) by correcting the error if the percentage of the error is ascertainable by calibration tests or mathematical calculation, or (ii) estimating the quantity of delivery by deliveries during the preceding periods under similar conditions when the meter or meters were registering accurately.

Customer may, at its option and its own expense, install and operate a check meter to check each meter installed by NTMWD, the measurement of water for the purpose of this Contract shall be solely by NTMWD's meters, except in the cases hereinabove specifically provided to the contrary. All such check meters shall be of standard make and shall be subject at all reasonable times to inspection and examination by any employee or agent of NTMWD, but the reading, calibration and adjustment thereof shall be made only by Customer except during any period when a check meter may be used under the provisions hereof for measuring the amount of water delivered, in which case the reading, calibration, and adjustment thereof shall be made by NTMWD with like effect as if such check meter or meters had been furnished or installed by NTMWD.

Section 7. UNIT OF MEASUREMENT. The unit of measurement for potable water delivered under this Contract shall be 1,000 gallons of water, U.S. Standard Liquid Measure.

Section 8. PRICE AND TERMS. The service to be performed under this Contract by NTMWD consists of the readiness of NTMWD to deliver to Customer upon its demand, water in accordance with the conditions, limitations and provisions of this Contract.

In return for such service Customer agrees to compensate NTMWD by payment of certain minimum annual sums of money, for each of which said sums NTMWD agrees, if required by Customer, to deliver all, or so much thereof as Customer may desire, of a certain corresponding volume of water as follows:

(a) For the First Annual Payment Period beginning October 1, 2005, Customer will take or pay for 148,610,000 gallons of water (407,151 gallons per day) at a rate of five cents (5¢) per 1,000 gallons above the rate established for Member Cities. Any water delivered in excess of the amount allowed for the annual minimum will be purchased at a rate of five cents (5¢) per 1,000 gallons above the amount charged to Member Cities for excess water, however the excess water provision shall not apply until Customer has established an annual minimum of 148,610,000 gallons. The maximum rate of delivery shall not exceed 2.5 times the daily average of water supplied to Customer hereunder, which is consistent with the capabilities and abilities of NTMWD facilities, and it is understood that NTMWD may from time to time adjust the maximum rate of delivery on an equitable and uniform basis to all Customer Cities. If potable water must be rationed, such rationing shall, within the limits permitted by law, be accomplished by NTMWD on an equal basis of the relative actual total amount of all potable water taken by each respective Customer City, respectively, during the last preceding Annual Payment Period in which rationing among said customers was not necessary. The minimum amount of water Customer will be required to purchase at the above rate, or such other rate, as may be from time to time determined by NTMWD, shall be calculated annually for each ensuing year and such amount shall be determined in the same manner as said amount is determined for the Member Cities. The annual minimum to be purchased during any ensuing year shall not be less than the highest total amount withdrawn by Customer during any previous year or 148,610,000 gallons, whichever is greater.

(b) The quantities and rates set forth in Section 2 and Section 8 hercof shall be reviewed at the end of the first full Annual Payment Period of service after the first delivery of water to Customer, and each year thereafter, and the minimum amount of water to be purchased, rate per 1,000 gallons and the maximum rate of delivery shall be re-determined by the Board of Directors of NTMWD at that time in the same manner as applied to NTMWD Member Cities.

(c) Payment of the minimum annual service charge listed above shall be made each year by Customer to NTMWD in twelve (12) equal monthly installments, each of which shall be due and payable on or before the 10th day of the month following the service.

(d) It is further agreed that, in addition to the amounts required to be paid by Customer herein, if during any Water Year Customer uses System treated water in excess of the minimum amount applicable to it for the Annual Payment Period which commenced during such Water Year, then Customer shall pay an "Excess Water Charge" equal to that part of the operation and maintenance expenses (e.g. electric power, chemicals, and other similar cost) directly attributable to supplying such excess treated water to Customer, all as determined by NTMWD. Such Excess Water Charge shall be billed by NTMWD to Customer as soon as practicable after the end of such Water Year and shall be paid to NTMWD as soon as practicable thereafter, and in all events prior to the beginning of the next Annual Payment Period. Such Excess Water Charge shall be credited to and be used to pay part of the operation and maintenance expenses for the then current

Annual Payment Period and reduce to the extent of such credits the amounts which otherwise would be payable by Customer during such then current Annual Payment Period.

(c) Liability for making payments, as herein set forth, shall commence on October 1, 2005.

(f) In the event that Customer shall fail to make any such monthly payment or annual payment within the time herein in this section specified, interest on such amount shall accrue at the rate of ten percent (10%) per annum from the date such payment becomes due until paid in full with the interest as herein specified. In the event such payment is not made within thirty (30) days from the date such payment becomes due, NTMWD may at its option discontinue delivery of water to Customer until the amount due NTMWD is paid in full with interest as herein specified.

Section 9. TERM OF CONTRACT. This Contract shall continue in force and effect for a period of forty (40) years from the date of this Contract. This Contract shall be considered null and void if not executed by Customer by December 31, 2005.

Section 10. MODIFICATION. This Contract may be changed or modified only by written agreement of the parties and only after having obtained approval from the governing bodies of both NTMWD and Customer. No change or modification shall be made to this Contract which will affect adversely the prompt payment when due of all moneys required to be paid by Customer under the terms of this Contract.

Section 11. FORCE MAJEURE. If by reason of force majeure any party hereto shall be rendered unable wholly or in part to carry out its obligations under this Contract, other than the obligation of Customer to make the payments required under Section 8 of this Contract, then if such party shall give notice and full particulars of such force majeure in writing to the other party within a reasonable time after occurrence of the event or cause relied on, the obligation of the party giving such notice, so far as it is affected by such force majeure, shall be suspended during the continuance of the inability then claimed, but for no longer period, and any such party shall endeavor to remove or overcome such inability with all reasonable dispatch. The term "Force Majeure" as employed herein shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of public enemy, orders of any kind of the Government of the United States or the State of Texas, or any civil or military authority, insurrection, riots, epidemics, landslides, lightning, earthquake, fires, hurricanes, storms, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, or on account of any other causes not reasonably within the control of the party claiming such inability.

Section 12. INSURANCE. NTMWD agrees to carry and arrange for fire, casualty, public liability, and/or other insurance, including self insurance for purposes and in amounts which, as determined by NTMWD, ordinarily would be carried by a privately owned utility company owning and operating such facilities, except that NTMWD shall not be required to provide liability insurance except to insure itself against risk of loss due to claims for which it can, in the opinion of NTMWD's legal counsel, be liable under the Texas Tort Claims Act or any similar law or judicial decision. Such insurance will provide, to the extent feasible and practicable, for the restoration of damaged or destroyed properties and equipment, to minimize the interruption of the services of such facilities. All premiums for such insurance shall constitute just and reasonable operation and maintenance expense. The insurance coverage does not extend to any facility owned by Customer.

Section 13. REGULATORY BODIES AND LAWS. This Contract is subject to all applicable Federal and State Laws and any applicable permits, ordinances, rules, orders, and regulations of any local, state or federal governmental authority having or asserting jurisdiction, but nothing contained herein shall be construed as a waiver of any right to question or contest any such law, ordinance, order, rule, or regulation in any forum, having jurisdiction.

Section 14. NOTICES. Unless otherwise provided herein, any notice, communication, request, reply, or advice (herein severally and collectively, for convenience, called "Notice") herein provided or permitted to be given, made, or accepted by any party to any other party must be in writing and may be given or be served by depositing the same in the United States mail postpaid and registered or certified and addressed to the party to be notified, with return receipt requested, or by delivering the same to an officer of such party, or by prepaid telegram when appropriate, addressed to the party to be notified. Notice deposited in the mail in the manner hereinabove described shall be conclusively deemed to be effective, unless otherwise stated herein, from and after the expiration of three (3) days after it is so deposited. Notice given in any other manner shall be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties shall, until changed as hereinafter provided, be as follows:

If to NTMWD, to:

Executive Director
North Texas Municipal Water District
P.O. Box 2408
Wylie, Texas 75098

If to Customer, as follows:

President
Lavon Water Supply Corporation
P.O. Box 188
Lavon, Texas 75166

The parties hereto shall have the right from time to time and at any time to change their respective addresses and each shall have the right to specify as its address any other address by at least fifteen (15) days written notice to the other parties hereto.

Section 15. SEVERABILITY. The parties hereto specifically agree that in case any one or more of the sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any situation or circumstance should be, or should be held to be, for any reason, invalid or unconstitutional, under the laws or constitutions of the State of Texas or the United States of America, or in contravention of any such laws or constitutions, such invalidity, unconstitutionality, or contravention shall not affect any other sections, subsections, provisions, clauses, or words of this Contract or the application of such sections, subsections, provisions, clauses, or words to any other situation or circumstance, and it is intended that this Contract shall be severable and shall be construed and applied as if any such invalid or unconstitutional section, subsection, provision, clause, or word had not been included herein, and the rights and obligations of the parties hereto shall be construed and remain in force accordingly.

Section 16. VENUE. All amounts due under this Contract including, but not limited to, payments due under this Contract or damages for the breach of this Contract, shall be paid and be due in Collin County, Texas, which is the County in which the principal administrative offices of NTMWD are located. It is specifically agreed among the parties to this Contract that Collin County, Texas, is a principal place of performance of this Contract.

Section 17. OTHER CONDITIONS AND PROVISIONS.

(a) Operation and Maintenance of System. NTMWD will continuously operate and maintain the System in an efficient manner and in accordance with good business and engineering practices, and at reasonable cost and expense.

(b) Title to Water: Indemnification. Title to all water supplied to Customer shall be in NTMWD up to the Point of Delivery, at which point title shall pass to Customer. NTMWD and Customer shall save and hold each other harmless from all claims, demands, and causes of action, which may be asserted by anyone on account of the transportation and delivery of said water while title remains in such party. As between the parties, Customer shall have the first right to use all effluent produced from its wastewater treatment plant for reuse solely for its own purposes. To the extent that effluent produced by Customer is discharged to water courses of the State, the right of Customer to reuse such effluent produced from its wastewater treatment is terminated, and NTMWD shall have the right as between the parties, and pursuant to any necessary authorization of the State, to appropriate and reuse such discharged effluent.

(c) Operating Expenses of Customer. Customer represents and covenants that all payments to be made by it under this Contract shall constitute reasonable and necessary "operating expenses" of its system, as defined in Section 1502.056, Texas Government Code, and that all such payments will be made from the revenues of its system. Customer represents and has determined that the potable water supply to be obtained from the System is absolutely necessary and essential to the present and future operation of its water system and is the only available and adequate source of supply of potable water. Accordingly, all payments required by this Contract to be made by Customer shall constitute reasonable and necessary operating expense of its respective system as described above, with the effect that the obligation to make such payments from revenues of such systems shall have priority over any obligation to make any payments from such revenues (whether of principal, interest, or otherwise) with respect to all bonds or other obligations heretofore or hereafter issued by Customer.

(d) Customer's Rate for Waterworks System. Customer agrees throughout the term of this Contract to continuously operate and maintain its waterworks system, and to fix and collect such rates and charges for water services to be supplied by its waterworks system as aforesaid as will produce revenues in an amount equal to at least (i) all of its payments under this Contract and (ii) all other amounts required to be paid from said revenues by the provisions of the ordinances or resolutions authorizing its revenue bonds or other obligations now or hereafter outstanding and to file appropriate financial reports related to the Customer's system including annual audits.

Section 18. WATER CONSERVATION. Customer agrees to adopt and enforce any and all ordinances generally related to water conservation as may be required by the rules of the TCEQ and/or as may be adopted or recommended by the Board of Directors of NTMWD.

Section 19. SPECIAL CONDITIONS.

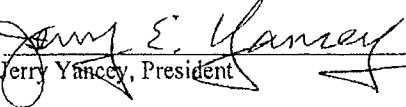
(a) The meter size, location and any quantity set forth in this contract are intended to meet the water needs of Customer. The needs of Customer are independently determined by Customer, and NTMWD has conducted no independent evaluation of the Customer's water system.

(b) Customer is utilizing this Contract to obtain funds from the United States Department of Agriculture Rural Development, Rural Utilities Service. NTMWD agrees that Customer may assign this Contract to the United States Department of Agriculture Rural Development, Rural Utilities Services.

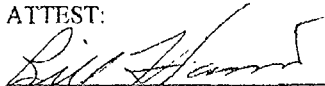
(c) Customer agrees to use its best efforts to complete construction of metering facilities and control equipment necessary to utilize Point of Delivery No. 2, as set forth in Section 5, by June 30, 2007. Notwithstanding anything herein to the contrary, the parties understand that Point of Delivery No. 2 as established in the March 25, 2004 water supply contract shall remain in service until such time as Customer completes construction of the improvements described herein.

IN WITNESS WHEREOF, the parties hereto acting under authority of their respective governing bodies have caused this Contract to be duly executed in several counterparts, each of which shall constitute an original, all as of the day and year first above written, which is the date of this Contract.

NORTH TEXAS MUNICIPAL WATER DISTRICT

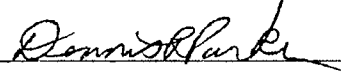
By: 
Jerry Yancey, President

ATTEST:

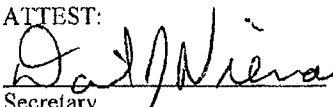

Bill Harrison, Secretary

(SEAL)

LAVON WATER SUPPLY CORPORATION

By: 
President, B.O.D.

