

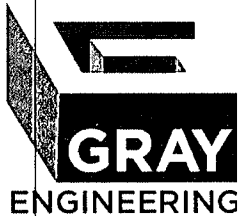


Control Number: 50745



Item Number: 1

Addendum StartPage: 0



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8834 North Capital of Texas Highway, Suite 140  
Austin, Texas 78759 : [www.grayengineeringinc.com](http://www.grayengineeringinc.com)

TBPE 2946

April 7, 2020

Public Utility Commission of Texas  
1701 N. Congress Avenue  
P.O. Box 13326  
Austin, Texas 78711-3326  
Attn: Filing Clerk

**RE: Lakeside MUD No. 3; Decertification from Manville WSC  
CCN No. 11144  
Submittal: Application to Amend a Water Certificate of Convenience and Necessity (CCN)  
GEI No. 1500-11379.42**

To whom it may concern,

Please find enclosed the following documents that are being submitted to the Public Utility Commission in support of the Decertification of Lakeside Municipal Utility District No. 3 from the Manville WSC CCN (CCN no. 11144)

1. Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN) And Associated Attachments
  - a. Hard copies Include the following attachments to the application
    - i. Exhibit A - Water Supply Contract between Manville WSC and Lakeside MUD No. 3
    - ii. Exhibit B - List of TCEQ Approval Letter Log Numbers
    - iii. Exhibit C - List of Pflugerville Water Operator Licenses
    - iv. Exhibit D - General Location Map
    - v. Exhibit E – Detailed Map
    - vi. Exhibit F - Development Agreement between Lakeside MUD No. 3 and the City of Pflugerville
    - vii. Exhibit G - Maintenance Contract between Pflugerville and Lakeside MUD no. 3
    - viii. Exhibit H - TCEQ Approval Letters for All the Commons at Rowe Lane Phases
    - ix. Digital Mapping Data

50745

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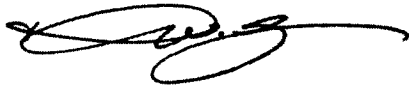
April 7, 2020

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If you have any questions or need additional information regarding this submittal, please call me at (512) 452-0371.

Sincerely,

**GRAY ENGINEERING, INC.**



David W. Gray, P.E.  
President

DWG:IH:ad

Attachments

cc: Board of Directors; Lakeside Municipal Utility District No. 3 (w/o attachments)  
Mr. Kevin Flahive; Armbrust & Brown, PLLC (w/attachments)  
Mr. Steven Minor, P.E.; Gray Engineering, Inc. (w/o attachments)



# **Application to Obtain or Amend a Water or Sewer Certificate of Convenience and Necessity (CCN)**

*Pursuant to 16 Texas Administrative Code (TAC) Chapter 24, Substantive Rules Applicable to Water and Sewer  
Service Providers, Subchapter G: Certificates of Convenience and Necessity*

## **CCN Application Instructions**

- I. **COMPLETE:** In order for the Commission to find the application sufficient for filing, you should adhere to the following:
  - i. Answer every question and submit all required attachments.
  - ii. Use attachments or additional pages if needed to answer any question. If you use attachments or additional pages, reference their inclusion in the form.
  - iii. Provide all mapping information as detailed in Part F: Mapping & Affidavits.
  - iv. Provide any other necessary approvals from the Texas Commission on Environmental Quality (TCEQ), or evidence that a request for approval is being sought at the time of filing with the Commission.
- II. **FILE:** Seven (7) copies of the completed application with numbered attachments. One copy should be filed with no permanent binding, staples, tabs, or separators; and 7 copies of the portable electronic storage medium containing the digital mapping data.  
**SEND TO:** Public Utility Commission of Texas, Attention: Filing Clerk, 1701 N. Congress Avenue, P.O. Box 13326, Austin, Texas 78711-3326 (NOTE: Electronic documents may be sent in advance of the paper copy; however, they will not be processed and added to the Commission's on-line Interchange until the paper copy is received and file-stamped in Central Records.)
- III. The application will be assigned a docket number, and an administrative law judge (ALJ) will issue an order requiring Commission Staff to file a recommendation on whether the application is sufficient. The ALJ will issue an order after Staff's recommendation has been filed:
  - i. **DEFICIENT (Administratively Incomplete):** Applicant will be ordered to provide information to cure the deficiencies by a certain date (usually 30 days from ALJ's order). ***Application is not accepted for filing.***
  - ii. **SUFFICIENT (Administratively Complete):** Applicant will be ordered by the ALJ to give appropriate notice of the application using the notice prepared by Commission Staff. ***Application is accepted for filing.***
- IV. Once the Applicant issues notice, a copy of the actual notice sent (including any map) and an affidavit attesting to notice should be filed in the docket assigned to the application. Recipients of notice may choose to take one of the following actions:
  - i. **HEARING ON THE MERITS:** an affected party may request a hearing on the application. The request must be made within 30 days of notice. If this occurs, the application may be referred to the State Office of Administrative Hearings (SOAH) to complete this request.
  - ii. **LANDOWNER OPT-OUT:** A landowner owning a qualifying tract of land (25+ acres) may request to have their land removed from the requested area. The Applicant will be requested to amend its application and file new mapping information to remove the landowner's tract of land, in conformity with this request.
- V. **PROCEDURAL SCHEDULE:** Following the issuance of notice and the filing of proof of notice in step 4, the application will be granted a procedural schedule for final processing. During this time the Applicant must respond to hearing requests, landowner opt-out requests, and requests for information (RFI). The Applicant will be requested to provide written consent to the proposed maps, certificates, and tariff (if applicable) once all other requests have been resolved.
- VI. **FINAL RECOMMENDATION:** After receiving all required documents from the Applicant, Staff will file a recommendation on the CCN request. The ALJ will issue a final order after Staff's recommendation is filed.

### **FAQ:**

#### ***Who can use this form?***

Any retail public utility that provides or intends to provide retail water or wastewater utility service in Texas.

#### ***Who is required to use this form?***

A retail public utility that is an investor owned utility (IOU) or a water supply corporation (WSC) must use this form to obtain or amend a CCN prior to providing retail water or sewer utility service in the requested area.

#### ***What is the purpose of the application?***

A CCN Applicant is required to demonstrate financial, managerial, and technical (FMT) capability to provide continuous and adequate service to any requested area. The questions in the application are structured to support an Applicant's FMT capabilities, consistent with the regulatory requirements.



### Application Summary

**Applicant:** Lakeside Municipal Utility District No. 3

**CCN No. to be amended:** 11144 Manville WSC CCN

**or** ☐ Obtain NEW CCN ☒ Water ☐ Sewer

**County(ies) affected by this application:** Williamson County, Travis County

**Dual CCN requested with:** N/A

**CCN No.:** N/A

*(name of retail public utility)*

☐ Portion or ☐ All of requested area

**Decertification of CCN for:** Manville WSC CCN

**CCN No.:** 11144

*(name of retail public utility)*

☒ Portion or ☐ All of requested area

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#### Please mark the items included in this filing

<input type="checkbox"/> Partnership Agreement	Part A: Question 4
<input type="checkbox"/> Articles of Incorporation and By-Laws (WSC)	Part A: Question 4
<input type="checkbox"/> Certificate of Account Status	Part A: Question 4
<input checked="" type="checkbox"/> Franchise, Permit, or Consent letter	Part B: Question 7
<input checked="" type="checkbox"/> Existing Infrastructure Map	Part B: Question 8
<input checked="" type="checkbox"/> Customer Requests For Service in requested area	Part B: Question 9
<input type="checkbox"/> Population Growth Report or Market Study	Part B: Question 10
<input type="checkbox"/> TCEQ Engineering Approvals	Part B: Question 11
<input type="checkbox"/> Requests & Responses For Service to ½ mile utility providers	Part B: Question 12.B
<input type="checkbox"/> Economic Feasibility (alternative provider) Statement	Part B: Question 12.C
<input checked="" type="checkbox"/> Alternative Provider Analysis	Part B: Question 12.D
<input type="checkbox"/> Enforcement Action Correspondence	Part C: Question 16
<input checked="" type="checkbox"/> TCEQ Compliance Correspondence	Part D: Question 20
<input checked="" type="checkbox"/> Purchased Water Supply or Treatment Agreement	Part D: Question 23
<input type="checkbox"/> Rate Study (new market entrant)	Part E: Question 28
<input type="checkbox"/> Tariff/Rate Schedule	Part E: Question 29
<input type="checkbox"/> Financial Audit	Part E: Question 30
<input type="checkbox"/> Application Attachment A & B	Part E: Question 30
<input type="checkbox"/> Capital Improvement Plan	Part E: Question 30
<input type="checkbox"/> Disclosure of Affiliated Interests	Part E: Question 31
<input checked="" type="checkbox"/> Detailed (large scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> General Location (small scale) Map	Part F: Question 32
<input checked="" type="checkbox"/> Digital Mapping Data	Part F: Question 32
<input checked="" type="checkbox"/> Signed & Notarized Affidavit	Page 12

**Part A: Applicant Information**

1. A. Name: Lakeside Municipal Utility District No. 3  
(individual, corporation, or other legal entity)  
☐ Individual ☐ Corporation ☐ WSC ☒ Other: MUD
- B. Mailing Address: c/o Armburst & Brown, 100 Congress Avenue, Suite 1300  
Austin, Texas 78701  
Phone No.: (512) 435-2333 Email: kflahive@abaustin.com
- C. Contact Person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant, or other title.  
Name: David Gray, P.E. Title: Engineer  
Mailing Address: 8834 North Capital of Texas Highway, Suite 140  
Phone No.: (512) 452-0371 Email: dwg@grayengineeringinc.com
2. If the Applicant is someone other than a municipality, is the Applicant currently paid in full on the Regulatory Assessment Fees (RAF) remitted to the TCEQ?  
☐ Yes ☐ No ☒ N/A
3. If the Applicant is an Investor Owned Utility (IOU), is the Applicant current on Annual Report filings with the Commission?  
☐ Yes ☐ No **N/A, APPLICANT IS NOT AN IOU**  
If no, please state the last date an Annual Report was filed: \_\_\_\_\_
4. The legal status of the Applicant is:  
☐ Individual or sole proprietorship  
☐ Partnership or limited partnership (*attach* Partnership agreement)  
☐ Corporation: Charter number (recorded with the Texas Secretary of State): \_\_\_\_\_  
☐ Non-profit, member-owned, member controlled Cooperative Corporation [Article 1434(a) Water Supply or Sewer Service Corporation, incorporated under TWC Chapter 67]  
Charter number (as recorded with the Texas Secretary of State): \_\_\_\_\_  
☐ Articles of Incorporation and By-Laws established (*attach*)  
☐ Municipally-owned utility  
☒ District (MUD, SUD, WCID, FWSD, PUD, etc.)  
☐ County  
☐ Affected County (a county to which Subchapter B, Chapter 232, Local Government Code, applies)  
☐ Other (please explain): \_\_\_\_\_
5. If the Applicant operates under an assumed name (i.e., any d/b/a), provide the name below:  
Name: LAKESIDE MUD NO. 3

**Part B: Requested Area Information**

6. Provide details on the existing or expected land use in the requested area, including details on requested actions such as dual certification or decertification of service area.

The area requested under this application for decertification from Manville WSC CCN (CCN No. 11144), is encompassed by the boundaries of all phases of "The Commons at Rowe Lane" subdivision. The Commons at Rowe lane contains 942 single family residential lots and 1 amenity center. Boundaries are shown in Exhibit D, Exhibit E, and the digital mapping data included with this submittal.

7. The requested area (check all applicable):

☐ Currently receives service from the Applicant ☐ Is being developed with no current customers

☐ Overlaps or is within municipal boundaries ☐ Overlaps or is within district boundaries

Municipality: \_\_\_\_\_ District: \_\_\_\_\_

Provide a copy of any franchise, permit, or consent granted by the city or district. If not available please explain:

Lakeside Municipal Utility District No. 3 (the MUD) is the applicant. The wholesale water supply contract between Manville WSC and the MUD grants consent to "remove the Service Area from Manville's CCN." This Contract is included with this submittal as Exhibit A.

8. Describe the circumstances (economic, environmental, etc.) driving the need for service in the requested area:

The wholesale water supply contract between Manville WSC and Lakeside MUD No. 3 requires that Lakeside MUD No. 3 be removed from Manville WSC CCN (CCN No. 11144). There are 942 single family residences, 1 amenity center, and 3 irrigation lines that require service. The water supply contract is included as Exhibit A.