ATTEST:


Secretary

(SEAL)

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION



AMENDMENT TO
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 03-4797B

TYPE: AMENDMENT

Names:	Sulphur River Municipal Water District	Addresses:	P.O. Box 310 Cooper, Texas 75432
	and		and
	North Texas Municipal Water District		P.O. Box 2408 Wylie, Texas 75098-2408
Filed:	October 15, 1996	Counties:	Dallas, Denton, Kaufman, Collin, Rockwall and Hunt
Purposes:	Municipal and Industrial		
Watercourse:	South Sulphur River, tributary of Sulphur River	Watersheds:	Sulphur River Basin and Trinity River Basin

WHEREAS, Certificate of Adjudication No. 03-4797 was issued to the Sulphur River Municipal Water District (referred to as "SRMWD") on March 31, 1987 and authorized, with a time priority of November 19, 1965 and based on a contract with the United States of America, impoundment of water in Cooper Reservoir created by a dam constructed by the U.S. Army Corps of Engineers on the South Sulphur River, tributary of the Sulphur River, Sulphur River Basin, in Hopkins and Delta Counties, approximately 13 miles north of Sulphur Springs, Texas; and

WHEREAS, the certificate authorized impoundment by SRMWD in the reservoir of a total of 81,470 acre-feet of water which included 71,750 acre-feet of the total storage of 273,000 acre-feet between elevation 415.5 feet and 440.0 feet above mean sea level (msl) and 9720 acre-feet of the 37,000 acre-feet of silt storage space available below 415.5 feet msl; and

WHEREAS, the certificate also authorized the diversion and use from the reservoir of not to exceed 26,960 acre-feet of water per annum for municipal purposes and 11,560 acre-feet of water per annum for industrial purposes within the SRMWD's service area; and

WHEREAS, the certificate also stated that water diverted but not consumed shall be returned to the Sulphur River Basin at the disposal plants of the water customers of the SRMWD; and

WHEREAS, Certificate No. 03-4797A was issued to the SRMWD and the City of Commerce on November 23, 1992 and included the following:

1. The right to transfer and use not to exceed 11,274 acre-feet of water per annum of the municipal water included in the certificate for municipal use by the City of Commerce within the Trinity River Basin in Denton, Collin, Grayson, Cooke, Wise, Dallas and Tarrant Counties for a term of years in accordance with a July 5, 1990 contract between the City of Commerce and the Upper Trinity Regional Water District;
2. The right to transfer and use not to exceed 4832 acre-feet of water per annum of the industrial water included in the certificate for municipal or industrial use by the City of Commerce within the Trinity River Basin in Denton, Collin, Grayson, Cooke, Wise, Dallas and Tarrant Counties for a term of years in accordance with a July 5, 1990 contract between the City of Commerce and the Upper Trinity Regional Water District;
3. Authorization to divert this total of 16,107 acre-feet per annum of water for use by the City of Commerce from the perimeter of Cooper Reservoir at a maximum diversion rate of 170.2 cubic feet per second;
4. Authorization to return water diverted but not consumed by the City of Commerce to the Trinity River Basin at points on the Elm Fork of the Trinity River or downstream thereof; and
5. A statement requiring the certificate owners to implement a water conservation plan; and

WHEREAS, the SRMWD has indicated that the City of Cooper, one of their member cities, has the right to use 8,000 acre-feet of SRMWD's storage capacity in Cooper Reservoir authorized by this certificate and the right to divert and use 4286 acre-feet of water per annum of SRMWD's annual authorization under this certificate for municipal use from Cooper Reservoir; and

WHEREAS, Pursuant to a contract for purchase of water by and between North Texas Municipal Water District (referred to as the "NTMWD") and the City of Cooper dated May 25, 1995, applicants seek to amend the certificate, as amended, by:

1. Transferring a right to use 6,000 acre-feet of the City of Cooper's storage capacity in Cooper Reservoir to the NTMWD;
2. Transferring a right to divert and use 3,214 acre-feet per annum of the City of Cooper's municipal diversion right from Cooper Reservoir to the NTMWD;

3. Authorizing the transfer and use of this 3,214 acre-feet of water per annum by the NTMWD from the Sulphur River Basin to the Trinity River Basin with the NTMWD's service area in Dallas, Denton, Kaufman, Collin, Rockwall and Hunt Counties;
4. Authorizing diversion of this water through the NTMWD's existing diversion facilities on the perimeter of Cooper Reservoir at a maximum rate of 340.36 cubic feet per second via pipeline to Lake Lavon for subsequent use; and
5. Authorizing return of water diverted for use but not consumed by the NTMWD to the Trinity River Basin at points on the East Fork of the Trinity River or downstream thereof; and

WHEREAS, the Texas Natural Resource Conservation Commission finds that jurisdiction over the application is established;

WHEREAS, the City of Irving and the Upper Trinity Regional Water District initially protested the granting of this application but subsequently withdrew their hearing requests; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Natural Resource Conservation Commission in issuing this amendment.

NOW, THEREFORE, this amendment to Certificate No. 03-4797, as amended, is issued to the Sulphur River Municipal Water District and the North Texas Municipal Water District, subject to the following provisions:

1. STORAGE

The North Texas Municipal Water District is authorized to use 6,000 acre-feet of storage (of the 8000 acre-feet currently used by the City of Cooper as a member city of the Sulphur River Municipal Water District) in Cooper Reservoir out of the total storage of 81,470 acre-feet of storage authorized for use by the Sulphur River Municipal Water District.

2. USE

The North Texas Municipal Water District is authorized to divert and use not to exceed 3,214 acre-feet per annum of the remaining 15,686 acre-foot annual diversion of water authorized for municipal use by the Sulphur River Municipal Water District (26,960 acre-feet of water per annum less the 11,274 acre-feet of water per annum previously committed for use to the City of Commerce) within the NTMWD service area in the Trinity River Basin in Dallas, Denton, Kaufman, Collin, Rockwall and Hunt Counties.

3. DIVERSION

The water included for use by this amendment is authorized to be diverted through the NTMWD's existing diversion facilities on the perimeter of Cooper Reservoir at a maximum rate of 340.36 cubic feet per second via pipeline to the NTMWD's Lake Lavon for subsequent use.

4. RETURN FLOWS

Water diverted under this amendment but not consumed may be returned to the Trinity River Basin at points on the East Fork of the Trinity River or downstream thereof.

5. WATER CONSERVATION

The North Texas Municipal Water District shall submit a Water Conservation Plan to the Commission within one year of issuance of this amendment. This plan must include provisions for the utilization of those practices, techniques and technologies that reduces or maintains the consumption of water, prevents or reduces the loss or waste of water, maintains or improves the efficiency in the use of water, increases the recycling and reuse of water, or prevents the pollution of water, so that a water supply is made available for future or alternative uses. Such a plan shall include a requirement in every wholesale water supply contract entered into for use of this water on or after the issue date of this amendment, including any contract extension or renewal, that each successive wholesale customer develop and implement water conservation measures. If the customer intends to resell the water, the contract for the resale of the water must have water conservation requirements so that each successive wholesale customer in the resale of the water will be required to implement water conservation measures.

6. This amendment is subject to the maintenance of a contract for purchase of water by and between the City of Cooper, a member city of the Sulphur River Municipal Water District, and the NTMWD.

This amendment is issued subject to all terms, conditions and provisions contained in Certificate No. 03-4797, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Sulphur River Basin.

Certificate owners agree to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

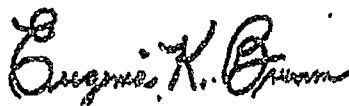
This amendment is issued subject to the Rules of the Texas Natural Resource Conservation Commission and to the right of continuing supervision of State water resources exercised by the Commission.

TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION


For the Commission

DATE ISSUED: OCT 27 1997

ATTEST:


Eugenia K. Brumm, Ph.D, Chief Clerk

CERTIFICATE OF ADJUDICATION

CERTIFICATE OF ADJUDICATION: 03-4798 OWNER: North Texas Municipal Water District
P. O. Drawer "C"
Wylie, Texas 75098

COUNTIES: Delta and Hopkins PRIORITY DATE: November 19, 1965

WATERCOURSE: South Sulphur River, BASIN: Sulphur River
tributary of the
Sulphur River

WHEREAS, by final decree of the 202nd Judicial District Court of Bowie County, in Cause No. 86-C1702-202 In Re: The Adjudication of Water Rights in the Sulphur River Basin dated December 17, 1986 a right was recognized under Permit 2338 authorizing the North Texas Municipal Water District to appropriate waters of the State of Texas as set forth below;

WHEREAS, by Public Law 780, 83rd Congress, 2d Session, 1954, as amended, Cooper Dam and Reservoir on the South Sulphur River in the Sulphur River Basin, a multi-purpose federal project located in Delta and Hopkins Counties, Texas, was duly authorized;

WHEREAS, a contract has been negotiated between the United States of America and local political subdivisions whereby water supply storage space in Cooper Reservoir has been allocated between elevation 440.0 and 415.5 feet above mean sea level as follows:

	<u>Percent of Water Supply Space</u>	<u>Usable Storage (acre-feet)</u>
Sulphur River Municipal Water District	26.282	71,750
North Texas Municipal Water District	36.859	100,625
City of Irving, Texas	<u>36.859</u>	<u>100,625</u>
TOTAL	100.00	273,000

Initially in the silt storage space below elevation 415.5 feet msl there will be 37,000 acre-feet, the water in which may be, with the approval of the federal contracting officer, diverted proratably by the political subdivisions above named in the percentages set forth;

NOW, THEREFORE, this certificate of adjudication to appropriate waters of the State of Texas in the Sulphur River Basin is issued to the North Texas Municipal Water District, subject to the following terms and conditions:

Certificate of Adjudication 03-4798

1. IMPOUNDMENT

Owner is authorized to impound in Cooper Reservoir between elevation 415.5 feet and 440.0 feet above mean sea level not to exceed 100,625 acre-feet of water and below elevation 415.5 feet msl not to exceed 13,640 acre-feet, making a total of 114,265 acre-feet of water. Station 19+00 on the centerline of the dam will be located at a point which bears S69°30'W, 3640 feet from the northeast corner of the W. W. Langham Survey, Abstract 1218, Hopkins County, Texas.

2. USE

Owner is authorized to divert and use from Cooper Reservoir not to exceed 54,000 acre-feet of water per annum for municipal purposes within the service area of the North Texas Municipal Water District.

3. DIVERSION

Owner shall, prior to construction or installation of any diversion facilities, submit to the Texas Water Commission for its approval data concerning the point and method for diversion of water and the maximum rate of diversion.

4. PRIORITY

The time priority of owner's right is November 19, 1965.

5. SPECIAL CONDITIONS

- A. Water diverted but not consumed shall be returned to the Trinity River Basin at the disposal plants of the water customers of the District.
- B. Construction or installation of all works herein authorized or required shall commence and be completed within the time limits as established by the Commission.
- C. Owner accepts this certificate of adjudication with full knowledge and consent that the State of Texas retains the right to regulate, by permit from the Commission, introductions into and withdrawals from Cooper Reservoir of such volumes of water downstream or other sources as may be developed under the Texas Water Plan.

The locations of pertinent features related to this certificate are shown on Page 2 of the Sulphur River Basin Certificates of Adjudication Maps, copies of which are located in the office of the Texas Water Commission, Austin, Texas.

Certificate of Adjudication 03-4798

This certificate of adjudication is issued subject to all terms, conditions and provisions in the final decree of the 202nd Judicial District Court of Bowie County, Texas, in Cause No. 86-C1702-202 In Re: The Adjudication of Water Rights in the Sulphur River Basin dated December 17, 1986 and supersedes all rights of the owner asserted in that cause.

This certificate of adjudication is issued subject to senior and superior water rights in the Sulphur River Basin.

This certificate of adjudication is issued subject to the obligations of the State of Texas pursuant to the terms of the Red River Compact.

This certificate of adjudication is issued subject to the Rules of the Texas Water Commission and its continuing right of supervision of State water resources consistent with the public policy of the State as set forth in the Texas Water Code.

TEXAS WATER COMMISSION

Paul Hopkins
Paul Hopkins, Chairman

DATE ISSUED:

MAR 31 1987

ATTEST:

Mary Ann Grefner
Mary Ann Grefner, Chief Clerk

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMENDMENT TO A
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 05-4670A

TYPE §§ 11.122, 11.085

Owner: Sabine River Authority

Address: P.O. Box 579
Orange, Texas 77630-0579

Filed: December 11, 2006

Granted: **JUL 22 2008**

Purpose: Municipal

Counties: Collin, Hunt, Kaufman,
Rockwall, Rains, and Van
Zandt

Watercourse: Sabine River

Watershed: Sabine River Basin and
Trinity River Basin

WHEREAS, Certificate of Adjudication No. 05-4670 authorizes Owner to maintain an existing dam and reservoir (Lake Tawakoni) on the Sabine River, Sabine River Basin, and impound therein not to exceed 927,440 acre-feet of water; and

WHEREAS, Owner is authorized to operate Lake Tawakoni and Lake Fork Reservoir on a "joint use basis" with the City of Dallas; and

WHEREAS, Certificate of Adjudication No. 05-4670 authorizes Owner to divert and use not to exceed 238,100 acre-feet of water per year for municipal purposes subject to the following conditions:

- Owner shall not withdraw from Lake Tawakoni more than 47,620 acre-feet of water per year, plus any water transported by Owner from Lake Fork Reservoir to Lake Tawakoni by means of pipeline, canal or otherwise;
- Pursuant to a water supply contract between Owner and the City of Dallas, the City of Dallas shall not withdraw from Lake Tawakoni more than 190,480 acre-feet of water per year, plus any water transported by the City of Dallas from Lake Fork Reservoir by means of pipeline, canals, or otherwise;
- Owner shall transfer no more than 227,675 acre-feet of water per year to the Trinity River Basin and no more than 8,396 acre-feet of water per year to the Sulphur River Basin for municipal uses; and

WHEREAS, the Certificate authorizes Owner to divert the water authorized from the perimeter of Lake Tawakoni at a maximum combined rate of 600 cfs (270,000 gpm); and

WHEREAS, Certificate of Adjudication No. 05-4670 contains multiple priority dates, special conditions and diversion rates; and

WHEREAS, pursuant to the *Upper Sabine River Basin Interim Water Supply Contract, Lake Tawakoni/Lake Fork System* dated May 10, 2006, between Owner and the North Texas Municipal Water District (District), Owner agrees to supply water for use in the District's service area in those counties that lie in both the Sabine River Basin and the Trinity River Basin; and

WHEREAS, Applicant seeks to amend Certificate of Adjudication No. 05-4670 to authorize:

- An increase in the maximum diversion rate from Lake Tawakoni from 600 cfs (270,000 gpm) to 823 cfs (369,388 gpm);
- An interbasin transfer authorization to allow additional water to be used in the Trinity River Basin in the District's service area in counties that are in both the Trinity River Basin and the Sabine River Basin, namely Hunt, Collin, Rockwall, Van Zandt, and Kaufman, or otherwise within the exempt transfers described in Texas Water Code § 11.085(v);
- Clarification of the diversion rate limitation with respect to the joint use provision of Certificate of Adjudication by revising Special Condition Paragraph 3.B. of the Certificate; and

WHEREAS, this amendment does not seek any change to the water contracted to Dallas; and

WHEREAS, the Texas Commission on Environmental Quality (Commission) finds that jurisdiction over the application is established; and

WHEREAS, this application is subject to the obligations of the State of Texas pursuant to the terms of the Sabine River Compact; and

WHEREAS, the Executive Director has determined that amount of water that may be diverted and used pursuant to this amendment should be limited to 47,620 acre-feet of water per year of the water authorized by Certificate of Adjudication No. 05-4670; and

WHEREAS, the Executive Director recommends that specific restrictions should be included in the amendment to maintain the instream uses and aquatic organisms in Lake Tawakoni Reservoir; and

WHEREAS, the Executive Director recommends that in order to protect senior and superior water rights owners, special conditions should be included in the amendment; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this amendment; and

NOW, THEREFORE, this amendment to Certificate of Adjudication No. 05-4670, designated Certificate of Adjudication No. 05-4670A, is issued to the Sabine River Authority, subject to the following terms and conditions:

1. USE

In addition to the previously authorized place of use, Owner is also authorized an exempt interbasin transfer to convey not to exceed 47,620 acre-feet of water per year contracted to the North Texas Municipal Water District from Lake Tawakoni for use in the Trinity River Basin in the service area of the North Texas Municipal Water District in counties that are in both the Trinity River Basin and the Sabine River Basin, specifically Hunt, Collin, Rockwall, Van Zandt, and Kaufman Counties.

2. DIVERSION

In lieu of the authorization to divert the water authorized at a maximum rate of 600 cfs (270,000 gpm), Owner is now authorized to divert the water authorized by Certificate of Adjudication No. 05-4670 at a maximum rate of 823 cfs (369,388 gpm), exclusive of water transported from Lake Fork under Certificate of Adjudication No. 05-4669 and discharged into and stored or transported in Lake Tawakoni.

3. CONSERVATION

Owner shall implement water conservation plans that provide for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future or alternative uses. Such plans shall include a requirement that in every wholesale water supply contract entered into on or after the date of this amendment, including any contract extension or renewal, that each successive wholesale customer develop and implement conservation measures. If the customer intends to resell the water, then the contract for resale of the water must have water conservation requirements so that each successive wholesale customer in the resale of the water be required to implement water conservation measures.

4. SPECIAL CONDITIONS

- A. The interbasin transfer authorization contained in USE Paragraph is subject to the continued maintenance of the *Upper Sabine River Basin Interim Water Supply Contract, Lake Tawakoni/Lake Fork System* between Owner and North Texas Municipal Water District. Upon expiration of the contract and all extensions thereof, Owner shall immediately cease interbasin transfer of the water as described in USE Paragraph and either apply to amend the certificate, or voluntarily forfeit the interbasin transfer authorization. If Owner fails to apply for an amendment to the certificate or forfeit the interbasin transfer authorization, the TCEQ may begin proceedings to cancel the interbasin transfer authorization. The Commission shall be notified immediately by the Owner upon amendment or expiration of the contract and all extensions thereof, and provided with copies of the appropriate documents effecting such changes.
- B. The maximum amount authorized for diversion from Lake Tawakoni by Owner for use by the District within counties in the District's service area that lie within the Sabine and Trinity River Basins is 47,620 acre-feet of water per year.
- C. Prior to discharge of the water authorized for interbasin transfer into any stream or watercourse in the Trinity River Basin, the District shall apply for and be granted the authorization to do so. Additionally, the Sabine River Basin water shall be included in the District's accounting plan for Lake Lavon.
- D. In order to protect the aquatic organisms in Lake Tawakoni, for any diversion structures constructed or modified after the issuance date of this amendment, Owner shall install a screen with a mesh size of 0.75 inches or smaller on the diversion structures and shall implement a maximum flow-through screen velocity of 0.5 feet per second.

This amendment is issued subject to all terms, conditions and provisions contained in Certificate of Adjudication No. 05-4670, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Sabine River Basin.

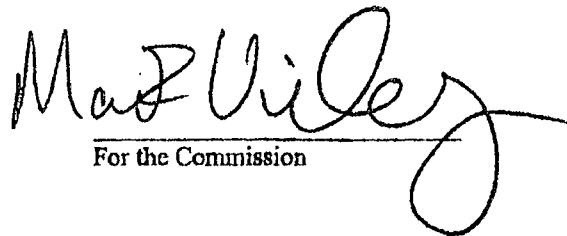
This amendment is subject to the obligations of the State of Texas pursuant to the Sabine River Compact.

Owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

Exhibit CR-16

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.


For the Commission

ISSUED: JUL 22 2008

WATERRIGHTS

fax:512-239-4770

Jul 6 2007 9:01 P.02

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AMENDMENT TO A
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 08-2410F

TYPE §§ 11.122, 11.042 & 11.046

Owner: North Texas Municipal
Water District

Address: P. O. 2408
Wylie, Texas 75098

Filed: October 3, 2005

Granted: **JUL 05 2007**

Purpose: Municipal, Industrial
and Agricultural

Counties: Collin, Hopkins,
Dallas, Denton,
Rockwall, Hunt, and
Kaufman

Watercourse: East Fork Trinity River,
Tributary of the Trinity River

Watershed: Trinity River Basin
Red River Basin, and
Sulphur River Basin

WHEREAS, Certificate of Adjudication No. 08-2410 currently authorizes the North Texas Municipal Water District (District) to impound 380,000 acre-feet of water in Lake Lavon, which is owned by the United States Army Corps of Engineers, and to divert and use from Lake Lavon:

- 100,000 acre-feet of water per year for municipal purposes;
- 4,000 acre-feet of water per year for industrial and municipal use;
- 77,300 acre-feet of Trinity River Basin water per year for municipal purposes by over-drafting the firm yield of Lake Lavon when Lake Ray Hubbard is at or above maximum conservation level (435.5 feet msl) and spilling, or whenever additional water up to 77,300 acre-feet per year is supplied from Lake Texoma to Lake Lavon pursuant to Water Use Permit No. 5003,
- 44,900 acre-feet of Trinity River Basin water per year for municipal purposes by over-drafting in excess of the firm yield of Lake Lavon during times when Lake Ray Hubbard is at or above maximum conservation level and spilling;
- 57,214 acre-feet of water per year from Lake Lavon for municipal purposes consisting of a combination of over-drafting a maximum of 44,900 acre-feet of Trinity

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River Basin water and water supplied from Lake Chapman pursuant to Certificates of Adjudication Nos. 03-4797 and 03-4798; and

• 71,882 acre-feet of water per year discharged into Lake Lavon from the District's Wilson Creek Wastewater Treatment Plant; and

WHEREAS, Certificate of Adjudication No. 08-2410 provides that the total consumptive use of water authorized by Certificates of Adjudication Nos. 08-2410, 03-4797, and 03-4798 and Water Use Permit No. 5003 for municipal purposes within the District's service area shall not exceed 234,514 acre-feet of water per year; and

WHEREAS, if water is not transferred from Lake Chapman to Lake Lavon, the total consumptive use of water authorized by Certificate of Adjudication No. 08-2410 shall not exceed 222,200 acre-feet of water per year; and

WHEREAS, pursuant to Certificate of Adjudication No. 03-4798, District is also authorized to divert and use from Lake Chapman in the Sulphur River Basin not to exceed 54,000 acre-feet per year, and pursuant to Certificate of Adjudication No. 03-4797, not to exceed 3,214 acre-feet per year, for use in the District's service area; and

WHEREAS, Certificate of Adjudication No. 08-2410 contains several priority dates, special conditions and diversion rates; and

WHEREAS, the District seeks to amend Certificate of Adjudication No. 08-2410 to authorize:

- The diversion and use of up to 206,600 acre-feet of water per year of both permitted and projected return flows (District Return Flows) from sixteen (16) identified District- or District customer-owned or operated WWTPs (District WWTPs);
- The diversion and use of 157,393 acre-feet of water per year of permitted District Return Flows, of which the District has historically discharged 88,997 acre-feet of water per annum from the District WWTPs into the East Fork Trinity River or its tributaries. Of the 157,393 acre-feet of water per year permitted for discharge, the District proposes to divert and use up to 138,674 acre-feet of water per year, such that 30% of District Return Flows originating from existing or future permitted water supplies originating in the Trinity River Basin will be left in the East Fork Trinity River to address the needs of downstream water rights and the environment;
- The use of the bed and banks of the East Fork Trinity River and its tributaries within the Trinity River Basin to convey District Return Flows from District WWTPs to the proposed diversion facilities;

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- The use of the bed and banks of Lake Lavon and its tributaries to convey Lake Lavon Return Flows to the District's existing authorized points of diversion on Lake Lavon for subsequent diversion at the District's existing authorized diversion rate, and for use by the District;
- The diversion of Lake Ray Hubbard and Lower East Fork Return Flows at a maximum rate of 436 cfs (195,543 gpm) from the proposed diversion facilities to be located at any point within an approximate 1,200 foot reach of Stream Segment 0819 of the East Fork Trinity River between Latitude 32.642°N, Longitude 96.484°W and Latitude 32.639°N, Longitude 96.485°W;
- The storage of not to exceed 4,497 acre-feet of Lake Ray Hubbard and Lower East Fork Return Flows in proposed off-channel storage facilities, including constructed wetlands;
- The collection in and diversion of Lake Ray Hubbard Return Flows and Lower East Fork Return Flows from the constructed wetlands in an amount equal to the amount of same diverted from the East Fork Trinity River, less conveyance losses associated with the temporary storage of such water in the constructed wetlands (estimated to be a maximum of 3,714 acre-feet per year), for conveyance by pipeline to Lake Lavon or a tributary to Lake Lavon; and
- The conveyance of the Lake Ray Hubbard and Lower East Fork Return Flows collected in the constructed wetlands and transported by pipeline to Lake Lavon or a tributary of Lake Lavon through a tributary of Lake Lavon and Lake Lavon for subsequent diversion at the District's authorized points of diversion on the perimeter of Lake Lavon at the District's existing authorized diversion rate, for use by the District; and

WHEREAS, the treated effluent comprising the District Return Flows is generated at the following sixteen (16) District- or District customer-owned or operated Wastewater Treatment Plants located in the Trinity River Basin, and is comprised of the sum of i) Lake Lavon Return Flows; ii) Lake Ray Hubbard Return Flows; and iii) Lower East Fork Return Flows, as follows; and

Watershed Discharge	Treatment Plant Name	Current Discharge (Af/Yr)	Permitted Discharge (Af/Yr)
Lake Lavon Return Flows	Farmersville #1 WWTP	0	252
	Farmersville #2 WWTP	336	594
	Seis Lagos WWTP	112	280
	Rowlett Creek WWTP	20,739	26,904
	Murphy WWTP	224	280
	Wylie WWTP	3,924	2,242

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Lake Ray Hubbard Return Flows	Muddy Creek WWTP	0	22,420
	Squabble Creek WWTP	785	1,345
	Rush Creek WWTP	34	45
	Southside WWTP	56	202
	Terry Lane WWTP	11	34
Lower East Fork Return Flows	South Mesquite WWTP	17,039	28,025
	Garland Rowlett WWTP	19,842	26,904
	Garland Duck Creek WWTP	23,205	44,840
	Buffalo Creek WWTP	2,466	2,522
	Shepards Glen WWTP	224	504
Total Discharges		88,997	157,393

WHEREAS, the District indicates that there will be no losses associated with the conveyance of District Return Flows within the East Fork Trinity River and Lake Lavon to the District's existing or proposed diversion facilities; and

WHEREAS, the District proposes that, until an agreement by and between the District and the City of Dallas pertaining to the Lake Ray Hubbard Return Flows has been executed, the authorization to divert and use District Return Flows be limited to only Lake Lavon Return Flows and Lower East Fork Return Flows; and

WHEREAS, the District has provided, and the Executive Director has approved, an accounting plan (Accounting Plan) that accounts for, by priority date and source, all water discharged into and diverted from Lake Lavon and the East Fork Trinity River pursuant to all of the District's authorizations, including the District's reuse authorizations; and

WHEREAS, the Texas Commission on Environmental Quality (Commission) finds that jurisdiction over the application is established; and

WHEREAS, the Executive Director has determined that 157,393 acre-feet of water per year of the currently permitted (TPDES) return flows requested by the Applicant from the sixteen (16) identified District- or District customer-owned or operated WWTPs is available for subsequent diversion and use, less losses; and

WHEREAS, the Executive Director recommends that specific stream flow restrictions should be included in the amendment to maintain the instream uses and water quality conditions of the East Fork Trinity River and the Trinity River; and

WHEREAS, the Executive Director recommends that in order to protect senior and superior water rights owners, special conditions should be included in the amendment; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this amendment;

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NOW, THEREFORE, this amendment to Certificate of Adjudication No. 08-2410, designated Certificate of Adjudication No. 08-2410F, is issued to the North Texas Municipal Water District, subject to the following terms and conditions:

1. IMPOUNDMENT

In addition to previous authorizations, the District is also authorized to impound not to exceed 4,497 acre-feet of water in off-channel constructed wetlands, located in Kaufman County, ownership of which is evidenced by an Agreement for Easements Permitting Water District Use of the Seagoville Ranch recorded as Document 00017410, Book OR, Volume 2476, Page 327 through 353 of the Deed Records of Kaufman County, Texas.

2. USE

- A. Subject to the requirements of Section 7.K, in addition to the diversions previously authorized from Lake Lavon, the District is also authorized to divert and use, within its service area, not to exceed 157,393 acre-feet per year of the currently permitted District Return Flows from sixteen (16) identified District- or District customer-owned or operated wastewater treatment plants (District WWTPs), less losses.
- B. The District is authorized to divert from the off-channel wetlands not to exceed the actual amount of District Return Flows diverted from the East Fork Trinity River diversion points to the wetlands, less losses.
- C. The District is authorized to use the bed and banks of the East Fork Trinity River and its tributaries within the Trinity River Basin, including but not limited to Lake Ray Hubbard, to convey District Return Flows from the District WWTPs to the diversion facilities on the East Fork Trinity River authorized in Section 3.A1, subject to the requirements of Section 7.D.
- D. The District is authorized to use the bed and banks of Lake Lavon and its tributaries to convey District Return Flows to the District's authorized points of diversion on Lake Lavon for subsequent diversion and use by the District.

3. DIVERSION

The District is authorized to divert the water authorized by this amendment as follows.

A. POINTS

- 1. From an approximate 1,200 foot reach of Stream Segment 0819 of the East Fork Trinity River between Latitude 32.642°N, Longitude 96.484°W and Latitude 32.639°N, Longitude 96.485°W into the off-channel wetlands, and thence from the perimeter of the off-channel constructed

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wetlands.

2. From the diversion points authorized pursuant to Certificate of Adjudication No. 08-2410, as amended.

B. RATES

1. From the East Fork Trinity River at a maximum combined rate of 436 cfs (195,543 gpm)
2. At the rate authorized from Lake Lavon by Certificate of Adjudication No. 08-2410, as amended.

4. DISCHARGE POINTS

The points of origin for District Return Flows from the sixteen (16) District- or District customer-owned or operated WWTPs are defined as follows:

- A. Buffalo Creek WWTP - into Buffalo Creek 1.5 miles northwest of the intersection of FM 3097 and FM 549 in Rockwall County at Latitude 32.877°N, Longitude 96.458°W in Trinity River Segment No. 0819; current discharge is 2.2 MGD or 2,466 acre-feet per year, current permitted discharge is 2.25 MGD or 2,522 acre-feet per year.
- B. Farmersville No. 1 WWTP - into an unnamed tributary of Elm Creek 1,600 feet south of the intersection of State Highway 78 and US Highway 380 in Collin County at Latitude 33.153°N, Longitude 96.375°W in Trinity River Segment No. 0821; current discharge is 0.0 MGD or 0.0 acre-feet per year, current permitted discharge is 0.23 MGD or 252 acre-feet per year.
- C. Farmersville No. 2 WWTP - into an unnamed tributary of Elm Creek 1,600 feet south of the intersection of State Highway 78 and US Highway 380 in Collin County at Latitude 33.153°N, Longitude 96.375°W in Trinity River Segment No. 0821; current discharge is 0.30 MGD or 336 acre-feet per year, current permitted discharge is 0.53 MGD or 594 acre-feet per year.
- D. Garland Duck Creek WWTP - into Duck Creek south of Lake Ray Hubbard Dam and north of Interstate Highway 20 in Kaufman County at Latitude 32.796°N, Longitude 96.517°W in Trinity River Segment No. 0819; current discharge is 20.70 MGD or 23,205 acre-feet per year, current permitted discharge is 40.00 MGD or 44,840 acre-feet per year.
- E. Garland Rowlett Creek WWTP - via pipeline into Duck Creek 0.25 miles south of Centerville Road from WWTP located 0.25 miles south of the intersection of State Highway 66 on the southeast corner where the Missouri, Kansas, and Texas

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RR crosses Centerville Road in Dallas County at Latitude 32.870°N, Longitude 96.631°W in Trinity River Segment No. 0819; current discharge is 17.70 MGD or 19,842 acre-feet per year, current permitted discharge 24 MGD or 26,904 acre-feet per year.