9. Has the Applicant received any requests for service within the requested area?

☒ Yes\*

☐ No

\*Attach copies of all applicable requests for service and show locations on a map  
Development agreement between Lakeside MUD No. 3 and Pflugerville is included as Exhibit F. This agreement demonstrates the need for water service within the requested area.

10. Is there existing or anticipated growth in the requested area?

☐ Yes\*

☒ No

\*Attach copies of any reports and market studies supporting growth  
Maximum number of customers is 946, this is not anticipated to increase.

11. A. Will construction of any facilities be necessary to provide service to the requested area?

☐ Yes\*

☒ No

\*Attach copies of TCEQ approval letters

B. Date Plans & Specifications or Discharge Permit App. submitted to TCEQ: N/A

C. Summarize an estimated timeline for construction for any required facilities to serve the requested area:

No new construction is required to serve the requested area.

D. Describe the source and availability of funds for any required facilities to serve the requested area:

No new facilities are required to serve the requested area.

**Note: Failure to provide applicable TCEQ construction or permit approvals, or evidence showing that the construction or permit approval has been filed with the TCEQ may result in the delay or possible dismissal of the application.**

12. A. If construction of a physically separate water or sewer system is necessary, provide a list of all retail public water and/or sewer utilities within one half mile from the outer boundary of the requested area below:

Construction of a physically separate water system is not necessary

B. Did the Applicant request service from each of the above water or sewer utilities?

☐ Yes\* ☐ No N/A \*Attach copies of written requests and copies of the written response

C. Attach a statement or provide documentation explaining why it is not economically feasible to obtain retail service from the water or sewer retail public utilities listed above. N/A

D. If a neighboring retail public utility agreed to provide service to the requested area, attach documentation addressing the following information:

Wholesale water supply contract for Manville WSC to provide service to Lakeside MUD No. 3 (applicant) is attached as Exhibit A

- (A) A description of the type of service that the neighboring retail public utility is willing to provide and comparison with service the applicant is proposing; Included in water supply contract (Exhibit A)
- (B) An analysis of all necessary costs for constructing, operating, and maintaining the new facilities for at least the first five years of operations, including such items as taxes and insurance; and N/A, No new facilities will be constructed.
- (C) An analysis of all necessary costs for acquiring and continuing to receive service from the neighboring retail public utility for at least the first five years of operations. Water Rate provided in Wholesale Water Contract (Exhibit A)

13. Explain the effect of granting the CCN request on the Applicant, any retail public utility of the same kind serving in the proximate area, and any landowners in the requested area. The statement should address, but is not limited to, regionalization, compliance, and economic effects.

No effect. This application is to decertify Lakeside MUD No. 3 from Manville WSC CCN No. 11144. Manville WSC treats and supplies water to Lakeside MUD No. 3 per the attached wholesale water supply contract (Exhibit A). After decertification, water will continue to be treated and supplied under this contract, at the same quantity and cost to land owners in Lakeside MUD No. 3.

**Part C: CCN Obtain or Amend Criteria Considerations**

14. Describe the anticipated impact and changes in the quality of retail utility service for the requested area:

Manville WSC will continue to supply water water of the same quality under the wholesale water supply contract (Exhibit A). Therefore "quality of retail utility service" will not change.

15. Describe the experience and qualifications of the Applicant in providing continuous and adequate retail service:

Manville WSC is supplying water to Lakeside MUD No. 3 under the attached wholesale water supply contract (Exhibit A). This contract will remain in effect after the decertification of Lakeside MUD No. 3 from the CCN, and Manville will continue to provide "continuous and adequate retail service."

16. Has the Applicant been under an enforcement action by the Commission, TCEQ, Texas Department of Health (TDH), the Office of the Attorney General (OAG), or the Environmental Protection Agency (EPA) in the past five (5) years for non-compliance with rules, orders, or state statutes?

☐ Yes\* ☒ No

\*Attach copies of any correspondence with the applicable regulatory agency concerning any enforcement actions, and attach a description of any actions or efforts the Applicant has taken to comply with these requirements.

17. Explain how the environmental integrity of the land will or will not be impacted or disrupted as a result of granting the CCN as requested:

This application is to decertify Lakeside MUD No. 3 from the Manville WSC CCN No. 11144. No physical changes are being made to the land as a result of this decertification. Therefore the decertification will have no effect on the the "environmental integrity of the land."

18. Has the Applicant made efforts to extend retail water or sewer utility service to any economically distressed area located within the requested area?

No.



19. List all neighboring water or sewer retail public utilities, cities, districts (including ground water conservation districts), counties, or other political subdivisions (including river authorities) providing the same service located within two (2) miles from the outer boundary of the requested area:

11144 - MANVILLE WSC	13245 - LAKESIDE WCID 2C
11303 - CITY OF PFLUGERVILLE	13249 - LAKESIDE WCID 2A
11047 - CITY OF ROUND ROCK	13253 - LAKESIDE WCID 2D
13243 - LAKESIDE WCID 1	10321 - CITY OF HUTTO
13244 - LAKESIDE WCID 2B	10970 - JONAH WATER SUD

**Part D: TCEQ Public Water System or Sewer (Wastewater) Information**

20. A. Complete the following for all Public Water Systems (PWS) associated with the Applicant's CCN:

TCEQ PWS ID:	Name of PWS:	Date of TCEQ inspection*:	Subdivisions served:
2270014	City of Pflugerville	MULTIPLE**	The Commons at Rowe Lane, All Phases

\*\*SEE ATTACHED SUMMARY TABLE FOR COMPLETE LIST OF THE COMMONS AT ROWE LANE PHASES, TCEQ LOG NUMBERS, AND APPROVAL DATES. (EXHIBIT B)

APPROVAL LETTERS ARE INCLUDED ON AS EXHIBIT H.

\*Attach evidence of compliance with TCEQ for each PWS

- B. Complete the following for all TCEQ Water Quality (WQ) discharge permits associated with the Applicant's CCN:

TCEQ Discharge Permit No:	Date Permit expires:	Date of TCEQ inspection*:	Subdivisions served:
N/A, APPLICANT DOES NOT HAVE A CCN. THIS APPLICATION IS TO DECERTIFY THE APPLICANT FROM MANVILLE WSC CCN			

\*Attach evidence of compliance with TCEQ for each Discharge Permit

- C. The requested CCN service area will be served via: PWS ID: N/A, THE REQUESTED AREA  
WQ - WILL NO LONGER BE IN A CCN.

21. List the number of existing connections for the PWS & Discharge Permit indicated above (Question 20. C.):

Water				Sewer
	Non-metered	3	2"	Sewer is N/A. - This application is for a Water CCN
	5/8" or 3/4"		3"	
943	1"		4"	
	1 1/2"		Other	
Total Water Connections:				

22. List the number of additional connections projected for the requested CCN area:

Water	Sewer
N/A - There is no new requested CCN Area.	

23. A. Will the system serving the requested area purchase water or sewer treatment capacity from another source?

☒ Yes\* ☐ No

\*Attach a copy of purchase agreement or contract.

Attached as Exhibit A

Capacity is purchased from:

Water: Manville WSC

Sewer: N/A not part of this decertification

- B. Are any of the Applicants PWS's required to purchase water to meet the TCEQ's minimum capacity requirements or TCEQ's drinking water standards?

☒ Yes ☐ No

- C. What is the amount of supply or treatment purchased, per the agreement or contract? What is the percent of overall demand supplied by purchased water or sewer treatment (if any)?

	Amount in Gallons	Percent of demand
Water:	385,000 Gallons Per Day Max	100%
Sewer:	N/A - Sewer not part of this decertification	0%

24. Does the PWS or sewer treatment plant have adequate capacity to meet the current and projected demands in the requested area?

☒ Yes ☐ No

25. List the name, class, and TCEQ license number of the operators that will be responsible for the operations of the water or sewer utility service provided to the requested area:

Name (as it appears on license)	Class	License No.	Water/Sewer
SEE ATTACHMENT	SEE ATTACHMENT	SEE ATTACHMENT	
List of City of Pflugerville operators and license numbers are shown in Exhibit C.			

26. A. Are any improvements required for the existing PWS or sewer treatment plant to meet TCEQ or Commission standards?

☐ Yes ☒ No

- B. Provide details on each required major capital improvement necessary to correct deficiencies to meet the TCEQ or Commission standards (attach any engineering reports or TCEQ approval letters):

Description of the Capital Improvement:	Estimated Completion Date:	Estimated Cost:
No Capital Improvement Necessary	N/A	N/A

27. Provide a map (or maps) showing all facilities for production, transmission, and distribution, and the location of existing or proposed customer connections, in the requested area. Facilities should be identified on subdivision plats, engineering planning maps, or other large scale maps. Color coding can be used, and is encouraged, to distinguish types of facilities.

**Part E: Financial Information**

28. If the Applicant seeking to obtain a CCN for the first time is an Investor Owned Utility (IOU) and under the original rate jurisdiction of the Commission, a proposed tariff must be attached to the application. The proposed rates must be supported by a rate study, which provides all calculations and assumptions made. Once a CCN is granted, the Applicant must submit a rate filing package with the Commission within 18 months from the date service begins. The purpose of this rate filing package is to revise a utility's tariff to adjust the rates to a historic test year and to true up the new tariff rates to the historic test year. It is the Applicant's responsibility in any future rate proceeding to provide written evidence and support for the original cost and installation date of all facilities used and useful for providing utility service. Any dollar amount collected under the rates charged during the test year in excess of the revenue requirement established by the Commission during the rate change proceeding shall be reflected as customer contributed capital going forward as an offset to rate base for ratemaking purposes. N/A - APPLICANT NOT SEEKING TO OBTAIN NEW CCN AT THIS TIME. APPLICANT IS NOT AN IOU.

29. If the Applicant is an existing IOU, please attach a copy of the current tariff and indicate:

A. Effective date for most recent rates: N/A - APPLICANT IS NOT AN IOU.

B. Was notice of this increase provided to the Commission or a predecessor regulatory authority?  
☐ No ☐ Yes Application or Docket Number: N/A - APPLICANT IS NOT AN IOU.

C. If notice was not provided to the Commission, please explain why ( ex: rates are under the jurisdiction of a municipality)

N/A - APPLICANT IS NOT AN IOU.

**If the Applicant is a Water Supply or Sewer Service Corporation (WSC/SSC) and seeking to obtain a CCN, attach a copy of the current tariff.**

30. **Financial Information** N/A - APPLICANT NOT SEEKING TO OBTAIN NEW CCN AT THIS TIME.  
Applicants must provide accounting information typically included within a balance sheet, income statement, and statement of cash flows. If the Applicant is an existing retail public utility, this must include historical financial information and projected financial information. However, projected financial information is only required if the Applicant proposes new service connections and new investment in plant, or if requested by Commission Staff. If the Applicant is a new market entrant and does not have its own historical balance sheet, income statement, and statement of cash flows information, then the Applicant should establish a five-year projection.  
**Historical Financial Information may be shown by providing any combination of the following that includes necessary information found in a balance sheet, income statement, and statement of cash flows:**

1. Completed Appendix A;
2. Documentation that includes all of the information required in Appendix A in a concise format; or
3. Audited financial statements issued within 18 months of the application filing date. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

**Projected Financial Information** may be shown by providing any of the following:

1. Completed Appendix B;
2. Documentation that includes all of the information required in Appendix B in a concise format;
3. A detailed budget or capital improvement plan, which indicates sources and uses of funds required, including improvements to the system being transferred; or
4. A recent budget and capital improvements plan that includes information needed for analysis of the operations test for the system being transferred and any operations combined with the system. This may be provided electronically by providing a uniform resource locator (URL) or a link to a website portal.

31. Attach a disclosure of any affiliated interest or affiliate. Include a description of the business relationship between all affiliated interests and the Applicant. Pflugerville Maintenance Contract is attached as Exhibit G.

**DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK**

**Part F: Mapping & Affidavits**

32. Provide the following mapping information with each of the seven (7) copies of the application:
1. A general location (small scale) map identifying the requested area in reference to the nearest county boundary, city, or town. The Applicant should adhere to the following guidance:
    - i. If the application includes an amendment for both water and sewer certificated service areas, separate maps must be provided for each.
    - ii. A hand drawn map, graphic, or diagram of the requested area is not considered an acceptable mapping document.
    - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
  2. A detailed (large scale) map identifying the requested area in reference to verifiable man-made or natural landmarks such as roads, rivers, and railroads. The Applicant should adhere to the following guidance:
    - i. The map should be clearly labeled and the outer boundary of the requested area should be marked in reference to the verifiable man-made or natural landmarks. These verifiable man-made and/or natural landmarks must be labeled and marked on the map as well.
    - ii. If the application includes an amendment for both water and sewer certificated service area, separate maps need to be provided for each.
    - iii. To maintain the integrity of the scale and quality of the map, copies must be exact duplicates of the original map. Therefore, copies of maps cannot be reduced or enlarged from the original map, or in black and white if the original map is in color.
  3. One of the following identifying the requested area:
    - i. A metes and bounds survey sealed or embossed by either a licensed state land surveyor or a registered professional land surveyor. Please refer to the mapping guidance in part 2 (above);

Digital shape file is included with this submittal. Map Exhibits of requested decertification area are included as exhibits D and E.

- ii. A recorded plat. If the plat does not provide sufficient detail, Staff may request additional mapping information. Please refer to the mapping guidance in part 2 (above); or
- iii. Digital mapping data in a shapefile (SHP) format georeferenced in either NAD 83 Texas State Plane Coordinate System (US Feet) or in NAD 83 Texas Statewide Mapping System (Meters). The digital mapping data shall include a single, continuous polygon record. The following guidance should be adhered to:
  - a. The digital mapping data must correspond to the same requested area as shown on the general location and detailed maps. The requested area must be clearly labeled as either the water or sewer requested area.
  - b. A shapefile should include six files (.dbf, .shp, .shx, .sbx, .sbn, and the projection (.prj) file).
  - c. The digital mapping data shall be filed on a data disk (CD or USB drives), clearly labeled, and filed with Central Records. Seven (7) copies of the digital mapping data is also required.

### Part G: Notice Information

The following information will be used to generate the proposed notice for the application.  
DO NOT provide notice until the application is deemed sufficient for filing and the Applicant is ordered to provide notice.

33. Complete the following using verifiable man-made and/or natural landmarks such as roads, rivers, or railroads to describe the requested area (to be stated in the notice documents). Measurements should be approximated from the outermost boundary of the requested area:

The total acreage of the requested area is approximately: 283

Number of customer connections in the requested area: 754 Current Customers, 946 Maximum Future Customers

The closest city or town: Pflugerville (Area is in Pflugerville ETJ)

Approximate mileage to closest city or town center: 0

Direction to closest city or town: West

The requested area is generally bounded on the North by: CR 138

on the East by: 2,800 FT FROM CR 137

on the South by: Rowe Lane

on the West by: 2,700 Feet from SH 130

34. A copy of the proposed map will be available at Included with this submittal as Exhibits D & E



# Applicant's Oath

STATE OF Texas

COUNTY OF Travis

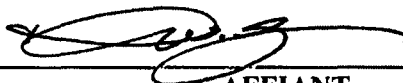
I, David W. Gray being duly sworn, file this application to  
obtain or amend a water or sewer CCN, as Authorized Representative

(owner, member of partnership, title as officer of corporation, or authorized representative)

I attest that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the documents filed with this application, and have complied with all the requirements contained in the application; and, that all such statements made and matters set forth therein with respect to Applicant are true and correct. Statements about other parties are made on information and belief. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Commission.

I further represent that the application form has not been changed, altered, or amended from its original form.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants within its certificated service area should its request to obtain or amend its CCN be granted.



AFFIANT

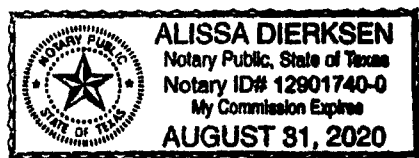
(Utility's Authorized Representative)

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

SUBSCRIBED AND SWORN BEFORE ME, a Notary Public in and for the State of Texas

this day the 1<sup>st</sup> of April, 2020

SEAL



NOTARY PUBLIC IN AND FOR THE  
STATE OF TEXAS

Alissa Dierksen

PRINT OR TYPE NAME OF NOTARY

My commission expires: August 31, 2020

## Appendix A: Historical Financial Information (Balance Sheet and Income Schedule)

*(Audited financial statements may be substituted for this schedule – see item 29 of the instructions)*

HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A – D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (E / G)</b>						

**DO NOT INCLUDE ATTACHMENTS A OR B IF LEFT BLANK**

N/A

## HISTORICAL NET INCOME INFORMATION

(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						



N/A

<b>HISTORICAL EXPENSE INFORMATION (ENTER DATE OF YEAR END)</b>	<b>CURRENT(A) ( - - )</b>	<b>A-1 YEAR ( - - )</b>	<b>A-2 YEAR ( - - )</b>	<b>A-3 YEAR ( - - )</b>	<b>A-4 YEAR ( - - )</b>	<b>A-5 YEAR ( - - )</b>
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries & Benefits–Office/Management						
Office (services, rentals, supplies, electricity)						
Contract Labor						
Transportation						
Insurance						
Telephone						
Utilities						
Property Taxes						
Professional Services/Fees (recurring)						
Regulatory- other						
Other (describe)						
Interest						
Other						
<b>Total General Admin. Expenses (G&amp;A)</b>						
<b>% Increase Per Year</b>	0%	0%	0%	0%	0%	0%
<b>OPERATIONS &amp; MAINTENANCE EXPENSES</b>						
Salaries & Benefits (Employee, Management)						
Materials & Supplies						
Utilities Expense-office						
Contract Labor						
Transportation Expense						
Depreciation Expense						
Other(describe)						
<b>Total Operational Expenses (O&amp;M)</b>						
<b>Total Expense (Total G&amp;A + O&amp;M)</b>						
<b>Historical % Increase Per Year</b>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>ASSUMPTIONS</b>						
Interest Rate/Terms						
Depreciation Schedule (attach)						
Other assumptions/information (List all)						



## Appendix B: Projected Information

<b>HISTORICAL BALANCE SHEETS (ENTER DATE OF YEAR END)</b>	<b>CURRENT(A) ( - - )</b>	<b>A-1 YEAR ( - - )</b>	<b>A-2 YEAR ( - - )</b>	<b>A-3 YEAR ( - - )</b>	<b>A-4 YEAR ( - - )</b>	<b>A-5 YEAR ( - - )</b>
<b>CURRENT ASSETS</b>						
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
<b>A. Total Current Assets</b>						
<b>FIXED ASSETS</b>						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or Reserves						
<b>B. Total Fixed Assets</b>						
<b>C. TOTAL Assets (A + B)</b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
<b>D. Total Current Liabilities</b>						
<b>LONG TERM LIABILITIES</b>						
Notes Payable, Long-term						
Other						
<b>E. Total Long Term Liabilities</b>						
<b>F. TOTAL LIABILITIES (D + E)</b>						
<b>OWNER'S EQUITY</b>						
Paid in Capital						
Retained Equity						
Other						
Current Period Profit or Loss						
<b>G. TOTAL OWNER'S EQUITY</b>						
<b>TOTAL LIABILITIES+EQUITY (F + G) = C</b>						
<b>WORKING CAPITAL (A - D)</b>						
<b>CURRENT RATIO (A / D)</b>						
<b>DEBT TO EQUITY RATIO (F / G)</b>						



N/A

PROJECTED NET INCOME INFORMATION						
(ENTER DATE OF YEAR END )	CURRENT(A) ( - - )	A-1 YEAR ( - - )	A-2 YEAR ( - - )	A-3 YEAR ( - - )	A-4 YEAR ( - - )	A-5 YEAR ( - - )
<b>METER NUMBER</b>						
Existing Number of Taps						
New Taps Per Year						
<b>Total Meters at Year End</b>						
<b>METER REVENUE</b>						
Revenue per Meter (use for projections)						
Expense per Meter (use for projections)						
<b>Operating Revenue Per Meter</b>						
<b>GROSS WATER REVENUE</b>						
Revenues- Base Rate & Gallonage Fees						
Other (Tap, reconnect, transfer fees, etc.)						
<b>Gross Income</b>						
<b>EXPENSES</b>						
General & Administrative (see schedule)						
Operating (see schedule)						
Interest						
Other (list)						
<b>NET INCOME</b>						

N/A

PROJECTED EXPENSE DETAIL	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
<b>GENERAL/ADMINISTRATIVE EXPENSES</b>						
Salaries						
Office						
Computer						
Auto						
Insurance						
Telephone						
Utilities						
Depreciation						
Property Taxes						
Professional Fees						
Other						
<b>Total</b>						
<b>% Increase Per projected Year</b>	0%	0%	0%	0%	0%	0%
<b>OPERATIONAL EXPENSES</b>						
Salaries						
Auto						
Utilities						
Depreciation						
Repair & Maintenance						
Supplies						
Other						
<b>Total</b>						

<b>PROJECTED SOURCES AND USES OF CASH STATEMENTS</b>	<b>YEAR 1</b>	<b>YEAR 2</b>	<b>YEAR 3</b>	<b>YEAR 4</b>	<b>YEAR 5</b>	<b>TOTALS</b>
<b>SOURCES OF CASH</b>						
Net Income						
Depreciation (If funded by revenues of system)						
Loan Proceeds						
Other						
<b>Total Sources</b>						
<b>USES OF CASH</b>						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other						
<b>Total Uses</b>						
<b>NET CASH FLOW</b>						
<b>DEBT SERVICE COVERAGE</b>						
Cash Available for Debt (CADS)						
A: Net Income (Loss)						
B: Depreciation, or Reserve Interest						
<b>C: Total CADS (A + B = C)</b>						
<b>D: DEBT SERVICE</b>						
Annual Principle Plus Interest						
<b>E: DEBT SERVICE COVERAGE RATIO</b>						
CADS Divided by DS (E = C / D)						

**EXHIBIT A – WHOLESALE WATER SUPPLY CONTRACT**

## WHOLESALE WATER SUPPLY CONTRACT

This Wholesale Water Supply Contract ("Agreement") is entered into between MANVILLE WATER SUPPLY CORPORATION, a member owned non-profit corporation existing and operating under the laws of the State of Texas (hereinafter "Manville") and The Commons at Rowe Lane, L.P., (the "Developer"), a Texas limited partnership. Upon final creation of Lakeside Municipal Utility District No. 3 (the "District") the District will either join in and become a party to this Agreement or all or a portion of the rights and obligations of the Developer will be assigned and transferred to the District.

### § 13.144 TWC Informational Submission

This submission of information is made pursuant to §13.144, Texas Water Code. In any instance where this submission and other sections of this contract vary, the other sections will prevail.

1. Amount of water being supplied: a maximum of 385,000 gallons per day, or 1100 LUEs, as herein defined.
2. Location of use: That tract or parcel of land depicted on Exhibit "A", attached hereto and incorporated herein, is located partially in Williamson County and Travis County, Texas, also referred to herein as the "Service Area".
3. Term of this Agreement: 50 years.
4. Consideration: Initial base rate is \$ 3.25 per thousand gallons.
5. Purpose of use: domestic water supply.
6. Source of supply: groundwater.
7. Point of delivery: As depicted on Exhibit "B", attached hereto and incorporated herein.
8. Limitations on reuse: none.



9. Disclosures: No affiliated interests between the parties.
10. There are no other conditions or agreements relating to the contract, except those that appear herein, or in the official tariff or regulations of Manville Water Supply Corporation.

**WITNESSETH**

**RECITALS**

WHEREAS, Developer owns or controls the tract of land described on the attached **Exhibit "A"**, which is incorporated herein by reference (the "Service Area") and is in the process of creating the District, which will construct and operate a water distribution system to provide retail water utility service to the Service Area; and

WHEREAS, the Service Area is presently located within Manville's certificated service area under the Certificate of Convenience and Necessity ("CCN") issued to Manville by the Texas Commission on Environmental Quality ("TCEQ"), and the parties have agreed that, upon final creation of the District by the TCEQ, Manville will release the Service Area from Manville's certificated service area, as provided in this Agreement, in order to enable the District to provide retail water service as contemplated by this Agreement; and

WHEREAS, the Developer desires to secure a long-term, wholesale potable Water supply for the District, to enable the District to provide direct retail service to residents of and property owners within the Service Area; and

WHEREAS, Manville has the capacity and desire to provide a wholesale source of potable Water to the District; and

WHEREAS, Manville is willing and able to take all measures reasonably necessary and appropriate to provide a wholesale potable Water supply to the District within the terms and limits set out in this Agreement, now,

Therefore, FOR AND IN CONSIDERATION of the mutual promises, covenants, obligations, and benefits in this Agreement, the Developer, the District and Manville



mutually agree as follows:

## ARTICLE I

### DEFINITIONS AND INTERPRETATIONS

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

- (1) "Manville" means Manville Water Supply Corporation and any successors and assigns that may succeed at any time to the rights and obligations of Manville under the terms of this Agreement.
- (2) "Customers" mean all those Persons receiving retail water service from the District.
- (3) "Developer" means The Commons at Rowe Lane, L.P., a Texas limited partnership.
- (4) "District" means Lakeside Municipal Utility District No. 3 and any successors and assigns that may succeed at any time to the right and obligations of the District under the terms of this Agreement.
- (5) "Internal Facilities" means all of the storage facilities, pressure facilities, water mains, distribution and transmission lines and related appurtenances that are owned, leased or controlled by the District, are or will be located within the Service Area, and through which Water is delivered to Customers, but specifically excluding the Plant or any part thereof. By way of example and not in limitation, Internal Facilities include storage tanks, pressure facilities, street lines, "yard lines" (which are located between individual water meters and the structure receiving water service), and other mains, pipes and meters of the District.
- (6) "LUE" means living unit equivalent and is a measure of the estimated average daily volume of Water used by a single family residence; for purposes of the Agreement, one LUE represents 350 gallons per day of average water usage on a monthly basis.