- F. Muddy Creek WWTP - into Muddy Creek 1,100 feet northeast of the crossing of Muddy Creek by Pleasant Valley Road in Dallas County at Latitude 32.974°N, Longitude 96.548°W in Trinity River Segment No. 0820; current discharge is 0.00 MGD or 0.0 acre-feet per year, current permitted discharge is 20.00 MGD or 22,420 acre-feet per year.
- G. Murphy WWTP - into an unnamed tributary of Maxwell Creek 4,000 feet east and 6,000 feet south of the intersection of FM 544 and FM 2551 in Collin County at Latitude 32.991°N, Longitude 96.602°W in Trinity River Segment No. 0820; current discharge is 0.20 MGD or 224 acre-feet per year, current permitted discharge is 0.25 MGD or 280 acre-feet per year.
- H. Rowlett Creek WWTP - into Rowlett Creek east of Los Rios Blvd., approximately 700 feet north of FM 544 at Latitude 33.017°N, Longitude 96.645°W in Trinity River Segment No. 0820; current discharge is 18.50 MGD or 20,739 acre-feet per year, current permitted discharge is 24.00 MGD or 26,904 acre-feet per year.
- I. Rush Creek WWTP - into Lake Ray Hubbard 1.5 miles southwest of the City of Heath in Rockwall County at Latitude 32.826°N, Longitude 96.497°W in Trinity River Segment No. 0820; current discharge is 0.03 MGD or 34 acre-feet per year, current permitted discharge is 0.04 MGD or 45 acre-feet per year.
- J. Seis Lagos WWTP - into an unnamed tributary of Lake Lavon 0.8 miles southeast of the intersection of Riva Ridge Road and FM 3286 in Collin County at Latitude 33.076°N, Longitude 96.563°W in Trinity River Segment No. 0821; current discharge is 0.10 MGD or 112 acre-feet per year, current permitted discharge is 0.25 MGD or 280 acre-feet per year.
- K. Shepherds Glen WWTP - into an unnamed tributary of Buffalo Creek 0.75 miles east of FM 740 and 0.75 miles northwest of FM 549 in Rockwall County, at Latitude 32.861°N, Longitude 96.461°W in Trinity River Segment No. 0819; current discharge is 0.20 MGD or 224 acre-feet per year, current permitted discharge is 0.45 MGD or 504 acre-feet per year.
- L. South Mesquite WWTP - into South Mesquite Creek 0.5 miles south of the intersection of Lawson and Cartwright Roads in Dallas County at Latitude 32.707°N, Longitude 96.555°W in Trinity River Segment No. 0819; current discharge is 15.20 MGD or 17,039 acre-feet per year, current permitted discharge is 25.00 MGD or 28,025 acre-feet per year.

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- M. Southside WWTP - into Rush Creek as it enters Lake Ray Hubbard one mile south-southwest of the intersection of State Highway 740 and State Highway 549 in Rockwall County at Latitude 32.825°N, Longitude 96.481°W in Trinity River Segment No. 0820; current discharge is 0.05 MGD or 56 acre-feet per year, current permitted discharge is 0.18 MGD or 202 acre-feet per year.
- N. Squabble WWTP - into Squabble Creek 1.2 miles south-southwest of the intersection of State Highway 205 and FM 552 in Rockwall County at Latitude 32.951°N, Longitude 96.469°W in Trinity River Segment No. 0819; current discharge is 0.70 MGD or 785 acre-feet per year, current permitted discharge is 1.20 MGD or 1,345 acre-feet per year.
- O. Terry Lane WWTP - into Lake Ray Hubbard at the western end of Terry Lane in the City of Heath in Rockwall County at Latitude 32.841°N, Longitude 96.500°W in Trinity River Segment No. 0820; current discharge is 0.01 MGD or 11 acre-feet per year, current permitted discharge is 0.03 MGD or 34 acre-feet per year.
- P. Wylie WWTP - into an unnamed tributary of Muddy Creek 0.4 mile southeast of State Highway 78, 0.57 miles south of the crossing of Muddy Creek by State Highway 78 and 1.25 miles southwest of the City of Wylie in Collin County at Latitude 32.993°N, Longitude 96.551°W in Trinity River Segment No. 0819; current discharge is 3.50 MGD or 3,924 acre-feet per year, current permitted discharge is 2.00 MGD or 2,242 acre-feet per year.

5. PRIORITY

The time priority for the conveyance and diversion of the 88,997 acre-feet per annum of historically discharged District Return Flows authorized by this amendment, and the impoundment of District Return Flows in the off-channel constructed wetlands authorized by this amendment, is October 3, 2005. The time priority for the conveyance and diversion of 68,396 acre-feet per annum of future District Return Flows is also October 3, 2005. However, the diversion of the 68,396 acre-feet per annum of future District Return Flows authorized by this amendment is not subject to priority call by senior and superior water right holders in the Trinity River Basin.

6. CONSERVATION

The District shall implement water conservation plans that provide for the utilization of those reasonable practices, techniques, and technologies that will reduce on a per unit basis the consumption of water, prevent or reduce the loss or waste of water, improve the efficiency in the use of water, increase the recycling and reuse of water, and prevent the pollution of water, so that a water supply is made available for future or alternative uses. The practices, techniques, and technologies used shall be designed to achieve a level of efficiency of use that is equal to or greater than the level provided for in the District's most recent water conservation plan on file with the Commission as of the date of the

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issuance of this Amendment. Such plans shall include a requirement that in every wholesale water supply contract entered into on or after the date of this amendment, including any contract extension or renewal, that each successive wholesale customer develop and implement conservation measures meeting the requirements of this provision. If the customer intends to resell the water, then the contract for resale of the water must have water conservation requirements so that each successive wholesale customer in the resale of the water is required to implement water conservation measures meeting the requirements of this provision.

7. SPECIAL CONDITIONS

- A. The District shall implement and comply with the Accounting Plan, approved by the Executive Director, which accounts for measured discharges from the WWTPs and appropriate loss factors, and incorporate that plan with the District's existing Accounting Plan for Lake Lavon.
- B. The District shall maintain the Accounting Plan in electronic format (spreadsheet or database) and make it available to the public during normal business hours and shall submit it to the Executive Director upon request.
- C. Prior to the District's diversion of the water authorized herein, there shall be installed and maintained, at the discharge point of each WWTP and the diversion point on the East Fork Trinity River, a measuring device(s), capable of measuring within plus or minus 5% accuracy, to record the amount of water diverted.
- D. The District's authorization to use the bed and banks of Lake Ray Hubbard, including the authorization to divert and use Lake Ray Hubbard Return Flows, shall not be exercised until such time as an agreement between the District and the City of Dallas has been executed.
- E. The District shall limit the maximum diversion from the East Fork Trinity River to the actual discharges from upstream WWTPs, and in accordance with any conditions associated with the agreement with the City of Dallas for the diversion of Lake Ray Hubbard Return Flows, less losses.
- F. Lake Lavon Return Flows will be diverted from Lake Lavon, and are not subject to diversion at the downstream diversion point located on the East Fork Trinity River.
- G. The District shall limit diversions of District Return Flows through the diversion facilities located on the East Fork Trinity River and authorized in Part 3.A.1 of this amendment to times when the remaining streamflow of the East Fork Trinity River equals or exceeds 25.8 cfs as measured at a point immediately downstream of the diversion location. The USGS Gaging Station 08062000 (East Fork Trinity River near Crandall) located at US Highway 175 bridge crossing may be used as a reference point provided the gage remains operational and the diversions occur

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upstream of its location.

- H. The District shall perform all the activities described in the site specific monitoring plan dated November 22, 2006, and entitled, "North Texas Municipal Water District, East Fork Water Supply Project, East Fork Monitoring Program." Data collection performed by North Texas Municipal Water District will be included in the Trinity River Authority's Clean Rivers Program Quality Assurance Project Plan for reporting to the State's water quality database. Owner should coordinate with the Trinity River Authority to ensure all quality assurance and data management requirements of the Quality Assurance Project Plan are met.
- I. The streamflow requirement in Special Condition 7.G is subject to adjustment upwards to a maximum level of no greater than 43 cfs as measured at the gage referenced in such Special Condition. Such an adjustment shall occur only pursuant to a Commission order, consideration of which may be initiated by action of the Executive Director or in response to a written request for such an adjustment submitted by a person who may be affected by such adjustment. The Commission may order such an adjustment only upon a determination that the adjustment is needed to adequately protect water quality and/or aquatic resources in the East Fork Trinity River downstream of the diversion point authorized in Section 3.A.1, and following the opportunity for a contested case hearing afforded to persons affected by such adjustment. In determining whether such an adjustment is needed and the extent of any such adjustment, the Commission shall consider, along with other relevant information, all data collected and reports prepared in accordance with and required by the East Fork Monitoring Program identified in Special Condition 7.H of this Permit.
- J. Prior to the diversion and use of future increases of District Return Flows in excess of the 157,393 acre-feet of water per annum authorized by this amendment, the District must apply for and be granted the authority to divert and use those increased return flows.
- K. The District's authorization to divert District Return Flows is conditioned upon the requirement that not less than 30% of District Return Flows originating from the District's existing and future permitted water supplies within the Trinity River Basin, as measured on a monthly basis and adjusted for conveyance losses, will be left in the Trinity River and allowed to flow downstream below all of the District's authorized diversion points to address the needs of downstream water rights and the environment. Compliance with this condition shall be accomplished pursuant to the Accounting Plan, and must be documented in the Accounting Plan.
- L. The District shall implement measures to minimize impacts to aquatic resources due to entrainment or impairment by installing screens at the diversion facilities with a mesh size of no larger than 0.75 inches, and ensuring a maximum flow-

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through screen velocity of 0.5 feet per second or less.

This amendment is issued subject to all terms, conditions and provisions contained in Certificate No. 08-2410, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Trinity River Basin, except as specifically provided herein.

The District agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.



For the Commission

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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a Texas Commission on Environmental Quality document, which is filed in the permanent records of the Commission. Given under my hand and the seal of office on

Bridget C. Bohac NOV 20 2014

Bridget C. Bohac, Chief Clerk

AMENDMENT TO A Texas Commission on Environmental Quality
CERTIFICATE OF ADJUDICATION

CERTIFICATE NO. 08-2410H

TYPE: §§ 11.122, 11.085

Owner: North Texas Municipal
Water District

Address: P.O. Box 2408
Wylie, Texas 75098

Filed: June 24, 2014

Granted: November 18, 2014

Purpose: Industrial, Municipal,
Agricultural

Counties: Collin, Fannin, Hunt,
Grayson, Kaufman,
Rockwall, Van Zandt,
Hopkins, Dallas, Denton

Watercourse: East Fork Trinity River,
tributary of the Trinity River

Watershed: Trinity, Red, Sabine,
and Sulphur River Basins

WHEREAS, Certificate of Adjudication No. 08-2410 authorizes the North Texas Municipal Water District (Owner or NTMWD) to impound 443,800 acre-feet of water in Lake Lavon on the East Fork Trinity River, tributary of the Trinity River, Trinity River Basin, owned by the U.S. Army Corps of Engineers, and to divert and use from Lake Lavon:

- 114,670 acre-feet of water per year for municipal purposes;
- 4,000 acre-feet of water per year for industrial and municipal purposes;
- 77,300 acre-feet of Trinity River Basin water per year for municipal purposes by over-drafting the firm yield of Lake Lavon when Lake Ray Hubbard is at or above maximum conservation level (435.5 feet above msl) and spilling, or whenever additional water up to 77,300 acre-feet per year is supplied from Lake Texoma to Lake Lavon pursuant to Water Use Permit No. 5003;
- 44,900 acre-feet of Trinity River Basin water per year for municipal purposes by over-drafting the firm yield of Lake Lavon during times when Lake Ray Hubbard is at or above maximum conservation level and spilling;
- 57,214 acre-feet of water per year from Lake Lavon for municipal purposes consisting of a combination of over-drafting the firm yield of Lake Lavon by a maximum of 44,900 acre-feet of Trinity River Basin water and water supplied

from Lake Chapman pursuant to Certificates of Adjudication Nos. 03-4797 and 03-4798;

- 71,882 acre-feet of water per year discharged into Lake Lavon from the NTMWD's Wilson Creek Waste Water Treatment Plant (WWTP); and
- 157,394 acre-feet per year, less losses, of the permitted (Texas Pollutant Discharge Elimination System) NTMWD Return Flows from sixteen (16) identified WWTPs owned or operated by the NTMWD or the NTMWD's customers; and

WHEREAS, Owner is also authorized to impound not to exceed 4,497 acre-feet of water in off-channel constructed wetlands in Kaufman County; and

WHEREAS, Owner is further authorized to divert from the off-channel wetlands not to exceed the actual amount of return flows diverted from the East Fork Trinity River diversion points to the wetlands; and

WHEREAS, multiple special conditions, bed and bank authorizations, diversion rates, diversion points, and priority dates exist; and

WHEREAS, Owner seeks to authorize exempt interbasin transfers from the Trinity River Basin to those portions of Collin, Fannin, Hopkins, Hunt, Grayson, Kaufman, Rockwall, and Van Zandt Counties located within the NTMWD's Service Area in the Red, Sabine, and Sulphur River Basins; and

WHEREAS, the Texas Commission on Environmental Quality finds that jurisdiction over the application is established; and

WHEREAS, no requests for a contested case hearing were received for this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this amendment;

NOW, THEREFORE, this amendment to Certificate of Adjudication No. 08-2410, designated as Certificate of Adjudication No. 08-2410H, is issued to the North Texas Municipal Water District subject to the following terms and conditions:

1. USE

In addition to the previous authorization, Owner is also authorized the following interbasin transfers to:

- A. those portions of Collin, Hopkins, Hunt, Rockwall, Kaufman, and Van Zandt Counties located within the NTMWD's Service Area in the Sabine River Basin.
- B. those portions of Hunt and Fannin Counties located within the NTMWD's Service Area in the Sulphur River Basin.

- C. those portions of Fannin and Grayson Counties located within the NTMWD's Service Area in the Red River Basin.
- D. the NTMWD's Service Area within the Sabine River Basin, and additional counties as the NTMWD's Service Area expands within the Sabine River Basin, in a total amount less than 3,000 acre-feet of water per year.
- E. the NTMWD's Service Area within the Sulphur River Basin, and additional counties as the NTMWD's Service Area expands within the Sulphur River Basin, in a total amount less than 3,000 acre-feet of water per year.
- F. the NTMWD's Service Area within the Red River Basin, and additional counties as the NTMWD's Service Area expands within the Red River Basin, in a total amount less than 3,000 acre-feet of water per year.