- (7) "Master Meter" means "water meter", as herein defined.
- (8) "Person" means any individual, public or private corporation, district, authority, political subdivision or other agency or entity of the State of Texas or the United States of America; any incorporated city or village, whether general law of home-rule; any partnership, joint venture, association, trust, firm, individual, or any other entity whatsoever.
- (9) "Plant" means all water well, water purification and treatment plants, water storage facilities, storage tanks, water mains, distribution lines, water meters and related appurtenances, whether owned, leased or controlled by Manville, necessary for Manville to deliver Water to a Point of Delivery, as defined herein.
- (10) "Point of Delivery" means the initial point of delivery depicted on Exhibit "B", and any additional point of delivery hereafter mutually agreed upon by Manville and the District in accordance with the terms of this Agreement.
- (11) "Regulatory Requirements" means the requirements and provisions of the Federal and State constitutions; any and all federal, state and local laws, rules, regulations and permits adopted or issued from time to time and all judicial and administrative orders, judgments and decrees of any governmental authority having jurisdiction concerning matters contained in this Agreement.
- (12) "Service" means retail Water service that the District provides or will provide to Persons in their Service Area through the Internal Facilities.
- (13) "Service Area" means all of the area set forth on Exhibit "A".
- (14) "TCEQ" means the Texas Commission on Environmental Quality, or its successor.
- (15) "Water" means potable water suitable for use for domestic and municipal purposes that meets Regulatory Requirements for public use and

consumption.

- (16) "Water Meter" means any water meter installed at a Point of Delivery to measure the quantity of water supplied to the District by Manville.
- (17) "Water Supply" means the Water to be provided to the District by Manville pursuant to this Agreement.
- (18) "Water Transmission Main" means all of the improvements set forth on Exhibit "C".
- (19) "Wholesale Service" means the delivery of the Water Supply by Manville from the Plant through the one or more Water Meters at the Point or Points of Delivery to the Internal Facilities.

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

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

## ARTICLE II

### SERVICE AND OPERATION OBLIGATIONS

Section 2.1: Service. Manville, the Developer, and the District agree that Manville will provide Wholesale Service to the District to a maximum level of 385,000 gallons per day or 1100 LUEs of Wholesale Service at a delivery rate of 270 gallons per minute or more, subject to the terms and conditions of this Agreement. The District agrees that, except as provided in Section 2.9(a) and (b), it will not obtain Water from any Person other than Manville during the term of this Agreement without the prior written approval of Manville. Wholesale Service to the District will be nondiscriminatory and consistent with Manville's service policies and regulations, as established by the Manville Board of Directors, and in accordance with applicable Regulatory Requirements, including the rules and regulations of the TCEQ.

Section 2.2: CCN. The Developer hereby advises Manville that the District has been created as reflected by the copy of the order or orders of the TCEQ creating the District, attached as Exhibit "D". The Developer shall additionally provide such documentation as may be required by TCEQ to remove the Service Area from Manville's CCN. Manville agrees to execute this documentation and to return it to the District for filing with TCEQ within 30 days thereafter. The District will be responsible for processing the application through TCEQ, and will provide Manville with a copy of all communications from TCEQ relating to the application. Manville will cooperate with the District in processing and finalizing any application to the TCEQ submitted under this Section.

#### Section 2.3: Delivery of Water and Grant of Easement.

1. The Developer agrees, upon execution of this contract, to convey Manville two twenty (20) foot, waterline easements in the form attached as Exhibit "E" (the "Easement"), in the locations mutually approved by Developer and Manville, within the boundaries of the floodplain property located within the Service Area, generally in the locations depicted on the attached Exhibit "F", in order to enable Manville to construct a Water Transmission Main to the District's North

boundary (the "Water Transmission Main") as shown on the attached Exhibit "A". The Easement will be exclusive except to the extent otherwise provided in Exhibit "E". The Water Transmission Main will be constructed by Manville, at its sole expense, and will be completed by September 1, 2006 in order to extend Wholesale Service to the Service Area as contemplated by this Agreement. The Water Transmission Main will constitute a portion of the Plant, as defined in this Agreement.

2. Manville will deliver the contracted amount of Water from and through the Plant to the Internal Facilities through one or more Water Meters that will measure the volume of Water delivered at each Point of Delivery. The initial Point of Delivery will be as shown on Exhibit "B". Additional Points of Delivery may be added, upon the District's request and at the District's expense, subject to approval by the engineer for Manville, which approval will not be unreasonably withheld, conditioned or delayed. Manville agrees, at its sole cost and expense, to construct and install the elements of the Plant necessary to deliver Water from the Plant to the Water Meters at the Point of Delivery, and at any additional Points of Delivery approved by Manville in the future, of the quality and quantity required by this Agreement, except that (i) the Water Meters at the Points of Delivery shall be supplied and installed by Manville at the sole expense of the Developer or the District and (ii) any connecting lines or facilities required to deliver water from the Water Transmission Main to a Point of Delivery will be constructed by and at the sole expense of the Developer or the District. Water will be owned by Manville until it is delivered to a Point of Delivery and passes through a Water Meter, and thereafter the Water will be owned by the District.

3. Manville will be under no obligation to deliver Water to the Developer or the District at a volume in excess of 385,000 gallons per day, or at a delivery rate in excess of 270 gallons per minute.

Section 2.4: Capital Costs. Manville will pay all capital costs for the construction and acquisition of the Plant, including all facilities required to deliver Water to the Points of Delivery. The Developer or, following final creation, the District will pay for the

Water Meters, at Manville's actual cost. The Internal Facilities will be constructed and installed by and at the sole cost and expense of the District or the individual developers of and builders in the Service Area and Manville will have no responsibility for the construction or financing of the Internal Facilities.

Section 2.5: Operation and Maintenance. Manville will be solely responsible for operating and maintaining the Plant in accordance with all Regulatory Requirements and will pay all related operation and maintenance expenses. The Developer or, following final creation, the District will be solely responsible for operating and maintaining the Internal Facilities in accordance with all Regulatory Requirements and will pay all related operation and maintenance expenses.

Section 2.6: Retail Service. The Developer or, following final creation, the District or its assigns will be responsible for operating and managing the Internal Facilities, including establishing the fees and charges for Service, reading meters and billing and collecting the District's rates and charges from the Customers.

Section 2.7: Monthly Charges.

1. The Developer or, following final creation, the District agrees to pay Manville a rate per 1,000 gallons of Water supplied to the Developer or, following final creation, the District each month (the "Monthly Rate") established in the manner and in accordance with the procedure provided in this Section.

(a) The Monthly Rate for Water actually delivered to a Point of Delivery and passing through a Water Meter from the date of execution of this Agreement until changed in accordance with this Agreement, which will be no sooner than one year from the date of execution of this Agreement (the "Initial Monthly Rate"), will be \$3.25 per 1,000 gallons of Water.

(b) Thereafter, the Monthly Rate is subject to adjustment by Manville, in accordance with applicable law, based on the cost incurred by Manville in providing Wholesale Service, but the Monthly Rate will not under any circumstances be reduced below the Initial Monthly Rate.

(c) The Monthly Rate will be subject to adjustment no more frequently than annually. The parties agree to work in good faith to negotiate any rate adjustments requested under this Section. The parties will cooperate in good faith in order to agree upon any adjustments through consultations and negotiations. If the parties are unable to reach agreement, in whole or in part, regarding the adjustments to the Monthly Rate through consultations and negotiations, then the adjustments which are in dispute shall be resolved through rate setting proceedings before the TCEQ, but the Monthly Rate shall not under any circumstances fall below the Initial Monthly Rate.

2. A Water Meter will be installed at each Point of Delivery to measure the amount of Water provided to the District. All Water Meters will be calibrated at least once a year, and more frequently if requested by the District. The District or its assigns shall have access to the Water Meters at all times for readings and for observation of any calibration tests. The District will pay the cost of purchase, installation, maintenance and calibration of each Water Meter. Any Water Meter registering within the standards promulgated by the American Water Works Association or its successor for the same type and size of meter will be deemed to be accurate. If any Water Meter tests outside the accuracy standards of the American Water Works Association, the Water Meter will be calibrated or replaced, and a billing adjustment will be made based on the degree of the Water Meter's inaccuracy, as determined by the test. If Manville can reasonably estimate the time at which the Water Meter and/or Master Meter became inaccurate, Manville will make a billing adjustment based on that time period. If Manville cannot reasonably estimate the time at which the Water Meter and/or the Master Meter, as the case may be, became inaccurate, then Manville will make a billing adjustment to no more than the previous six months' billings.

3. Manville will compute the monthly charges to the Developer or, following their final creation, the District for Water supplied under this Agreement on the basis of: (a) monthly readings of the Water Meters installed at each Point of



Delivery to the District; and (b) the Monthly Rate specified in or calculated under this Agreement. Manville will prepare and send the District a monthly water bill, which will specify the quantity of Water delivered to each Point of Delivery, the applicable Monthly Rate or Rates upon which the bill has been calculated, the total amount payable to Manville for Water supplied during the preceding billing period, and the due date. The Developer or, following final creation, the District agrees to make timely payment for the Water delivered to the Developer or, following final creation, the District under this Agreement. Payment will be considered past-due 30 days after the due date specified on the bill. The District will pay each billing statement unless there is a dispute as to the accuracy of the billing, in which case the engineers for Manville and the Developer or, following their final creation, the District will confer to resolve the issues. Any undisputed amount of the statement must be paid in full within the 30-day payment period. If it is determined (whether through consultation, alternative dispute resolution, hearing, or otherwise) that all or any part of the disputed amount of the billing to the District was correct, the District will promptly pay the correct portion of the disputed amount to Manville.

Section 2.8: Contractual Capacity Charge. Notwithstanding any provision herein to the contrary, and in addition to all other fees and charges provided for in this Agreement, the parties agree and stipulate that the Developer or, following final creation, the District will pay to Manville a contractual capacity charge ("Capacity Charge") per LUE equal to the impact fee or capital recovery charge from time to time charged by Manville to its own retail customers under its then-current tariff. Subject to the provisions of Section 3(1)(d), Capacity Charges will be due and payable to Manville at the closing of each lot. Upon payment of each Capacity Charge, the District will have a guaranteed reservation and commitment of capacity in the Plant for the number of LUEs of service for which the Capacity Charge has been paid. Manville shall deliver Water to the District within two (2) weeks of payment of the Capacity Charge by the District. No retail service may be initiated within the District to properties for which the aforesaid charge has not been paid.

The initial Capacity Charges, subject to amendment, are as follows:

- (a) Single Family Residence. For each lot on which a single-family residence will be built, with up to a 5/8" meter, the sum of \$2480.
- (b) Multi-Family. For each residential living unit within a multi-family structure, the sum of \$2480.
- (c) Commercial Standard. For each commercial structure or use for which up to a 5/8" meter will be needed, the sum of \$2480.
- (d) Commercial Non-Standard. For each commercial structure or use for which larger than a 5/8" meter will be needed, a fee determined by Manville's engineer based on the size of the meter and the anticipated water use converted to commercial standard as stated in subparagraph (c) above, subject to review and concurrence by the engineer for the District.
- (e) Industrial and Other Non-Standard Service. For each industrial structure, use or service other than that described in subparagraph (d) above, a fee to be determined by the engineer for Manville in consultation with and the concurrence of the engineer for the District.

In consideration of the Capacity Charges, no impact fee, capacity reservation fee or capital charge or other similar charge will be assessed by Manville to the District or its customers. The parties confirm and agree that the Capacity Charge has been calculated based on the costs of the Plant which will be dedicated to service under this Agreement.

Section 2.9: Emergency Water Purchase.