This amendment is issued subject to all terms, conditions, and provisions contained in Certificate of Adjudication No. 08-2410, as amended, except as specifically amended herein.

This amendment is issued subject to all superior and senior water rights in the Trinity River Basin.

Owner agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.


For the Commission

Date issued: **November 18, 2014**

Exhibit CR-16

Filed and Recorded
Official Public Records
Stacey Kemp, County Clerk
Collin County, TEXAS
12/18/2014 02:01:33 PM
\$30.00 DFOSTER
20141218001379468



A handwritten signature in cursive script, appearing to read "Stacey Kemp".

35238

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS
I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

**AMENDMENT TO A
WATER USE PERMIT**

[Signature] **DEC 07 2006**
LaDonna Constanucki, Chief Clerk
Texas Commission on Environmental Quality

WATER USE PERMIT NO. 5003A	TYPE: §§11.122, 11.042 & 11.085
Permittee: North Texas Municipal Water District	Address: 505 East Brown Street Wylie, Texas 75098
Filed: September 28, 2005	Granted: NOV 30 2006
Purpose: Municipal & Industrial	County: Grayson, Collin, Hunt, & Red River
Watercourse: Red River	Watershed: Red River Basin

WHEREAS, pursuant to a water supply contract for the use of 75,000 acre-feet of storage in the United States Army Corps of Engineers-owned Lake Texoma in the Red River Basin, Water Use Permit No. 5003 authorizes the North Texas Municipal Water District (District or Applicant) to divert and convey not to exceed 84,000 acre-feet of water per year from Lake Texoma, using the beds and banks of West Prong Sister Grove Creek and Sister Grove Creek, to Lake Lavon for subsequent diversion and use of not to exceed 77,300 acre-feet of water per year for use within the Applicant's service area for municipal purposes; and

WHEREAS, the Water Resources Development Act of 1986 provides for the reallocation of 300,000 acre-feet of storage capacity in Lake Texoma (200,000 acre-feet of which was previously reallocated to water supply) from hydropower to municipal use, of which 150,000 acre-feet is allocated to the State of Oklahoma and 150,000 acre-feet to the State of Texas; and

WHEREAS, 50,000 acre-feet of storage capacity of Texas' 150,000 acre-foot share of the additional storage in Lake Texoma is reserved for the Greater Texoma Utility Authority, leaving 100,000 acre-feet of storage capacity which Applicant will contract for use from the United States Army Corps of Engineers; and

WHEREAS, Applicant determined that the additional 100,000 acre-feet of storage capacity results in an additional 113,000 acre-feet of firm yield water per year; and

WHEREAS, Applicant seeks to amend Water Use Permit No. 5003 to authorize:

- The use of an additional 100,000 acre-feet of storage in Lake Texoma, for a combined total (with existing authorizations) of 175,000 acre-feet;
- The diversion and use of an additional 113,000 acre-feet of water per year from Lake Texoma for municipal and industrial purposes, for a combined total (with existing authorizations) of 197,000 acre-feet;
- The interbasin transfer of the additional 113,000 acre-feet of water per year from the Red River Basin to the Trinity River Basin and Sabine River Basin for municipal and industrial use within the Applicant's service area;
- The change of diversion point from a specific point on Lake Texoma to anywhere on the perimeter of Lake Texoma that is within the boundary of the State of Texas between Latitude 33.932°N, Longitude 96.977°W and Latitude 33.818°N, Longitude 96.570°W, for the combined amount of water authorized by the Permit;
- The increase of the combined diversion rate for all water authorized for diversion by the District from Lake Texoma from 310 cfs (138,890 gpm) to 544 cfs (243,730 gpm);
- The reuse of the return flows attributable to the additional 113,000 acre-feet of water per year from Lake Texoma (subject to obtaining future authorizations, identifying points of discharge and diversion, and satisfying TWC §11.042 requirements); and
- The use of the bed and banks of the Red River to convey water from Denison Dam downstream to a diversion point to be added located at a point bearing S 73.25°W, 1,775 feet from the northeast corner of the George S. Parks Original Survey Patent No. 1-241, Abstract No. 675, also being at Latitude 33.863°N, Longitude 95.031°W, in Red River County, and to divert water from any point on the Red River within this reach at a maximum diversion rate of 624 cfs (280,051.2 gpm); and

WHEREAS, this application is subject to the obligations of the State of Texas pursuant to the terms of the Red River Compact; and

WHEREAS, the Texas Commission on Environmental Quality finds that jurisdiction over the application is established; and

WHEREAS, the Executive Director recommends that special conditions be included in the permit in order to protect aquatic organisms; and

WHEREAS, no one protested the granting of this application; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality Commission in issuing this amendment;

NOW, THEREFORE, this amendment to Water Use Permit No. 5003, designated Water Use Permit No. 5003A, is issued to the North Texas Municipal Water District, subject to the following terms and conditions:

1. IMPOUNDMENT

In addition to previous authorizations to use 75,000 acre-feet of storage in the United States Army Corps of Engineers-owned (USACE) Lake Texoma, Permittee, pursuant to the Water Resources Development Act of 1986 and a contract with the USACE, may also use an additional 100,000 acre-feet of storage in Lake Texoma, for a combined total of 175,000 acre-feet.

2. USE

- A. In addition to the previous authorization to divert and convey not to exceed 84,000 acre-feet of water per year from Lake Texoma and to divert and use not to exceed 77,300 acre-feet of water per year from Lake Lavon for use for municipal purposes within Permittee's service area, Permittee is also authorized to divert and use not to exceed an additional 113,000 acre-feet of water per year from Lake Texoma for municipal and industrial purposes, for a combined total (with existing authorizations) of 197,000 acre-feet per year.
- B. Permittee is authorized an interbasin transfer of the additional 113,000 acre-feet of water per year authorized by this amendment from Lake Texoma in the Red River Basin to the Trinity River Basin and the Sabine River Basin for municipal and industrial purposes in Permittee's service area.
- C. Permittee is authorized to use the bed and banks of the Red River to convey water from Denison Dam on Lake Texoma downstream to a diversion point located near the crossing of State Highway No. 37 and the Red River in Red River County.
- D. Permittee is authorized the use of the return flows, less losses, attributable to the additional 113,000 acre-feet of water authorized by this amendment.

3. DIVERSION

A. POINTS

In lieu of the previous diversion point authorization, Permittee is now authorized to divert the water authorized by Water Use Permit No. 5003:

- 1. Anywhere on the perimeter of Texoma that is within the boundary of the State of Texas between Latitude 33.932°N, Longitude 96.977°W and Latitude 33.818°N, Longitude 96.570°W, in Grayson County.

2. At a point on the Red River bearing S 73.25°W, 1,775 feet from the northeast corner of the George S. Parks Original Survey Patent No. 1-241, Abstract No. 675, also being at Latitude 33.863°N, Longitude 95.031°W, in Red River County.
3. From any point on the Red River within the reach between Denison Dam and the diversion point identified by item 3.A.2.

B. RATE

1. From Lake Texoma at a maximum rate of 544 cfs (243,730 gpm).
2. From the Red River at a combined maximum rate of 624 cfs (280,051 gpm).

4. PRIORITY

The time priority for the additional storage, diversion and use of water authorized by this amendment is September 28, 2005.

5. CONSERVATION

Permittee shall implement water conservation plans that provide for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future or alternative uses. Such plans shall include a requirement that in every wholesale water supply contract entered into on or after the date of this amendment, including any contract extension or renewal, that each successive wholesale customer develop and implement conservation measures. If the customer intends to resell the water, then the contract for resale of the water must have water conservation requirements so that each successive wholesale customer in the resale of the water be required to implement water conservation measures.

6. SPECIAL CONDITIONS

- A. Prior to the diversion and use of the additional 113,000 acre-feet of water per year authorized by this amendment, Permittee must have a signed contract with the United States Army Corps of Engineers authorizing the additional storage, and the use of this amendment is subject to maintenance of said contract.
- B. Prior to reuse of the return flows generated by the 113,000 acre-feet of water per year of additional diversion, Permittee shall apply for and be granted an amendment to Water Use Permit No. 5003 to identify all specific points of discharge and diversion and to satisfy the requirements of Texas Water Code §11.042 for the use of the bed and banks of all State watercourses to be used for the delivery of the reuse water.
- C. Permittee is prohibited from discharging the additional Lake Texoma raw water into

Lake Lavon, or into any stream or water body in the Trinity River Basin, Sabine River Basin, or Sulphur River Basin or passing the additional Lake Texoma water through Lake Lavon or any stream or water body in the Trinity River Basin, Sabine River Basin, or Sulphur River Basin unless Permittee applies for and is granted the authorization to do so.

- D. Any water diverted downstream of Lake Texoma shall be charged against Permittee's storage in Lake Texoma and shall not exceed the amount of water released from Lake Texoma, less losses.
- E. For any new diversion point on Lake Texoma or on the Red River authorized by this amendment, Permittee shall install a screen with a mesh size of 0.25 inches or smaller on the diversion structure in order to minimize entrainment and impingement of aquatic organisms. A mesh size of 0.25 inches is the maximum allowable mesh size for the protective screen on an intake structure according to general permit guidelines established by the U.S. Army Corps of Engineers, Regulatory Branch, Fort Worth District.
- F. Diversions of water authorized by this amendment shall be treated to comply with State of Texas applicable water quality standards prior to the discharge of this water in any receiving water body in the Trinity River Basin or the Sabine River Basin.

This amendment is issued subject to all superior and senior water rights in the Red River Basin.

This amendment is issued subject to the obligations of the State of Texas pursuant to the terms of the Red River Compact.

Permittee agrees to be bound by the terms, conditions, and provisions contained herein and such agreement is a condition precedent to the granting of this amendment.

All other matters requested in the application which are not specifically granted by this amendment are denied.

This amendment is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.

FILED FOR RECORD
1:26 o'clock P. M. on

MAR 09 2007

5/ Lorie Moose
LORIE MOOSE, COUNTY CLERK
RED RIVER CO. TX

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY



For the Commission

ISSUED: NOV 30 2006



20080207000151780 02/07/2008 02:04:42 PM PE 1/4

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS

I hereby certify that this is a true and correct copy of a
Texas Commission on Environmental Quality document,
which is filed in the permanent records of the Commission.
Given under my hand and the seal of office on

LeDonna Castanuela SEP 20 2008

LeDonna Castanuela, Chief Clerk
Texas Commission on Environmental Quality

WATER USE PERMIT

WATER USE PERMIT NO. 12152

TYPE \$11.042

Permittee: North Texas Municipal
Water District

Address: P. O. 2408
Wylie, Texas 75098

Filed: March 26, 2007

Granted: **AUG 16 2007**

Purpose: Municipal and Industrial

County: Collin

Watercourse: Unnamed Tributary of the
East Fork Trinity River, and
the East Fork Trinity River (Lake
Lavon), Tributary of the Trinity River

Watershed: Trinity River Basin

WHEREAS, pursuant to the *Upper Sabine River Basin Interim Water Supply Contract Lake Tawakoni / Lake Fork* between the Sabine River Authority and the North Texas Municipal Water District dated October 13, 2005, the North Texas Municipal Water District (District or Applicant) has applied for authorization to use the bed and banks of an unnamed tributary of the East Fork Trinity River and Lake Lavon on the East Fork Trinity River, tributary of the Trinity River, Trinity River Basin to convey the water supplied under the contract (contract water); and

WHEREAS, Applicant has requested authorization to convey a maximum of 104,420 acre-feet of water per year of contract water authorized by Sabine River Authority's Certificates of Adjudication Nos. 05-4670 (Lake Tawakoni) and 05-4669 (Lake Fork), via pipeline from Lake Tawakoni in the Sabine River Basin and to discharge same into the unnamed tributary of the East Fork Trinity River at a maximum rate of 124 cfs (55,651.20 gpm), and

WHEREAS, Applicant has requested authorization to convey the contract water using the bed and banks of the unnamed tributary and Lake Lavon to the diversion points on the perimeter of Lake Lavon authorized by Certificate of Adjudication 08-2410 for subsequent diversion, at a maximum rate of 279 cfs (125,215.20 gpm) for municipal and industrial use within the service area of the Applicant, and

WHEREAS, Applicant estimates no transportation losses associated with the conveyance of this water, and

WHEREAS, Applicant has provided, and the Executive Director has approved, an accounting plan that accounts for, by priority date and source, all water discharged into and diverted from Lake Lavon and the East Fork Trinity River pursuant to all of the District's authorizations, and

WHEREAS, no one protested the granting of this permit; and

WHEREAS, the Texas Commission on Environmental Quality (Commission) finds that jurisdiction over the application is established; and

WHEREAS, the Executive Director recommends that in order to protect senior and superior water right owners, special conditions should be included in the permit; and

WHEREAS, the Commission has complied with the requirements of the Texas Water Code and Rules of the Texas Commission on Environmental Quality in issuing this permit;

NOW, THEREFORE, Water Use Permit No. 12152 is issued to the North Texas Municipal Water District, subject to the following terms and conditions:

1. USE

Permittee is authorized to use the bed and banks of an unnamed tributary of the East Fork Trinity River and Lake Lavon to convey a maximum of 104,420 acre-feet of contract water per year to and through Lake Lavon for subsequent diversion and use for municipal and industrial purposes within Permittee's service area.

2. DISCHARGE

A. Permittee is authorized to discharge contract water at a point on an unnamed tributary of the East Fork Trinity River bearing N35.067°E, 4,071.89 feet from the southwest corner of the J. Inercurity Survey, Abstract No. 466, also located at Latitude 33.139°N, Longitude 96.413°W in Collin County.

B. At a maximum rate of 124 cfs (55,651.20 gpm).

3. DIVERSION

A. Permittee is authorized to divert the water authorized herein from the perimeter of Lake Lavon as authorized by Certificate of Adjudication No. 08-2410.

B. In addition to the diversion rate authorized pursuant to Certificate of Adjudication No. 08-2410, Permittee is authorized to divert the water authorized herein at a maximum rate of 279 cfs (125,215.20 gpm) for municipal and industrial use with in the Permittee's service area.

4. PRIORITY

The time priority for use of the bed and banks authorized by this permit is March 26, 2007 however, the contract water transferred by pipeline from Lake Tawakoni in the Sabine River Basin to Lake Lavon in the Trinity River Basin is not subject to priority call by senior and superior water rights owners in the Trinity River Basin.

5. CONSERVATION

Permittee shall implement water conservation plans that provide for the utilization of those practices, techniques, and technologies that reduce or maintain the consumption of water, prevent or reduce the loss or waste of water, maintain or improve the efficiency in the use of water, increase the recycling and reuse of water, or prevent the pollution of water, so that a water supply is made available for future or alternative uses. Such plans shall include a requirement that in every wholesale water supply contract entered into on or after the date of this permit, including any contract extension or renewal, that each successive wholesale customer develop and implement conservation measures. If the customer intends to resell the water, then the contract for resale of the water must have water conservation requirements so that each successive wholesale customer in the resale of the water be required to implement water conservation measures.

6. SPECIAL CONDITION

- A. The authorization granted herein is subject to the continued maintenance of the Upper Sabine River Basin Interim Water Supply Contract Lake Tawakoni / Lake Fork dated October 13, 2005, or extensions thereof with the Sabine River Authority. Upon expiration of said contract, Permittee shall immediately cease conveyance and diversion pursuant to this permit and either apply to amend the permit or voluntarily forfeit the permit. If Permittee does not amend or forfeit the permit, the Commission may begin proceedings to cancel this permit. The Commission shall be notified immediately by Permittee upon amendment or expiration of the water supply contract and provided with copies of appropriate documents effecting such changes.
- B. Permittee shall comply with the provisions of the accounting plan approved by the Executive Director, *North Texas Municipal Water District Accounting Plan for Lake Lavon (CA 08-2410, As Amended (Amendment A-G) with Sabine Transfer)*. Any changes to the accounting plan must be approved by the Executive Director. Permittee shall maintain the Accounting Plan in electronic format (spreadsheet or database) and make it available to the public during normal business hours and shall submit it to the Executive Director upon request.
- C. Permittee may only transport, divert, and use the amount and source of water currently authorized for exempt interbasin diversion and use from Lake Fork and Lake Tawakoni pursuant to Certificate of Adjudication

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Nos. 05-4670 and 05-4669. If the source of water should change, or the amount of water authorized for transport, diversion, and use herein should be increased, Permittee shall amend this permit to identify and authorize the modified sources and amounts of water.

This permit is issued subject to all superior and senior water rights in the Trinity River Basin.

Permittee agrees to be bound by the terms, conditions and provisions contained herein and such agreement is a condition precedent to the granting of this permit

All other matters requested in the application which are not specifically granted by this permit are denied.

This permit is issued subject to the Rules of the Texas Commission on Environmental Quality and to the right of continuing supervision of State water resources exercised by the Commission.


For the Commission

ISSUED: **AUG 16 2007**

Filed and Recorded
Official Public Records
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Collin County TEXAS
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There is no groundwater permit associated with this project. All water is received from North Texas Municipal Water District.

Permits & Easements

Are any major permits necessary for completion of the project?: N

Has the applicant obtained all necessary land and easements for the project?: N


Description of Land or Easement Permit	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	To Be Funded by TWDB (Yes/No)
Land	NTMWD	OWN	08-01-2019	Y
Easement	Bear Creek Commercial Properties	LEASE	12-01-2018	Y
Esement	Various	LEASE	12-01-2018	Y

SRF-404
4/16/2015

Debarment / Suspension Certification

I, Drew Satterwhite, P.E., hereby certify that I have checked on the federal
(Authorized Representative of Recipient)
System for Award Management (www.sam.gov) website and determined that
Greater Texoma Utility Authority is not shown as an "excluded party" that is debarred,
(Name of entity)
suspended or otherwise excluded from or ineligible for participation in federal assistance
programs under Executive Order 12549. (See 2 CFR Part 180 and 2 CFR Part 1532 for
additional information on the federal governmentwide debarment and suspension system for
nonprocurement programs and activities.)

I understand that a false statement herein may subject me to penalties under federal and state
laws relating to filing false statements and other relevant statutes.



Signature

6/28/18

Date

General Manager

Title

Greater Texoma Utility Authority

Name of Recipient

Verifying prime contractors and subcontractors for construction, equipment, supplies and services: Using the
[www sam gov](http://www.sam.gov) website, the recipient must verify prior to awarding the contract that the prime contractor is not listed
as an "excluded party" that is debarred, suspended or otherwise excluded from or ineligible. Once any
subcontractors are known, they also must be verified as not listed as an "excluded party" prior to award of a
subcontract. The recipient must print a dated record of the verification from the [www sam.gov](http://www.sam.gov) website and retain a
copy that is available for review by TWDB. The prime contractors and subcontractors must be verified prior to the
contract award or the costs may be disallowed.

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ASSURANCES - CONSTRUCTION PROGRAMS

OMB Number: 4040-0009
Expiration Date: 01/31/2019

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progressive reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards of merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681 1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee 3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.


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Prescribed by OMB Circular A-102

Exhibit CR-16

11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.
20. Will comply with the requirements of Section 106(g) of the Trafficking Victims Protection Act (TVPA) of 2000, as amended (22 U.S.C. 7104) which prohibits grant award recipients or a sub-recipient from (1) Engaging in severe forms of trafficking in persons during the period of time that the award is in effect (2) Procuring a commercial sex act during the period of time that the award is in effect or (3) Using forced labor in the performance of the award or subawards under the award.

SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL	TITLE
	General Manager
APPLICANT ORGANIZATION	DATE SUBMITTED
Greater Texoma Utility Authority	6/28/19

SF-424D (Rev. 7-97) Back

Green Project

Does your project or a component of your project qualify as Green, per EPA guidance?: N

TWDB-0162 N/A

TWDB-0163 N/A

Environmental Determination

Has a Categorical Exclusion (CE), Determination of No Effect, Finding of No Significant Impact (FONSI), Record of Decision (ROD), or any other environmental determination been issued for this project?: N

CE/DNE

Is the project potentially eligible for a CE/ Determination of No Effect (DNE) because it involves only minor rehabilitation or the functional replacement of existing equipment?: N

Adverse Environmental/Social Impacts

Are there potentially adverse environmental or social impacts that may require mitigation or extensive regulatory agency or public coordination (e.g. known impacts to properties eligible for listing on the National Register of Historic Places; potentially significant public controversy; need for an individual permit from the U S. Army Corps of Engineers)?: N

Associated PIF(s)

PIF number(s):

PIF ID #12892

Additional Attachments

The following documents are attached after this page:

The following documents are attached after this page:

twdb-0216 bond counsel executed pdf

twdb-0217-1 bond counsel executed.pdf

Independent Bank Loan Agreement 2015.pdf

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FOR OFFICE USE ONLY
Commitment # _____

TWDB-0216
Revised 11/13/2017

TWDB-0216 TEXAS WATER DEVELOPMENT BOARD AFFIRMATIVE STEPS SOLICITATION REPORT

I. PROJECT INFORMATION

TWDB Project Number	Applicant/Entity Name	Total TWDB Funding Request	Program Type (insert "X" for all that apply)
12892	GTUA/Bear Creek SUD	\$ 7,490,000.00	<input checked="" type="checkbox"/> Drinking Water SRF (DWSRF) <input type="checkbox"/> Clean Water SRF (CWSRF)

Project Name: Bear Creek SUD Water System Improvements Project

Solicitation By: ☒ Applicant/Entity OR ☐ Prime Contracted Business: _____

Project Phase: ☐ Prior to Closing ☐ Release of funding for PADs ☐ Construction Contract # _____

II. SOLICITATION METHOD(S) UTILIZED

At least two methods of solicitation are required. Select the method(s) utilized for the solicitation. Copies of the actual postings, direct contact email/phone log, etc. must be attached to this form as support documentation for each method used. Failure to adequately follow these steps will result in the requirement to complete additional steps in order to become compliant.

- ☐ Newspaper Advertisements ☐ Meetings or Conferences ☐ Trade Association Publications
☐ Minority Media ☒ Internet & Web Postings ☐ Other Government Publications
☒ Direct Contact by Phone, Fax, USPS Mail, or Email*

If using direct contact, entities must solicit to a **minimum of 3 businesses/firms (at least one being a DBE) for each category of contract sought (i.e., construction, supplies, equipment, or services) to demonstrate a Good Faith Effort.*

III. PROJECT BIDDERS LIST:

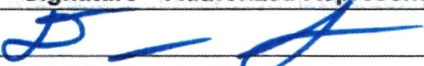
List on the following table, or provide on a separate list, each business entity directly solicited for procurement or that submitted a bid for consideration.

Instructions for Columns 1 - 4	1 - Full business name (line one) & point of contact (line two) 2 - Business address 3 - Telephone number 4 - Email address for the business
Instructions for Column 5	Enter one of the following procurement or contract categories: CONSTRUCTION – SUPPLIES – EQUIPMENT – SERVICES <i>For detailed definitions, review guidance document, TWDB-0210.</i>
Instructions for Column 6	Enter the type of business: MBE - Minority Business Enterprise, WBE - Women-owned Business Enterprise, or OTHER - Company or firm is Non-MBE or WBE

Notice: Entities receiving State Revolving Fund financial assistance must create and maintain a Bidders List if the entity is subject to, or chooses to follow, competitive bidding. The Bidders List must include all firms that bid or quoted on contracts under EPA assisted projects, including both MBE/WBEs and non-MBE/WBEs. Entities must keep all Bidders Lists until project completion or the recipient is no longer receiving EPA funding under the loan, whichever is later. Entities with loans totaling less than \$250,000 during a state fiscal year are exempt from the Bidders List requirement, but must still meet DBE program requirements. The Bidders List requirement also applies to all Prime Contracted Businesses/Firms that make subcontracting.

	Column 1 Business Name & Point of Contact	Column 2 Business Address	Column 3 Telephone Number	Column 4 E-Mail Address	Column 5 Procurement Category	Column 6 MBE/WBE Status
1.	Owens Hervey PLLC	901 Main Street, Suite 3612	(214) 741-2388	info@owenshervey.com	Services	MBE
	Bank of America	Dallas TX 75202				
2.	Ramirez & Associates, PC	8150 N. Central Expwy Ste 1280, Campbell Center II	(214) 637-0933	faramirez@ramirezassociates.com	Services	MBE
		Dallas TX 75206				
3.	Norton Rose Fulbright	2200 Ross Avenue Suite 3600	(214) 855-8072	kristen.savant@nortonrosefulbright.com	Services	Other
		Dallas TX 75201				
4.	Mahomes Bolden PC	325 N. Saint Paul St., Suite 2600	(469) 484-5000	info@mahomesbolden.com	Services	MBE
		Dallas TX 75201				
5.						
6.						
7.						
8.						
9.						

Use additional sheets if necessary

Signature – Authorized Representative	Title (print legibly)	Date
	General Manager	6/28/18

IV. TWDB APPROVAL SIGNATURE

Signature indicates the form meets DBE requirements.

DBE Coordinator	Approval Date

Exhibit CR-16

Carolyn Bennett

From: Carolyn Bennett
Sent: Friday, June 23, 2017 3 20 PM
To: 'info@owenshervey.com'
Subject: Bond Counsel Services
Attachments: letter owens hervey bc pdf; RFQ Bond Counsel Services doc

Sir or Madam:

The Greater Texoma Utility Authority is required to solicit for bond counsel services periodically for the Texas Water Development Board Funding Programs. Attached is a letter and Request for Qualifications for these services. These are being submitted for compliance with the TWDB and EPA Disadvantaged Business Enterprise regulations regarding solicitation for services.

Thank you,

Carolyn Bennett
Greater Texoma Utility Authority
5100 Airport Drive
Denison TX 75020
903.786 4433
carolynb@gtua.org



GREATER TEXOMA UTILITY AUTHORITY

5100 AIRPORT DRIVE
DENISON, TEXAS 75020-8448
903/786-4433
FAX: 903/786-8211
www.gtua.org

June 23, 2017

Owens Hervey PLLC
Bank of America
901 Main Street Ste 3612
Dallas TX 75202

Dear Sir or Madam:

The Greater Texoma Utility Authority is seeking Statement of Qualifications for bond counsel services for projects funded through the Texas Water Development Board. Bond Counsel services will include: 1) Preparation of preliminary and final financing documents for the project; 2) Delivery of customary opinions; 3) Assistance to the Authority and the Authority's financial consultant in preparation of the TWDB Loan application; 4) Submission of Transcript of Proceedings to, and obtaining bond approval of, Texas Attorney General; 5) Closing coordination with TWDB.

If your firm is interested in being considered for the bond counsel services for the Authority, please provide a Statement of Qualifications (SOQ), including the information on the attached Request for Qualifications. The SOQ may be submitted to Drew Satterwhite, P.E., General Manager, Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX 75020. Please submit your SOQ no later than 3:00 p.m. CDST, July 25, 2017.

Thank you for your consideration of this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", followed by a horizontal line and a stylized flourish.

Drew Satterwhite, P.E.
General Manager

DS:cb

Enclosure

Exhibit CR-16

Greater Texoma Utility Authority Request for Qualifications for Bond Counsel Services

The Greater Texoma Utility Authority is seeking qualifications for bond counsel services for projects funded through the Texas Water Development Board (TWDB).

Scope of Work:

Bond Counsel services will include: 1) Preparation of preliminary and final financing documents for the project; 2) Delivery of customary opinions; 3) Assistance to the Authority and the Authority's financial consultant in preparation of the TWDB Loan application; 4) Submission of Transcript of Proceedings to, and obtaining bond approval of, Texas Attorney General; 5) Closing coordination with TWDB.

Statement of Qualifications (SOQ):

Furnish an SOQ to include the following information:

1) Experience with preparation of preliminary and final financing documents; 2) Experience with TWDB funded projects; 3) Experience with obtaining Texas Attorney General approval; 3) Project team and project team resumes.

Submission Requirements:

If your firm is interested in being considered for this assignment, submit your SOQ to Drew Satterwhite, P.E., General Manager, Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX 75020 (US Mail and delivery) (903-786-4433) no later than 3:00 pm CDST, July 25, 2017. One (1) copy of the SOQ must be submitted. Each proposal should be limited to no more than 10 pages including the cover letter.

TWDB's Minority Business Enterprise (MBE) / Women's Business Enterprise (WBE) Requirements:

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Equal Opportunity in Employment – All qualified Applicants will receive consideration for employment without regard to race, color, religion, sex, age, handicap or national origin. Bidders on this work will be required to comply with the President's Executive Order No. 11246, as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations 41 CFR Part 60.

This contract is subject to the Environmental Protection Agency's (EPA) "fair share policy," which includes EPA-approved "fair share goals" for Minority Business Enterprise (MBE) & Women Business Enterprise (WBE) firms in the Construction, Supplies, Equipment, and Services procurement categories. EPA's policy requires that applicants and prime contractors make a good faith effort to award a fair share of contracts, subcontracts, and procurements to Minority Business Enterprise and Women-Owned Business Enterprise firms. Although EPA's policy does not mandate that the fair share goals be achieved, it does require applicants and prime contractors to demonstrate use of the six affirmative steps. The current fair share goals for the State of Texas are as follows:

Exhibit CR-16

	<u>MBE</u>	<u>WBE</u>
Construction	12.94%	8.72%
Equipment	7.12%	5.39%
Services	10.84%	5.72%
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Exhibit CR-16

Carolyn Bennett

From: Microsoft Outlook
To: info@owenshervey.com
Sent: Friday, June 23, 2017 3:20 PM
Subject: Relayed Bond Counsel Services

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

info@owenshervey.com (info@owenshervey.com)

Subject: Bond Counsel Services



Bond Counsel
Services

Exhibit CR-16

Carolyn Bennett

From: Carolyn Bennett
Sent: Friday, June 23, 2017 3 21 PM
To: 'faramirez@ramirezassociates.com'
Subject: Bond Counsel Services
Attachments: letter ramirez and assoc bc.pdf, RFQ Bond Counsel Services doc

Sir or Madam.