- (a) If, due to drought, mechanical failure, or other causes beyond the control of Manville, it becomes necessary for Manville to purchase water from third party sources to satisfy its obligations under this Agreement, the Developer or, following their final creation, the District agrees to pay the additional reasonable costs of the purchased water utilized to satisfy Manville's obligations under this Agreement which are in excess of Manville's actual cost of providing Water from the Plant, in addition to the then-

applicable Monthly Rates payable under this Agreement.

(b) The parties intend that Manville will be the sole potable water supplier to the District during the term of this Agreement. Therefore, the Developer or the District agrees not to seek or obtain a water supply from any other potable water provider during the term of this Agreement, provided that Manville complies with its obligation to provide the Developer and the District with potable water as provided in this Agreement. In the event of an emergency during which Water of the quality or quantity required for the health, safety or welfare of residents of and property within the Service Area is not available from Manville, including as a result of fire, drought, line break, water shortage or equipment failure, the Developer or, following their final creation, the District will have the right to enter into and to obtain Water under an emergency water contract to provide the Service Area with an alternate source of potable Water during the term of the emergency. Manville represents to the District that it presently has and will maintain an adequate Water Supply with which to meet the District's current and future needs as defined in this Agreement.

### **ARTICLE III**

#### **CONDITIONS GOVERNING WATER SUPPLY**

##### **Section 3.1: Quantity and Quality of Water.**

(a) During the term and subject to the terms of this Agreement, including Section 4.4 herein, Manville will provide a Water Supply that will be adequate for the needs of the present and future owners, customers, residents and occupants of the Service Area. Subject to the limitations set out in Article II, water will be furnished at all Water Meters at a pressure and of a quantity and quality adequate to enable the District to comply with applicable Regulatory Requirements, provided, however, that Manville will have no responsibility for providing or maintaining Internal Facilities necessary to meeting such applicable Regulatory Requirements. Manville will operate the Plant consistently with generally accepted utility practices so as to deliver to the District, in accordance with this Agreement, a minimum Water Supply according to the Minimum Takedown Schedule, as defined below.

(b) The current projection of the minimum water supply requirements for the Service Area is as set forth on Exhibit "G" (the "Minimum Takedown Schedule"). Subject to the Developer's or, following final creation, the District's performance of its obligations under this Agreement, Manville agrees to provide potable Water to the District for the Service Area in accordance with the Minimum Takedown Schedule. The Minimum Takedown Schedule may be amended to increase the water supply requirements for the Service Area by delivery of written request to Manville at least six months prior to the time that the additional Water Supply is needed. The District may, from time to time, request that the Minimum Takedown Schedule be amended to increase the total water supply requirements for the Service Area, which requests will be considered by Manville based on water availability conditions then in effect. The decision of Manville on all such requests shall be final and un-reviewable. In the event Manville declines to provide any additional water supply requested for the Service Area under this Section, the Developer or, following final creation, the District will have the option to pursue an alternative water supply for the connections or capacity which Manville has declined to serve and, in such event, the provisions of this Agreement which provide that Manville will be the sole potable water supplier to the District will be of no further force or effect.

(c) The Developer, or after creation, the District, shall provide Manville with an accounting of the number of service connections in place (LUE's in service) on or before December 31 of each year.

(d) Failure to pay all contractual Capacity Charges when due and within the time specified in Section 2.8 hereof shall be deemed a fundamental breach of this contract. The Developer or, following final creation, the District will pay to Manville any Capacity Charges set forth on the Minimum Takedown Schedule required to be paid for connections at and within the time specified by Section 2.8, time being of the essence. If the Developer or, following final creation, the District defaults in its obligation to timely pay any Capacity Charges due to Manville, Manville will give written notice to the Developer, or after creation, the District (hereafter the "Notice") specifying the number of unpaid Capacity Charges due. Upon receipt of the Notice by the District, the District shall have thirty (30) days by which to remit full payment of the unpaid Capacity Charges

then due or owing. Should the District fail to pay the full balance of Capacity Charges owed during the prescribed time period, Manville may cancel and terminate its obligation to deliver the number of LUEs of service for which the Capacity Charges have not been paid. If, in any year, the District pays more Capacity Charges than required under the Minimum Takedown Schedule, the excess Capacity Charges paid will be credited against the Capacity Charge payments required under the Minimum Takedown Schedule for the next year or years. Notwithstanding the foregoing, if at any time during the term of this Agreement, the Developer or, following final creation, the District fails to pay any Capacity Charges required under the Minimum Takedown Schedule for a period of one year or more after the delivery of the Notice provided above, Manville may, at its option, terminate future take-downs by delivering written notice of such election to the Developer or, after final creation, the District. In the event of any termination by Manville under this Section, the Developer or, following final creation, the District, will have the option to pursue an alternative water supply for the connections or capacity which have been cancelled and, in such event, the provisions of this Agreement which provide that Manville will be the sole potable water supplier to the District will be of no further force or effect.

Section 3.2: Construction of Plant. Manville agrees that it will acquire, construct and expand the Plant and acquire additional sources of Water as needed to have sufficient capacity to provide Wholesale Service to the District as required by this Agreement. The Plant, as it currently exists or as constructed and expanded, will be designed and constructed to provide Water at volumes, quality pressures and delivery points which meet the requirements of this Agreement.

Section 3.3: Conservation Measures. Prior to initiation of service under this Agreement, the Developer or, following final creation, the District will be required to adopt all voluntary and mandatory water conservation and water rationing measures and use restrictions imposed by Manville on its own retail customers in accordance with the terms of Manville's tariff, and to provide Manville with a copy of the order or resolution adopting its water conservation regulations within 30 days after adoption. The District agrees to enforce these measures and use restrictions. Manville will give written notice to the District of the implementation and termination of any conservation or rationing

measures, and the District will notify their individual customers of the measures then in effect. If Manville's water conservation and water rationing regulations are amended in the future, Manville will give written notice to the District of the amendments and the District will amend their rules to include similar provisions.

Section 3.4: Testing of Water. The District, together with a representative of Manville, will be entitled to collect samples of the Water at the Water Meters and cause the same to be analyzed by a certified commercial laboratory at the Texas Department of Health or the TCEQ in accordance with the appropriate methods to determine if such Water complies with the Regulatory Requirements. If, at any time, the Water is determined not to comply with all applicable Regulatory Requirements, Manville will take all steps necessary to bring the Water into compliance.

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

Section 3.6: Regulatory Action. The parties recognize that the rights, duties and obligations of Manville and the District as provided in this Agreement are subject to all present and future Regulatory Requirements, and the parties agree to cooperate in making any applications, obtaining permits and approvals as necessary, and doing such other things and taking such other actions as may be desirable, in order to comply with all Regulatory Requirements and accomplish the purposes of this Agreement, including without limitation all actions necessary and/or reasonable to effect a transfer of Service Area under Sec. 2.2 and or secure an Emergency Water Purchase pursuant to Sec. 2.9 hereof.

#### ARTICLE IV

#### MISCELLANEOUS PROVISIONS

Section 4.1: Term. Unless terminated or extended by mutual agreement of the parties, this Agreement shall continue in full force and effect for a period of 50 years from date of full execution hereof by authorized representatives of Manville and the Developer.

Section 4.2: Transferability. The terms and conditions of this Agreement shall survive the transfer of this Agreement to any and all other public or private entities.

Section 4.3: Force Majeure. Except as provided in Sec. 2.9 hereof in the event either party is rendered unable, wholly or in part, by reason of force majeure to carry out any of its obligations under this Agreement, then the obligations of such party, to the extent affected by such force majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time, will be suspended during the continuance of any inability so caused to the extent provided, but for no longer period. As soon as reasonably possible after the occurrence of the force majeure relied upon, the party whose contractual obligations are affected will give notice and the full particulars of such force majeure to the other party. Such cause, as far as possible, shall be remedied with all reasonable diligence. The term "force majeure", as used herein, means acts of God, strikes, lockouts or other industrial disturbances, acts of the police or enemy, orders of any kind of government or the United States, the State of Texas, a local or municipal government of competent jurisdiction or any other entity other than a party to this Agreement, or any civil or military authority, insurrections, acts of terrorism, riots, epidemics, landslides, lightening, earthquakes, fires, hurricanes, storms, floods, washouts, droughts, arrests, civil disturbances explosions, breakage or accidents to machinery, pipelines or canals, partial or entire failure of water supply, and any other inability of either party, similar to those enumerated, which are not within the control of the party claiming such inability and which such party could not have avoided by the exercise of due diligence and care.

Section 4.4: Remedies upon Default. It is not intended hereby to specify (and this Agreement will not be considered as specifying) an exclusive remedy for any default, but all remedies existing at law or in equity, including specific performance and mandamus, may be availed of by either party and will be cumulative.

Section 4.5: No Additional Waiver Implied. No waiver or waivers of any breach or default (or any breaches or defaults) by either party hereto of any term, covenant, condition, or liability hereunder, or of performance by the other party of any duty or obligation hereunder, shall be deemed or construed to be a waiver of subsequent breaches or defaults of any kind under any circumstances.

Section 4.6: Addresses and Notice. Unless otherwise provided in this Agreement, any notice, communications, request, reply, or advice (herein severally and collectively, for convenience, called "Communications") herein provided or permitted to be given, made or accepted by either party to the other must be in writing and may be given or be served by depositing the same in the United States mail, postpaid and registered or certified, addressed to the party to be notified, or by delivering the same to the party or an officer of such party. Notice deposited in the mail in the manner herein above described will be conclusively deemed to be effective, unless otherwise stated in this Agreement, from and after the expiration of three mail delivery days after the day it is deposited. Notice given in any other manner will be effective only if and when received by the party to be notified. For the purposes of notice, the addresses of the parties will, until changed as hereinafter provided, be as shown in the signature page of this Agreement. The parties may, from time to time and at any time, change their respective addresses and each may specify as its address any other address by at least fifteen days' written notice to the other party.

Section 4.7: Modification. This Agreement will be subject to change or modification only by the execution of a writing, signed by authorized representatives of each of the parties hereto.

Section 4.8: Assignability and Resale. This Agreement may be assigned by the Developer to an entity to be created for the purpose of development of the land within the Service Area and/or to a municipal utility district or water control and improvement district created for the purpose of providing water, wastewater, drainage services and recreational facilities to the Land within the Service Area. Should such assignment take place, the assigned agreement shall contain the same terms and conditions as this Agreement. No water provided under this Agreement may be resold by the Developer and/or the District, except to retail customers within the Service Area. No water provided under this Agreement may be applied by Developer and/or the District outside of the Service Area.

Section 4.9: Notice of Proceedings Pertaining to Agreement. Manville will notify the Developer and the District of all applications, hearings, enforcement actions and other proceedings to which Manville is a party, affecting or pertaining to this Agreement or the



subject matter hereof, at or before the TCEQ, or any other agency having jurisdiction or any court as soon as practical after any such application, activity or proceeding is initiated or commenced.

Section 4.10: Parties In Interest. This Agreement is for the sole and exclusive benefit of the Developer, the District and Manville, and their successor and assigns. There are no third party beneficiaries to this Agreement. The retail customers of the parties will not be deemed third party beneficiaries to this Agreement.

Section 4.11: Severability. The provisions of this Agreement are severable and, if any word, phrase, clause sentence, paragraph, section or other part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such word, phrase, clause sentence, paragraph, section or other part of this Agreement to other persons or circumstances shall not be affected thereby.

Section 4.12 Merger and Previous Contracts. This Agreement constitutes the entire agreement between the parties relative to the same subject matter hereof. All prior agreements between the parties regarding this subject matter are null and void.

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

Section 4.14: Authorization. Execution of this Agreement has been authorized by lawful and appropriate action by the Developer and by the Board of Directors of Manville Water Supply Corporation, as a valid and official act and deed of the respective entities.

Section 4.15: Encroachment. Except for the Service Area, the District will not, during the term of this Agreement, serve or seek to serve any area located within the retail service area of Manville, as reflected in Manville's then current CCN. In the event of any unconsented service or encroachment by the District within the area covered by Manville's CCN other than the Service Area, Manville may, after notice to the District and a reasonable opportunity for the District to cure, at its option terminate this agreement, and cease all delivery of water pursuant to this Agreement.

EXECUTED as of this \_\_\_\_ day of \_\_\_\_\_ 2006 in multiple originals  
and effective \_\_\_\_\_.

**Signatures appear on the following page**

EXECUTED as of this 9 day of March 2006 in multiple originals  
and effective 9 March 2006.