The Greater Texoma Utility Authority is required to solicit for bond counsel services periodically for the Texas Water Development Board Funding Programs. Attached is a letter and Request for Qualifications for these services. These are being submitted for compliance with the TWDB and EPA Disadvantaged Business Enterprise regulations regarding solicitation for services.

Thank you,

Carolyn Bennett
Greater Texoma Utility Authority
5100 Airport Drive
Denison TX 75020
903.786.4433
carolynb@gtua.org



GREATER TEXOMA UTILITY AUTHORITY

5100 AIRPORT DRIVE
DENISON, TEXAS 75020-8448
903/786-4433
FAX: 903/786-8211
www.gtua.org

June 23, 2017

Ramirez & Associates, PC
8150 N. Central Expwy Ste 1280
Campbell Center II, Ste 1280
Dallas TX 75206

Dear Sir or Madam:

The Greater Texoma Utility Authority is seeking Statement of Qualifications for bond counsel services for projects funded through the Texas Water Development Board. Bond Counsel services will include: 1) Preparation of preliminary and final financing documents for the project; 2) Delivery of customary opinions; 3) Assistance to the Authority and the Authority's financial consultant in preparation of the TWDB Loan application; 4) Submission of Transcript of Proceedings to, and obtaining bond approval of, Texas Attorney General; 5) Closing coordination with TWDB

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Thank you for your consideration of this project.

Sincerely,

Drew Satterwhite, P.E.
General Manager

DS:cb

Enclosure

Exhibit CR-16

Greater Texoma Utility Authority Request for Qualifications for Bond Counsel Services

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Statement of Qualifications (SOQ):

Furnish an SOQ to include the following information:

1) Experience with preparation of preliminary and final financing documents; 2) Experience with TWDB funded projects; 3) Experience with obtaining Texas Attorney General approval; 3) Project team and project team resumes.

Submission Requirements:

If your firm is interested in being considered for this assignment, submit your SOQ to Drew Satterwhite, P.E., General Manager, Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX 75020 (US Mail and delivery) (903-786-4433) no later than 3:00 pm CDT, July 25, 2017. One (1) copy of the SOQ must be submitted. Each proposal should be limited to no more than 10 pages including the cover letter.

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Equal Opportunity in Employment All qualified Applicants will receive consideration for employment without regard to race, color, religion, sex, age, handicap or national origin. Bidders on this work will be required to comply with the President's Executive Order No. 11246, as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations 41 CFR Part 60.

This contract is subject to the Environmental Protection Agency's (EPA) "fair share policy," which includes EPA-approved "fair share goals" for Minority Business Enterprise (MBE) & Women Business Enterprise (WBE) firms in the Construction, Supplies, Equipment, and Services procurement categories. EPA's policy requires that applicants and prime contractors make a good faith effort to award a fair share of contracts, subcontracts, and procurements to Minority Business Enterprise and Women-Owned Business Enterprise firms. Although EPA's policy does not mandate that the fair share goals be achieved, it does require applicants and prime contractors to demonstrate use of the six affirmative steps. The current fair share goals for the State of Texas are as follows:

Exhibit CR-16

	<u>MBE</u>	<u>WBE</u>
Construction	12.94%	8.72%
Equipment	7.12%	5.39%
Services	10.84%	5.72%
Supplies	9.68%	9.34%

Carolyn Bennett

From: Microsoft Outlook
To: faramirez@ramirezassociates.com
Sent: Friday, June 23, 2017 3 21 PM
Subject: Relayed Bond Counsel Services

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

faramirez@ramirezassociates.com (faramirez@ramirezassociates.com)

Subject: Bond Counsel Services



Bond Counsel
Services

Carolyn Bennett

From: Carolyn Bennett
Sent: Friday, June 23, 2017 3 23 PM
To: Savant, Kristen
Cc: Elza, Diane (diane.elza@nortonrosefulbright.com)
Subject: Bond Counsel Services
Attachments: letter norton rose fulbright bc.pdf, RFQ Bond Counsel Services.doc

Kristen,

The Greater Texoma Utility Authority is required to solicit for bond counsel services periodically for the Texas Water Development Board Funding Programs. Attached is a letter and Request for Qualifications for these services. These are being submitted for compliance with the TWDB and EPA Disadvantaged Business Enterprise regulations regarding solicitation for services.

Thank you,

Carolyn Bennett
Greater Texoma Utility Authority
5100 Airport Drive
Denison TX 75020
903.786.4433
carolynb@gtua.org



GREATER TEXOMA UTILITY AUTHORITY

5100 AIRPORT DRIVE
DENISON, TEXAS 75020-8448
903/786-4433
FAX: 903/786-8211
www.gtua.org

June 23, 2017

Norton Rose Fulbright
2200 Ross Ave Ste 2800
Dallas TX 75201

Dear Kristen,

The Greater Texoma Utility Authority is seeking Statement of Qualifications for bond counsel services for projects funded through the Texas Water Development Board. Bond Counsel services will include: 1) Preparation of preliminary and final financing documents for the project; 2) Delivery of customary opinions; 3) Assistance to the Authority and the Authority's financial consultant in preparation of the TWDB Loan application; 4) Submission of Transcript of Proceedings to, and obtaining bond approval of, Texas Attorney General; 5) Closing coordination with TWDB.

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Thank you for your consideration of this project.

Sincerely,

A handwritten signature in blue ink, appearing to read "Drew Satterwhite", with a long horizontal flourish extending to the right.

Drew Satterwhite, P.E.
General Manager

DS:cb

Enclosure

Exhibit CR-16

Greater Texoma Utility Authority Request for Qualifications for Financial Advisory Services

The Greater Texoma Utility Authority is seeking qualifications for bond counsel services for projects funded through the Texas Water Development Board (TWDB).

Scope of Work:

Bond Counsel services will include: 1) Preparation of preliminary and final financing documents for the project; 2) Delivery of customary opinions; 3) Assistance to the Authority and the Authority's financial consultant in preparation of the TWDB Loan application; 4) Submission of Transcript of Proceedings to, and obtaining bond approval of, Texas Attorney General; 5) Closing coordination with TWDB.

Statement of Qualifications (SOQ):

Furnish an SOQ to include the following information:

1) Experience with preparation of preliminary and final financing documents, 2) Experience with TWDB funded projects; 3) Experience with obtaining Texas Attorney General approval; 3) Project team and project team resumes.

Submission Requirements:

If your firm is interested in being considered for this assignment, submit your SOQ to Drew Satterwhite, P.E., General Manager, Greater Texoma Utility Authority, 5100 Airport Drive, Denison TX 75020 (US Mail and delivery) (903-786-4433) no later than 3:00 pm CDT, July 25, 2017. One (1) copy of the SOQ must be submitted. Each proposal should be limited to no more than 10 pages including the cover letter.

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Equal Opportunity in Employment All qualified Applicants will receive consideration for employment without regard to race, color, religion, sex, age, handicap or national origin. Bidders on this work will be required to comply with the President's Executive Order No. 11246, as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations 41 CFR Part 60.

This contract is subject to the Environmental Protection Agency's (EPA) "fair share policy," which includes EPA-approved "fair share goals" for Minority Business Enterprise (MBE) & Women Business Enterprise (WBE) firms in the Construction, Supplies, Equipment, and Services procurement categories. EPA's policy requires that applicants and prime contractors make a good faith effort to award a fair share of contracts, subcontracts, and procurements to Minority Business Enterprise and Women-Owned Business Enterprise firms. Although EPA's policy does not mandate that the fair share goals be achieved, it does require applicants and prime contractors to demonstrate use of the six affirmative steps. The current fair share goals for the State of Texas are as follows:

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	<u>MBE</u>	<u>WBE</u>
Construction	12.94%	8.72%
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Supplies	9.68%	9.34%

Carolyn Bennett

From: Microsoft Outlook
To: Savant, Kristen
Sent: Friday, June 23, 2017 3:23 PM
Subject: Relayed: Bond Counsel Services

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Savant, Kristen (kristen.savant@nortonrosefulbright.com)

Subject: Bond Counsel Services



Bond Counsel
Services

Carolyn Bennett

From: Savant, Kristen <kristen.savant@nortonrosefulbright.com>
To: Carolyn Bennett
Sent: Monday, June 26, 2017 11:03 AM
Subject: Read: Bond Counsel Services

Your message

To:
Subject: Bond Counsel Services
Sent: Monday, June 26, 2017 4:03:23 PM (UTC+00:00) Monrovia, Reykjavik

was read on Monday, June 26, 2017 4:03:11 PM (UTC+00:00) Monrovia, Reykjavik

Carolyn Bennett

From: Microsoft Outlook
To: Elza, Diane (diane.elza@nortonrosefulbright.com)
Sent: Friday, June 23, 2017 3:23 PM
Subject: Relayed: Bond Counsel Services

Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

Elza, Diane (diane.elza@nortonrosefulbright.com) (diane.elza@nortonrosefulbright.com)

Subject: Bond Counsel Services



Bond Counsel
Services

Carolyn Bennett

From: Elza, Diane <diane.elza@nortonrosefulbright.com>
To: Carolyn Bennett
Sent: Friday, June 23, 2017 4:43 PM
Subject: Read: Bond Counsel Services

Your message

To
Subject: Bond Counsel Services
Sent: Friday, June 23, 2017 9:43:43 PM (UTC+00:00) Monrovia, Reykjavik
was read on Friday, June 23, 2017 9:43:19 PM (UTC+00:00) Monrovia, Reykjavik

Exhibit CR-16

Carolyn Bennett

From: Carolyn Bennett
Sent: Friday, June 23, 2017 3:23 PM
To: 'info@mahomesbolden.com'
Subject: Bond Counsel Services
Attachments: letter mahomes bolden bc pdf, RFQ Bond Counsel Services doc

Sir or Madam:

The Greater Texoma Utility Authority is required to solicit for bond counsel services periodically for the Texas Water Development Board Funding Programs. Attached is a letter and Request for Qualifications for these services. These are being submitted for compliance with the TWDB and EPA Disadvantaged Business Enterprise regulations regarding solicitation for services.

Thank you,

Carolyn Bennett
Greater Texoma Utility Authority
5100 Airport Drive
Denison TX 75020
903.786.4433
carolynb@gtua.org



GREATER TEXOMA UTILITY AUTHORITY

5100 AIRPORT DRIVE
DENISON, TEXAS 75020-8448
903/786-4433
FAX: 903/786-8211
www.gtua.org

June 23, 2017

Mahomes Bolden PC
325 Saint Paul St., Ste 2600
Dallas TX 75201

Dear Sir or Madam:

The Greater Texoma Utility Authority is seeking Statement of Qualifications for bond counsel services for projects funded through the Texas Water Development Board. Bond Counsel services will include: 1) Preparation of preliminary and final financing documents for the project; 2) Delivery of customary opinions; 3) Assistance to the Authority and the Authority's financial consultant in preparation of the TWDB Loan application; 4) Submission of Transcript of Proceedings to, and obtaining bond approval of, Texas Attorney General; 5) Closing coordination with TWDB.

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Thank you for your consideration of this project.

Sincerely,

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Drew Satterwhite, P.E.
General Manager

DS:cb

Enclosure

Exhibit CR-16

Greater Texoma Utility Authority Request for Qualifications for Bond Counsel Services

The Greater Texoma Utility Authority is seeking qualifications for bond counsel services for projects funded through the Texas Water Development Board (TWDB).

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Equipment	7.12%	5.39%
Services	10.84%	5.72%
Supplies	9.68%	9.34%

Carolyn Bennett

From: KaTina Whitfield <kwhitfield@mahomesbolden.com>
To: Carolyn Bennett
Sent: Friday, June 23, 2017 3:25 PM
Subject: Read: Bond Counsel Services

Your message

To
Subject: Bond Counsel Services
Sent: Friday, June 23, 2017 8:25:11 PM (UTC+00:00) Monrovia, Reykjavik

was read on Friday, June 23, 2017 8:25:07 PM (UTC+00:00) Monrovia, Reykjavik

Carolyn Bennett

From: Microsoft Outlook
To: info@mahomesbolden.com
Sent: Friday, June 23, 2017 3:23 PM
Subject: Relayed: Bond Counsel Services

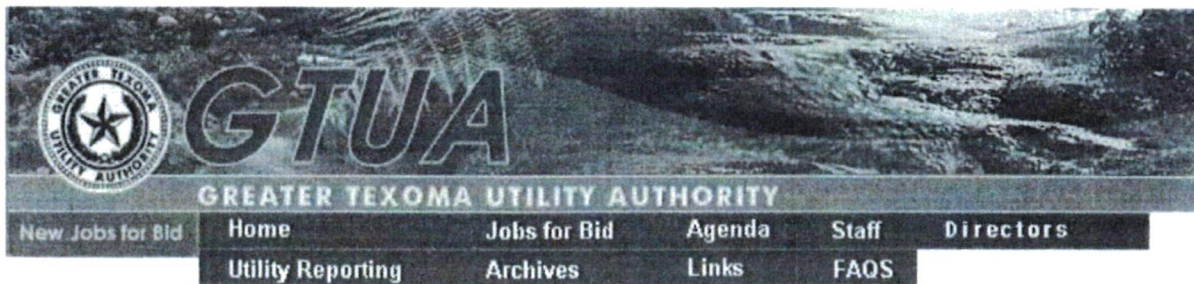
Delivery to these recipients or groups is complete, but no delivery notification was sent by the destination server:

info@mahomesbolden.com (info@mahomesbolden.com)

Subject: Bond Counsel Services



Bond Counsel
Services



[GTUA Request
for Qualifications
for Financial
Advisory
Services](#)

[GTUA Request
for Qualifications
for Bond
Counsel
Services](#)

[City of
Pottsboro
Wastewater
Treatment Plant
Expansion
Project Request
for Qualifications
for Engineering](#)

[City of Sherman
Industrial Sewer
Project](#)

[Lake Kiowa
SUD Water
System
Improvements
Water Main
Replacements
Phase 1A & 2](#)

[City of Van
Alstyne Water
System Project
SCADA
Upgrade](#)

[City of Van
Alstyne Water
Project Pump
No. 6 Pipe Valve
and Fittings](#)

WHAT IS THE GREATER TEXOMA UTILITY AUTHORITY?



The Greater Texoma Utility Authority, also known as "the Authority" or "GTUA", is a local political subdivision of the State and is governed by a Board of Directors. The Authority is a special-law district organized under Article XVI, Section 59, of the Texas constitution and operates under Chapter 49 of the Texas Water Code.

While the State Legislature may have enacted a law to authorize the Authority, the cities of Denison and Sherman actually created the district by a confirmation election held on August 19, 1979. Since that time, the Cities of Anna, Bailey, Collinsville, Ector, Gainesville, Gunter, Howe, Leonard, Muenster, Pottsboro, Tioga, Tom Bean, Valley View, Van Alstyne, Whitesboro, and Whitewright have also joined as member cities of the Authority.

WHO GOVERNS THE AUTHORITY?