**Signatures appear on the following page**

MANVILLE WATER SUPPLY  
CORPORATION

By: Robert E. Rhodes  
Name: Robert E. Rhodes  
Title: President

Address: PO Box 248  
Coupland, TX 7861

**DEVELOPER:**

THE COMMONS AT ROWE LANE, L.P.

By: Rowe Commons Corp.  
a Texas corporation,  
  
General Partner

By: \_\_\_\_\_  
Lee Nicol, President

Address: The Commons at Rowe Lane, L.P.  
2929 West 5th Street  
Suite A  
Fort Worth, Texas 76107

**THE DISTRICT:**

LAKESIDE MUNICIPAL UTILITY  
DISTRICT NO. 3

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: c/o Minter, Joseph and  
Thornhill, P.C.  
811 Barton Springs Rd., Suite 800,  
Austin, Texas 78701  
Attn.: John M. Joseph

MANVILLE WATER SUPPLY  
CORPORATION

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Vice President

Address: PO Box 248  
Coupland, TX 7861

**DEVELOPER:**

THE COMMONS AT ROWE LANE, L.P.

By: Rowe Commons Corp.  
a Texas corporation,  
  
General Partner

By: \_\_\_\_\_  
Lee Nicol, President

Address: The Commons at Rowe Lane, L.P.  
2929 West 5th Street  
Suite A  
Fort Worth, Texas 76107

**THE DISTRICT:**

LAKESIDE MUNICIPAL UTILITY  
DISTRICT NO. 3

By: Tom Corbett  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: c/o Minter, Joseph and  
Thornhill, P.C.  
811 Barton Springs Rd., Suite 800,  
Austin, Texas 78701  
Attn.: John M. Joseph



**MANVILLE WATER SUPPLY  
CORPORATION**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Vice President

Address: PO Box 248  
Coupland, TX 7861

**DEVELOPER:**

**THE COMMONS AT ROWE LANE, L.P.**

By: Rowe Commons Corp.  
a Texas corporation,  
  
General Partner

By:   
Lee Nicol, President

Address: The Commons at Rowe Lane, L.P.  
2929 West 5th Street  
Suite A  
Fort Worth, Texas 76107

**THE DISTRICT:**

**LAKESIDE MUNICIPAL UTILITY  
DISTRICT NO. 3**

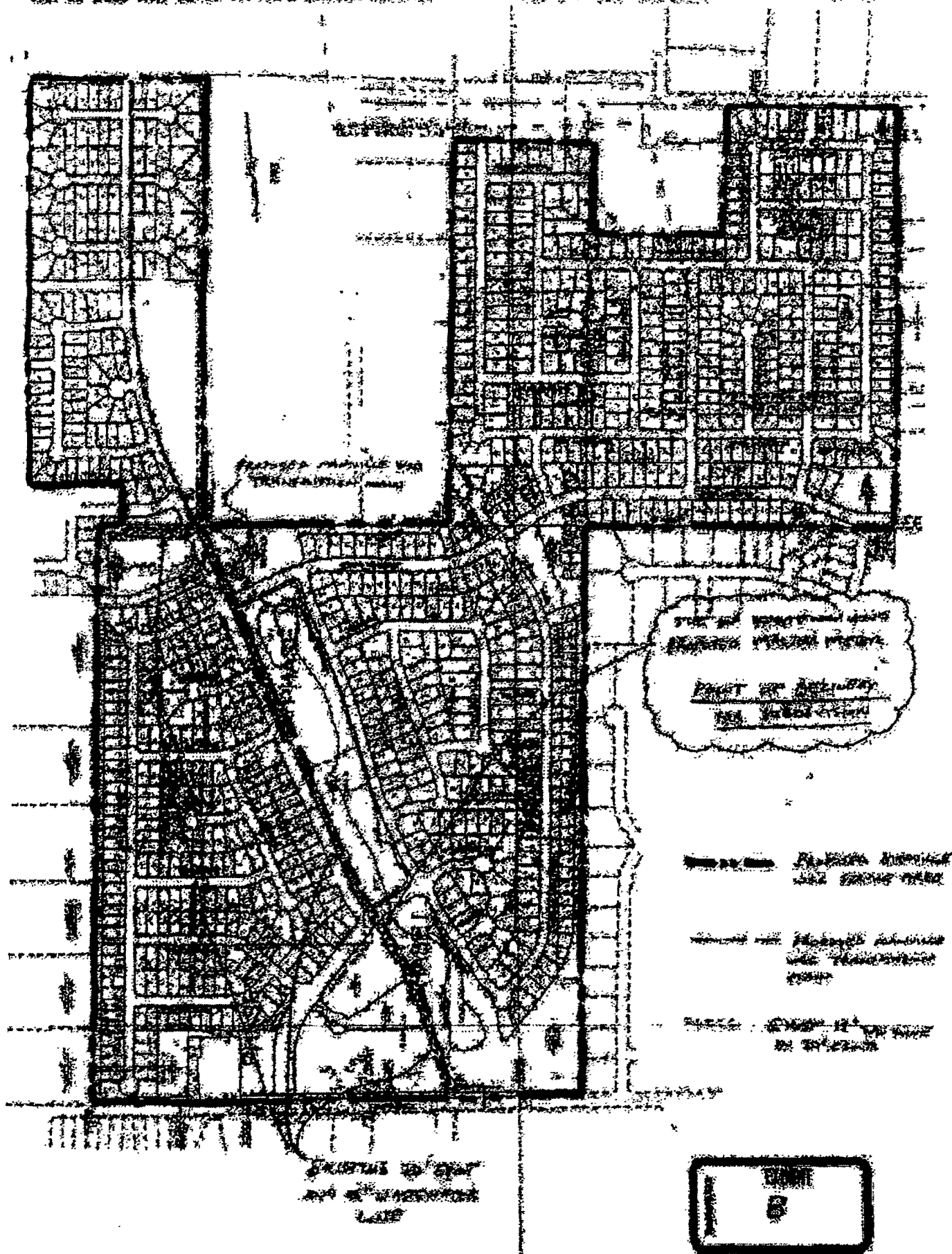
By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

Address: c/o Minter, Joseph and  
Thornhill, P.C.  
811 Barton Springs Rd., Suite 800,  
Austin, Texas 78701  
Attn: John M. Joseph

**Exhibit "A"**  
**Land and Service Area**



**Exhibit "B"**  
**Point of Delivery**

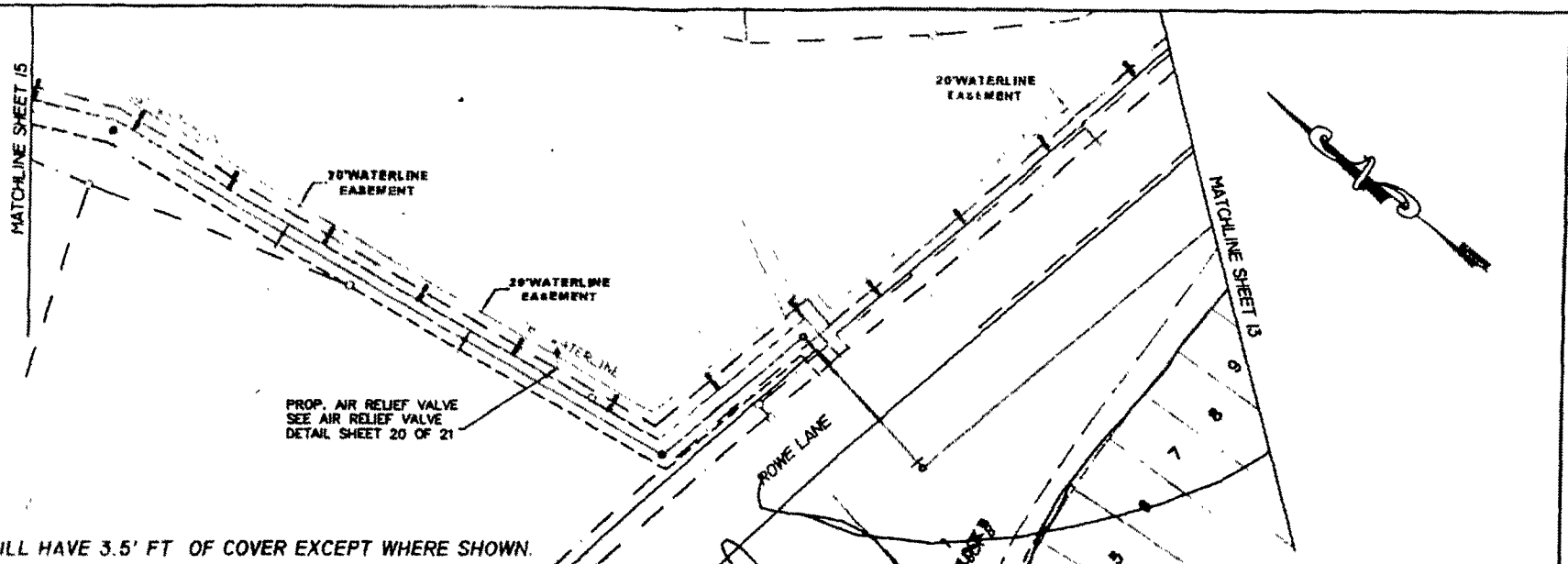


THE LAYOUT OF THE SITE IS DESCRIBED  
IN THE PLAN - SHOWING THE LAYOUT OF THE SITE

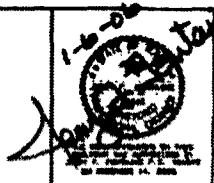
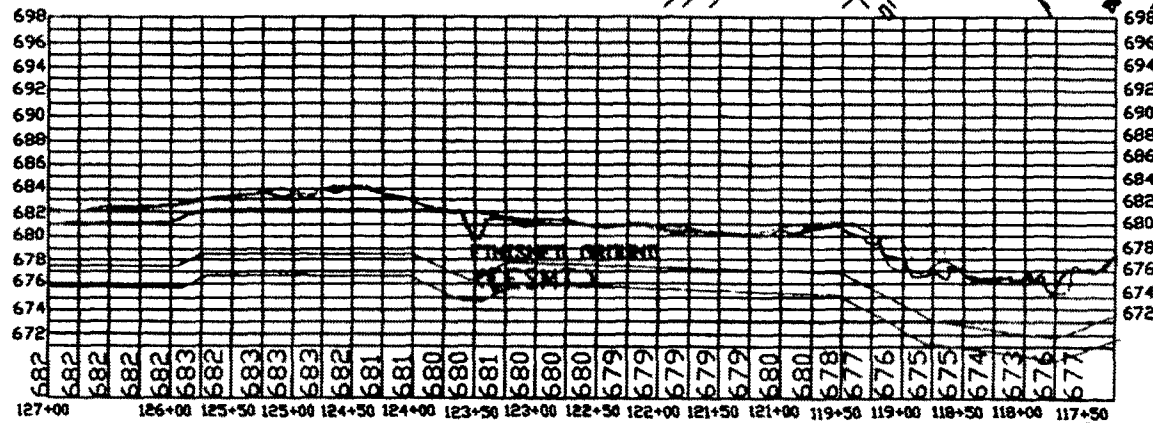


**Exhibit "C"**  
**Water Transmission Main**



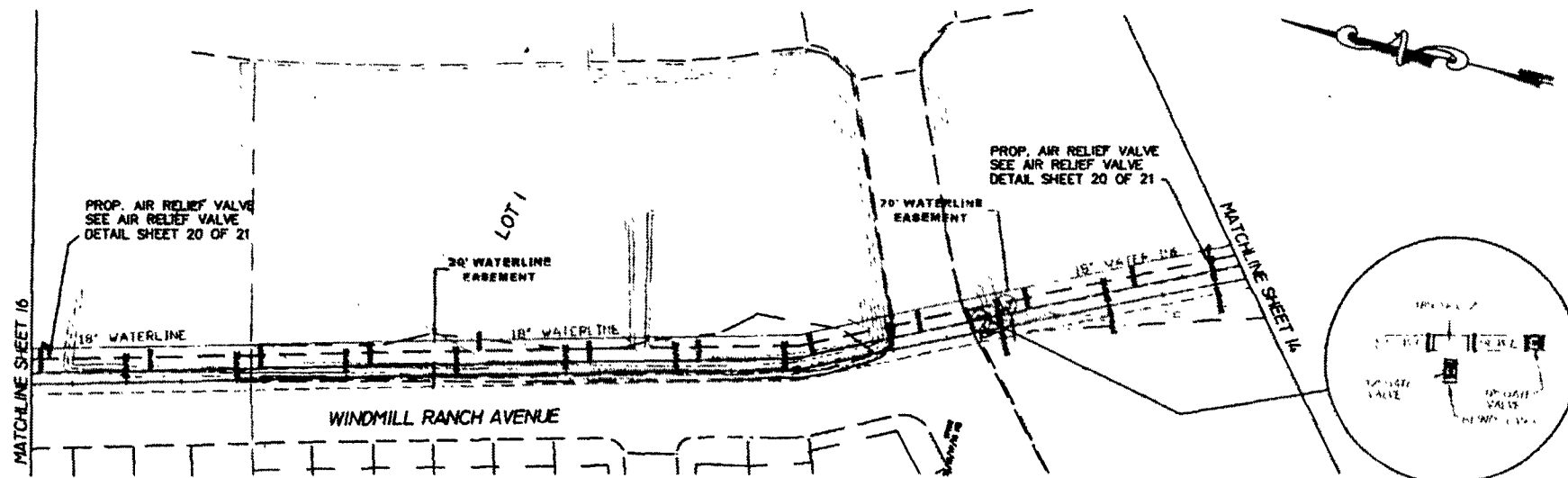


18" PIPE WILL HAVE 3.5' FT OF COVER EXCEPT WHERE SHOWN.