The Authority is governed by a Board of Directors appointed by its member cities. Places 1, 2, and 3 are appointed by the City of Denison. Places 4, 5, and 6 are appointed by the City of Sherman. The City of Gainesville appoints a member for Place 7, with Place 8 appointed by the City of Anna. Place 9 is appointed by the general law member cities. Board members serve two-year terms. Half of the Directors are appointed each year so that the terms overlap. The Board of Directors is responsible for establishing all policies of the Authority.

WHAT ARE THE POWERS OF THE AUTHORITY?

The Authority operates under the provisions of Chapter 49 of the Texas Water Code. The Authority has no taxing power, but may incur debt by the issuance of bonds supported by revenues from the operations it finances. The Authority may enter into contracts to provide services for member cities and others when requested.

AUTHORITY ACTIVITIES

The Authority provides its member cities with assistance in financing and construction of water and wastewater facilities. The Authority may also be requested to provide operations services for water and wastewater facilities by member cities and others.

[Click here to see our location on a map](#)
Call us at 903-786-4433

Greater Texoma Utility Authority Request for Qualifications for Bond Counsel Services

The Greater Texoma Utility Authority is seeking qualifications for bond counsel services for projects funded through the Texas Water Development Board (TWDB).

Scope of Work:

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TWDB's Minority Business Enterprise (MBE) / Women's Business Enterprise (WBE) Requirements:

This contract is contingent upon release of funds from the Texas Water Development Board (TWDB).

Any contract or contracts awarded under this Request for Qualifications (RFQ) are expected to be funded in part by a loan from the TWDB. Neither the State of Texas nor any of its departments, agencies or employees are or will be a party to this RFQ, or any resulting contract.

Equal Opportunity in Employment – All qualified Applicants will receive consideration for employment without regard to race, color, religion, sex, age, handicap or national origin. Bidders on this work will be required to comply with the President's Executive Order No. 11246, as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations 41 CFR Part 60.

This contract is subject to the Environmental Protection Agency's (EPA) "fair share policy," which includes EPA-approved "fair share goals" for Minority Business Enterprise (MBE) & Women Business Enterprise (WBE) firms in the Construction, Supplies, Equipment, and Services procurement categories. EPA's policy requires that applicants and prime contractors make a good faith effort to award a fair share of contracts, subcontracts, and procurements to Minority Business Enterprise and Women-Owned Business Enterprise firms. Although EPA's policy does not mandate that the fair share goals be achieved, it does require applicants and prime contractors to demonstrate use of the six affirmative steps. The current fair share goals for the State of Texas are as follows:

Exhibit CR-16

	<u>MBE</u>	<u>WBE</u>
Construction	12.94%	8.72%
Equipment	7.12%	5.39%
Services	10.84%	5.72%
Supplies	9.68%	9.34%

Exhibit CR-16

FOR OFFICE USE ONLY
Commitment # _____

TWDB-0217
Revised 11/13/2017

TWDB-0217 TEXAS WATER DEVELOPMENT BOARD (TWDB) PRIME CONSULTANT/CONTRACTOR CERTIFICATION

I. PROJECT INFORMATION

TWDB Project Number	Applicant/Entity Name	Total of TWDB Funding	Program Type (insert "X" for all that apply)	
12892	GTUA/Bear Creek SUD	\$ 7,490,000.00	<input checked="" type="checkbox"/>	Drinking Water SRF (DWSRF)
			<input type="checkbox"/>	Clean Water SRF (CWSRF)

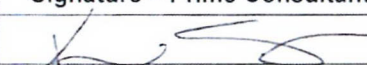
Prime Consultant/Contractor: Norton Rose Fulbright US LLP

Contract Number: _____ Contract Amount: \$ 56,200.00

II. GOOD FAITH EFFORT (Applicable to all subcontracts awarded by the prime contractor/consultant)

I understand that it is my responsibility to comply with all state and federal regulations and guidance in the utilization of Minority and Women-owned Businesses in procurement. I certify that I will make a "good faith effort" to afford opportunities for Minority Business Enterprise (MBE), and Women-owned Business Enterprise (WBE) by:

1. Including qualified MBEs and WBEs on procurement solicitation lists
 2. Soliciting potential MBEs and WBEs
 3. Reducing contract size/quantities when economically feasible to permit maximum participation by MBEs and WBEs
 4. Establishing delivery schedules to encourage participation by MBEs and WBEs
 5. Using the services and assistance of the Small Business Administration, Minority Business Development Agency, U.S. Department of Commerce, and Texas Marketplace
 6. Submitting documentation to the Applicant/Entity to verify good faith effort, steps 1-5.
- ☒ **EXCEPTION:** As the Prime Consultant/Contractor, I certify that the Applicant has reviewed the contract requirements and found no available subcontracting opportunities. I also certify that I will fulfill 100 percent of the contract requirements with my own employees and resources. (Check if applicable)

Signature – Prime Consultant/Contractor	Title (print legibly)	Certification Date
	Partner	07/24/2018

III. PROJECT PARTICIPATION ESTIMATES

Total Procurement		Potential MBE Participation		Potential WBE Participation	
Cost Category	Total	Goal	Extension	Goal	Extension
Construction		12.94%	\$ 0.00	8.72%	\$ 0.00
Supplies		9.68%	\$ 0.00	9.34%	\$ 0.00
Equipment		7.12%	\$ 0.00	5.39%	\$ 0.00
Services	\$ 56,200.00	10.84%	\$ 6,092.08	5.72%	\$ 3,214.64
Total Procurement	\$ 56,200.00		\$ 6,092.08		\$ 3,214.64

The Total Procurement must equal the Contract Amount shown above.

The fair share goals listed above are required by 40 CFR Part 33 Subpart D and are directly negotiated with EPA Region 6. Entities receiving federal financial assistance are subject to the TWDB's goals and may not be substituted with other agency or program goals.

IV. TWDB APPROVAL SIGNATURE

Signature indicates the form meets DBE Requirements.

DBE Coordinator	Approval Date

**INDEPENDENT BANK
LOAN AGREEMENT**

THIS LOAN AGREEMENT (this "Agreement") is made and entered into as of this 4th day of September, 2015, by and between **INDEPENDENT BANK** ("Lender") and **LAVON SPECIAL UTILITY DISTRICT** (the "Borrower").

SECTION 1. The Loan. On the terms and conditions set forth in this Agreement, Lender agrees to make a loan (the "Loan") to the Borrower, in the principal amount of **TWO MILLION THIRTY THOUSAND FOUR HUNDRED SIXTY SEVEN AND 82/100 DOLLARS (\$2,030,467.82)** (the "Commitment").

SECTION 2. Purposes. The purpose of the Loan is to refinance the current debt of the Borrower.

SECTION 3. INTENTIONALLY DELETED.

SECTION 4. Interest Rates.

(A) **Rate.** For the period from the date hereof until September 4, 2020, and except as otherwise provided herein, the unpaid principal balance of the Note shall bear interest from the date of advancement, at the rate of three and one-quarter percent (3.25%) per annum. From September 4, 2020, until the Maturity Date (as hereinafter defined), and except as otherwise provided herein, the unpaid principal balance of the Note shall bear interest at a variable rate per annum at all times equal to the Prime Rate (hereinafter defined), minus one percent (1.0%), with adjustments to such variable rate to be made on September 4, 2020, September 4, 2025 and September 4, 2030 ("Interest Rate Change Dates"). The variable rate shall never exceed nine percent (9.0%) per annum or be less than three and one-quarter percent (3.25%) per annum. The interest rate adjustment for each five (5) year period shall not exceed two percent (2.0%) for each adjustment period.

"Prime Rate" means the varying rate per annum equal to the "prime rate" published in the "Money Rates" table in The Wall Street Journal from time to time and if multiple rates are published, the highest such prime rate; provided, however, that in the event The Wall Street Journal should cease publishing such rate, then Payee may refer to another similar source that identifies the prime rate on corporate loans at large U.S. money center commercial banks.

(B) **Default Rate.** If prior to maturity the Borrower fails to make any payment or investment required to be made under the terms of this Agreement (including this Section), then at Lender's option in each instance, such payment or investment shall bear interest at 15% per annum. After maturity, whether by reason of acceleration or otherwise, the unpaid principal balance hereunder shall automatically bear interest at the greater of (i) 15% per annum, or (ii) the highest rate permitted by law. All interest provided for in this Subsection shall be payable on demand and shall be calculated from the date such payment was due to the date paid on the basis of a year of 360 days and the actual number of days elapsed.

SECTION 5. Payment and Maturity. The Loan is due and payable as follows: Principal and interest shall be amortized over twenty (20) years (the "Amortized Term") and shall be due and payable in monthly installments of ELEVEN THOUSAND FIVE HUNDRED SIXTY FIVE AND 53/100 DOLLARS (\$11,565.53), beginning October 4, 2015, and continuing regularly and monthly thereafter until and including September 4, 2020. Thereafter, on each Interest Rate Change Date, monthly installments in the succeeding sixty (60) month period shall be adjusted to equal the amount necessary to amortize the unpaid balance of the Note, at the then effective Interest Rate, over the remaining portion of the Amortized Term, beginning with the September 4, 2020 payment and continuing regularly and monthly thereafter. The Lender shall notify the Borrower of the amount of such monthly payment ten (10) days prior to each Interest Rate Change Date. On September 4, 2035 ("Maturity Date") the entire amount of any principal and interest then remaining unpaid, shall be then due and payable. Interest will be calculated on the unpaid principal to the date of each payment. Payments will be credited first to the accrued interest and then to reduction of principal.

SECTION 6. Prepayment. Maker reserves the right to prepay, prior to maturity, all or any part of the principal of this Note without penalty, and interest shall immediately cease on any amount so prepaid. Notwithstanding the foregoing, if Borrower refinances this indebtedness with another lender, Borrower shall be required to pay: (i) a 3% penalty on the amount so prepaid prior to September 4, 2016; (ii) a 2% penalty on the amount so prepaid after September 4, 2016, but prior to September 4, 2017; and (iii) a 1% penalty on the amount so prepaid after September 4, 2017, but prior to September 4, 2020.

SECTION 7. Note. The Borrower's obligation to repay the Loan shall be evidenced by a promissory note in form and content acceptable to Lender (the "Note").

SECTION 8. Security. In addition to the above, the Borrower's obligations hereunder and under all instruments and documents contemplated hereby shall be secured by a first priority lien on the assets owned and/or leased by the Borrower described in the security agreements, mortgages, and deeds of trust between Lender and Borrower

SECTION 9. Conditions Precedent.

(A) Loan Advance. Lender's obligation to make the loan hereunder is subject to satisfaction of each of the following conditions precedent on or before the date of such advance:

(1) Loan Documents. That Lender receive duly executed originals of this Agreement, the Note, a certified copy of the Combination Water Utility Deed of Trust and Security Agreement (the "Deed of Trust"), and all other instruments and documents contemplated hereby (collectively, the "Loan Documents").

(2) Authorization. That Lender receives copies of all corporate documents and proceedings of the Borrower authorizing the execution, delivery, and performance of the Loan Documents to which it is a party, certified to be true and correct by the Secretary of the Borrower.

(3) **Approvals.** That Lender receive evidence satisfactory to it that all consents and approvals which are necessary for, or required as a condition of, the validity and enforceability of the Loan Documents have been obtained and are in full force and effect.

(4) **Perfection and Priority of Liens.** That Lender receives evidence satisfactory to it that Lender has, as of the date of the initial advance, a duly perfected first priority lien on all security provided for herein.

(5) **Title Evidence.** Evidence of title satisfactory to Lender that Borrower is the owner of all of the assets being pledged, and that the liens being created in favor of Lender under the Deed of Trust will be valid, first and prior liens, free and clear of all defects and encumbrances except such as Lender shall approve, and the status of title to the Property shown therein shall otherwise be satisfactory to Lender.

(6) **Permits.** That Lender receive evidence satisfactory to it that the Borrower possesses all necessary operating permits, authorizations, approvals, and the like which are material to the conduct of the Borrower's business or which may otherwise be required by law.

(7) **Fees, Expenses and Capital.** That the Borrower pays the costs and expenses (including intangible and other taxes) incurred by Lender to obtain, perfect and determine the priority of any security herefore, and pay all fees and expenses of counsel retained by Lender in connection with this transaction. Further, if all costs and expenses of this transaction are not known at the time of the initial advance, Borrower agrees to pay such costs and expenses upon demand.

(8) **Insurance.** Evidence of insurance in such amount and covering such risks as are usually carried by companies engaged in the same or similar business.

(9) **Fidelity Bond Insurance Coverage.** Borrower shall maintain adequate fidelity bond coverage during the term of the Loan, said coverage to be on the following persons in the amounts set forth below:

- (a) President - \$50,000.00
- (b) Secretary-Treasurer - \$50,000.00
- (c) Vice President - \$50,000.00
- (d) One (1) Bookkeeper - \$35,000.00

and in no event shall the bonds be less than stated above with the prior written consent of Lender.

(10) Engineer's Certification. That Lender receive evidence satisfactory to it prepared by a qualified engineer certifying that the Borrower's facilities reasonably meet all present and expected demand, are in good working order and condition, and comply with all federal, state and local laws, and similar matters, which certification shall be provided at the Borrower's expense in form and content acceptable to Lender.

(B) Advances Generally. Lender's obligation to make the advance hereunder, subject to the satisfaction of each of the following conditions precedent on or before the date of such advance:

(1) Event of Default. That no Event of Default (as that term is defined in Section 13 hereof) exists, and that there has occurred no event which with the passage of time or the giving of notice, or both, could become an Event of Default (each such event hereafter being referred to as a "Default").

(2) Continuing Representations and Warranties. That representations and warranties of the Borrower contained in this Agreement be true and correct on and as of the date of the initial advance as though made on and as of such date.

SECTION 10. Representations and Warranties. To induce Lender to make advances hereunder, and recognizing that Lender is relying hereon, the Borrower represents and warrants as follows:

(A) Organization; Power; Etc. The Borrower (i) is duly organized, validly existing, and in good standing under the laws of Texas; (ii) is duly qualified to do business and is in good standing in each jurisdiction in which the transaction of its business makes such qualification necessary; (iii) has all requisite legal power to own and operate its assets and to carry on its business and to enter into and perform the Loan Documents to which it is a party, (iv) has duly and lawfully obtained and maintained all licenses, certificates, permits, authorizations, approvals, and the like which are material to the conduct of its business or which may be otherwise required by law; and (v) is eligible to borrow from Lender.

(B) Due Authorization; No Violations; Etc. The execution and delivery by the Borrower of, and the performance by the Borrower of its obligations under, the Loan Documents have been duly authorized by all requisite corporate action on the part of the Borrower and do not and will not (i) violate any provision of any law, rule or regulation, any judgment, order or ruling of any court or governmental agency, the articles of incorporation or bylaws of the Borrower, or any agreement, indenture, mortgage, or other instrument to which the Borrower is a party or by which the Borrower or any of its properties is bound or (ii) be in conflict with, result in a breach of, or constitute with the giving of notice or lapse of time, or both, a default under any such agreement, indenture, mortgage, or other instrument. No action on the part of any shareholder or member of the Borrower is necessary in connection with the execution and delivery by the Borrower of and the performance by the Borrower of its obligation's under the Loan Documents.