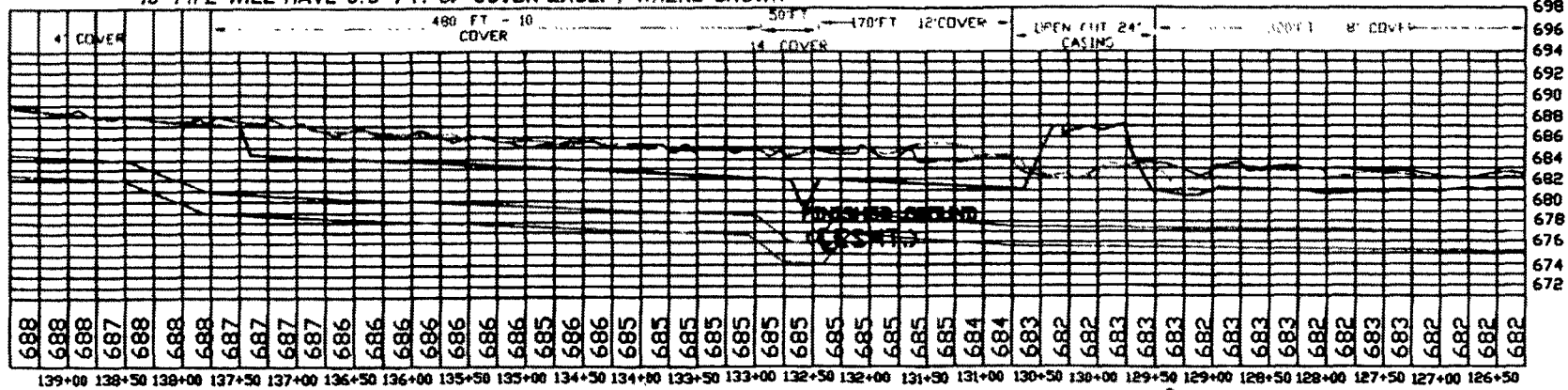


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SCALE: 1" = 100'	
DESIGNED BY: JFF	DATE: 12/14/2005
DRAWN BY: DAS	DATE: 12/14/2005
LATEST REVISION DATE: 12/14/2005	

**MANVILLE**  
**WATER SUPPLY CORPORATION**  
 TRAVIS COUNTY  
 18" TRANSMISSION LINE  
 WEISS LANE TO CO. RD. 138  
 PREPARED BY  
 J. F. FONTAINE & ASSOCIATES, INC.  
 PATERSON, TEXAS  
 DRAWING NO. 144.DWG  
 SHEET 14 OF 21 SHEETS

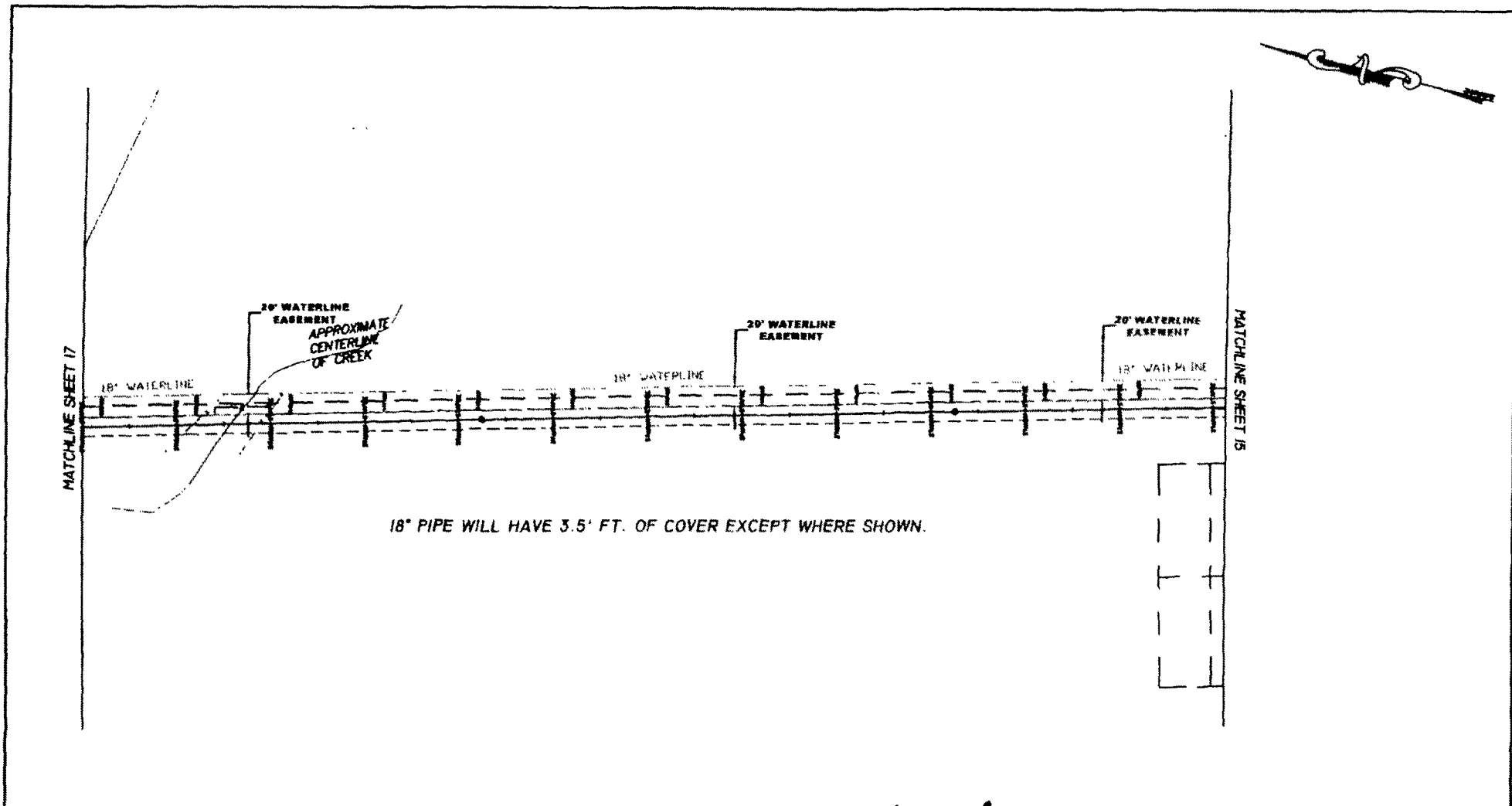


18" PIPE WILL HAVE 3.5' FT. OF COVER EXCEPT WHERE SHOWN

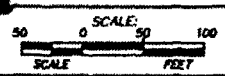


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DESIGNED BY: JFF	DATE: 12/14/2005
CHECKED BY: JFF	DATE: 12/14/2005
LATEST REVISION BAYD: 0000000	

**MANVILLE**  
**WATER SUPPLY CORPORATION**  
 TRAVIS COUNTY  
 18" TRANSMISSION LINE  
 WEISS LANE TO CO. RD. 138  
 DESIGNED BY  
 J. F. FONTAINE & ASSOCIATES, INC.  
 P.O. Box 1000  
 Manville, Texas 79401  
 DRAWING NO. 16A.DWG  
 SHEET 15 OF 21 SHEETS



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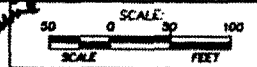
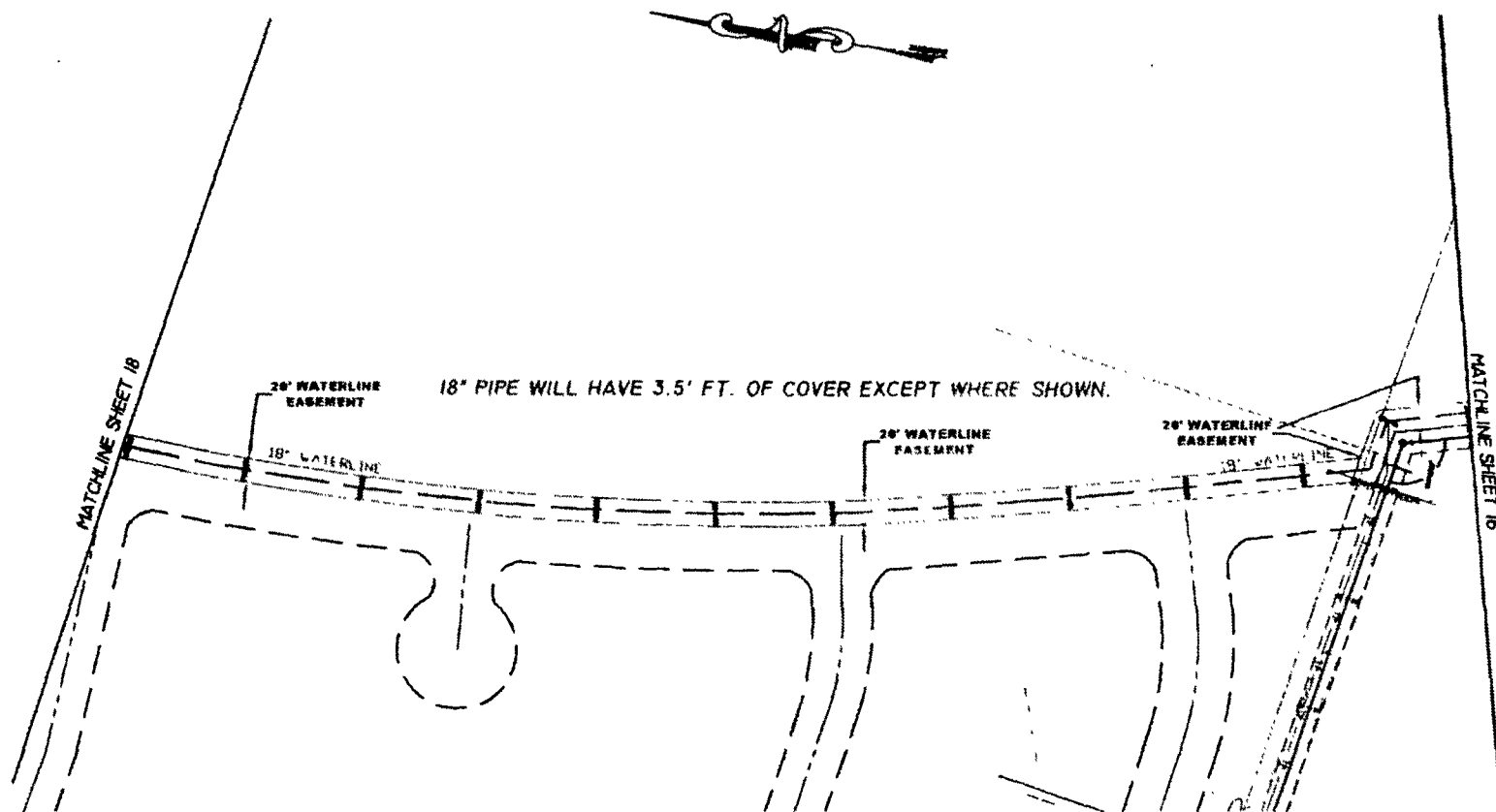


DRAWN BY: DAS      DATE: 12/14/2006  
 DESIGNED BY: JFF      DATE: 12/14/2006  
 LATEST REVISION DATE: 200600X

**MANVILLE**  
**WATER SUPPLY CORPORATION**  
 TRAVIS COUNTY  
 18" TRANSMISSION LINE  
 WEISS LANE TO CO. RD. 138

PREPARED BY  
 J. F. FONTAINE & ASSOCIATES, INC.  
 Pahrump, Nevada

DRAWING NO. 16A.DWG      SHEET 16 OF 21 SHEETS



DRAWN BY: DAS      DATE: 12/14/2003  
 DESIGNED BY: JFF      DATE: 12/14/2003

LATEST REVISION DATA: XXXXXXX

**MANVILLE**  
**WATER SUPPLY CORPORATION**  
 TRAVIS COUNTY  
 18" TRANSMISSION LINE  
 WEISS LANE TO CO. RD. 138

PREPARED BY  
 J. F. FONTAINE & ASSOCIATES, INC.  
 P.O. Box 100, Tarrant County, Texas

DRAWING NO. 17A.DWG

SHEET 17 OF 31 SHEETS

MATCHLINE SHEET 19

MATCHLINE SHEET 17

20' WATERLINE  
EASEMENT

20' WATERLINE  
EASEMENT

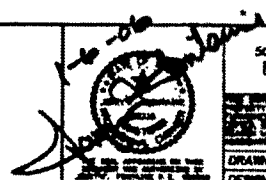
20' WATERLINE  
EASEMENT

18" WATERLINE

18" WATERLINE

18" WATERLINE

18" PIPE WILL HAVE 3.5' FT OF COVER EXCEPT WHERE SHOWN



SCALE 50 0 50 100 SCALE FEET	
DRAWN BY: DAS	DATE: 12/14/2008
DESIGNED BY: JFF	DATE: 12/14/2008
LATEST REVISION DATE: 10/20/08	

**MANVILLE  
WATER SUPPLY CORPORATION**  
TRAVIS COUNTY  
18" TRANSMISSION LINE  
WEISS LANE TO CO. RD. 138  
DESIGNED BY  
J. F. FONTAINE & ASSOCIATES, INC.  
Palo Verde, Texas

DRAWING NO. 18A.DWG

SHEET 18 OF 21 SHEETS

**Exhibit "D"**  
**Order Creating Lakeside Municipal Utility District No. 3**



# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



## AN ORDER GRANTING THE PETITION FOR CREATION OF LAKESIDE MUNICIPAL UTILITY DISTRICT NO. 3 AND APPOINTING TEMPORARY DIRECTORS

A petition by The Commons at Rowe Lane, L.P.; Allan Ernest Pfinger, Jr.; Jay Pfinger; Ruby Mae Pfinger (w/k/a Mrs. Allan R. Pfinger, Sr.); and Patricia Pfinger Hoffman (hereafter "Petitioners") was presented to the Executive Director of the Texas Commission on Environmental Quality (hereafter "Commission") for approval of the creation of Lakeside Municipal Utility District No. 3 (hereafter "District") pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE ANN., Chapters 49 and 54.

The Commission has jurisdiction to consider this matter, and the following findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation:

### FINDINGS OF FACT

1. On April 14, 2004, a petition for the creation of Lakeside Municipal Utility District No. 3 was filed with the Commission pursuant to TEX. WATER CODE ANN., Chapter 54.
  - a. The petition for creation of the proposed District was signed by duly authorized officers of the Applicants, which represents they hold a majority in value of title to the land to be included within the proposed District's boundaries in accordance with TEX. WATER CODE ANN. § 54.014 (Version 2002).
  - b. The application contains the information required by TEX. WATER CODE ANN. § 54.015 (Version 2002) and Title 30 TAC § 295.11.
  - c. The Petitioners represent that there are no lien holders on the land in the proposed District.
2. Proper notice of this application was given pursuant to TEX. WATER CODE ANN. § 49.011 (Version 2000) and Title 30 TAC § 295.12.
  - a. Proper notice of the application was published on June 16, 2005 and June 23, 2005 in the Pflugerville Post, a newspaper regularly published and generally circulated in Travis and Williamson Counties, Texas, which are the counties in which the proposed District is to be located.
  - b. On June 8, 2005, proper notice of the application was posted on the bulletin board used for posting legal notices in Williamson County, Texas, and on June 28, 2005,

proper notice of the application was posted on the bulletin boards used for posting legal notices in Travis County, Texas, which are the counties in which the proposed District is to be located.

3. The appropriate and necessary deposits and fees associated with the filing of the application for creation of the proposed District have been paid to the Commission.
4. The affidavits of proposed temporary directors of the proposed District have been received. The proposed temporary directors are:

Tom Corbett

Michael W. Wilson

Tuck McKinney

Charles E. Garble, II

Michael Gold

5. Each of the persons named in Finding of Fact No. 4 is qualified to serve as a temporary director of the proposed District in that: (1) is at least 18 years old; (2) is a resident of the State of Texas; (3) either owns land subject to taxation within the proposed District, or is a qualified voter within the District; and (4) has completed and filed with the Commission an application for consideration of appointment as temporary director in the form and substance required by the rules of the Commission.
6. The entire proposed District will be situated within the geographical jurisdiction of the City of Elginville, and wholly within the boundaries of Travis County, Texas, and no part of the proposed District will be located within the corporate limits or extrajurisdictional jurisdiction of any other city, town or village of the State of Texas.
7. The maps and boundary description of the proposed District has been checked by the Commission's staff and was found to form an acceptable district.
8. By City of Elginville, Texas, Resolution No. 005-55-03-22-04, effective February 12, 2004, the City of Elginville, Texas, has consented to the creation of the proposed District, as required by Tax. Warrant Code Ann. § 54.016 (Version 2002) and Tax. Loc. Gov't Code Ann. § 62.042 (Version 1999).
9. The proposed project as set out in the application is feasible and practicable.
  - a. There is an ample supply of water available, and the terrain of the area to be included in the proposed District is such that water works, wastewater, and drainage and storm sewer systems can be constructed or acquired at reasonable cost.
  - b. Projected construction cost for the project is reasonable at approximately \$24,375,000.
  - c. The proposed District's combined projected tax rate of \$1.1966 per \$100 assessed valuation is reasonable and comparable to tax rates in the surrounding area.
  - d. Projected water and wastewater rates are reasonable.

- e. A market study was provided which indicates that there is growth potential to support the proposed District.
10. The creation of the proposed District as set out in the application is necessary and would be a benefit to the land to be included in the proposed District.
  11. The proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on land elevation, subsidence, groundwater levels within the region, recharge capability of a groundwater source, natural run-off rates and drainage, water quality, and total tax assessments on all land located within the proposed District.

### CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider this application and is authorized to make and enter its Findings of Fact, Conclusions of Law, and Orders with respect to the creation of the proposed District.
2. All of the land and property proposed may properly be included within the proposed District.
3. All statutory and regulatory requirements for creation of Leakee Municipal Utility District No. 3 have been fulfilled in accordance with Tex. Water Code Act. § 34.021 (Vernon 2003) and TAC §§ 74.02, 75.001, 11-293.13.

### NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY THAT:

1. The petition for the creation of Leakee Municipal Utility District No. 3 is hereby granted.
2. The District is created under the terms and conditions of Article XVI, Section 39 of the Texas Constitution and Tex. Water Code Act, Chapter 34.
3. The District shall have all of the rights, powers, privileges, authority, and functions conferred and shall be subject to all duties imposed by the Texas Commission on Environmental Quality and the general laws of the State of Texas relating to municipal utility districts.
4. The District shall be composed of the area situated wholly within Travis County, Texas, and Williamson County, Texas, described by metes and bounds in Exhibit "A", attached hereto and incorporated herein for all purposes.
5. The following persons are hereby named and appointed as temporary directors of the District, to serve until their successors are elected or have been appointed in accordance with applicable law:

Tom Corbett  
Michael W. Wilson

Paul McKinney  
Charles E. Gamble, II

Michael Gield



**Chaparral**

**Professional Land Surveying, Inc.  
Surveying and Mapping**

Office 512-443-1724  
Fax 512-443-8987

2807 Mansfield Road  
Building One  
Austin, Texas 78704

**240.407 ACRES  
THE COMMONS AT ROWE LANE PHASE 1  
LAKESIDE W.C.I.D. NO. 3 WEST DISTRICT**

A DESCRIPTION OF 240.407 ACRES OUT OF THE JACOB CASNER SURVEY, ABSTRACT 2768 IN TRAVIS COUNTY ABSTRACT 818 IN WILLIAMSON COUNTY, TEXAS, BEING A PORTION OF A 180.34 ACRE TRACT DESCRIBED IN A DEED TO ADAM ERNEST PELUSER DATED JAN. 31, 1946 AND RECORDED IN VOLUME 750, PAGE 606 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS, ALSO BEING A PORTION OF A 18.000 ACRE TRACT DESCRIBED IN A WARRANTY DEED TO PATRICIA PELUSER HOFFMAN DATED JUNE 28, 1990 AND RECORDED IN VOLUME 11220, PAGE 189 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, ALSO BEING A PORTION OF A 135.740 ACRE TRACT DESCRIBED IN A DEED TO ADAM PELUSER DATED JANUARY 29, 1947 AND RECORDED IN VOLUME 623, PAGE 606 OF THE DEED RECORDS OF WILLIAMSON COUNTY, TEXAS, ALSO BEING ALL OF A 21.463 ACRE TRACT DESCRIBED IN A WARRANTY DEED TO RUBY PELUSER DATED SEPTEMBER 14, 1990 AND RECORDED IN VOLUME 11263, PAGE 443 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, AND ALSO BEING A PORTION OF A 42.005 ACRE TRACT DESCRIBED IN A WARRANTY DEED TO ADAM ERNEST PELUSER, JR. DATED JUNE 28, 1990 AND RECORDED IN VOLUME 11266, PAGE 112 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, SAID 240.407 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

Beginning at a certain point in the west line of the said 160.34 acre tract, being the west line of the said 18.000 acre tract, and being also the east line of a 5.03 acre tract described in a Warranty Deed With Vendor's Lien to Walter G. Kohnke and wife, Catherine Santhoff dated May 2, 1990 and recorded in Volume 10872, Page 345 of the Real Property Records of Travis County, Texas, from which a 16" water tower is in the west line of the said 160.34 acre tract, to the north right-of-way line of Rowe Lane (right-of-way width varies), at the southwest corner of the said 18.000 acre tract, being also the southeast corner of the said 5.03 acre tract, thence South 7°19'10" West, a distance of 25.00 feet;

THENCE North 7°19'10" East, along the west line of the 160.34 acre tract, portions of which being the east line of the said 5.03 acre tract, the east line of a 5.01 acre tract described in a Warranty Deed With Vendor's Lien to Walter G. Kohnke and wife, Barbara J. Kohnke dated September 30, 1977 and recorded in Volume 5046, Page 181 of the Deed Records of Travis County, Texas, the east line of a 5.01 acre tract described in a Warranty Deed With Vendor's Lien to Joseph E. Hyland and wife, Elizabeth A. Hyland dated April 1, 1992 and recorded in Volume 11583, Page 2825 of

the Real Property Records of Travis County, Texas, the east line of a 5.043-acre tract described in a Quitclaim Deed to R. L. Montgomery dated August 18, 1994 and recorded in Volume 17253, Page 336 of the Real Property Records of Travis County, Texas, the east line of a 5.41-acre tract described in a General Warranty Deed to Mark A. Donnell and spouse, Kimberly V. Donnell dated April 2, 1999 and recorded under Document No. 1999042082 of the Official Public Records of Travis County, Texas, the east line of a 7.85-acre tract described in an Executor's Deed dated June 4, 2001 and recorded under Document No. 2001062013 of the Official Public Records of Travis County, Texas, and the east line of Lots 1-4, Block K, Shady Crossing, a subdivision in Travis County, Texas, according to the master plat thereof, recorded in Volume 58, Page 39 of the Real Property Records of Travis County, Texas, and being a part, the west line of the 12.008-acre tract, a distance of 2897.23 feet to a 1/2" rebar with cap set at the northwest corner of the 10.124-acre tract, being the northeast corner of said Lot 1, Block K, Shady Crossing.

THENCE South 89° 29' 15" East, along the north line of the 120 1/4-acre tract, portion of which being the north line of Lot 1, Block K, Shady Crossing, the south line of a 41.00-acre tract described in a Warranty Deed with Vendor's Lien to Harvey F. Stanford and wife, Patricia F. Stanford dated April 4, 1993 and recorded in Volume 11881, Page 634 of the Real Property Records of Travis County, Texas, and the north line of Lots 2 and 18, Bluff Hills, a subdivision in Travis and Williamson Counties, according to the master plat thereof, recorded in Volume 76, Page 277 of the Real Property Records of Travis County, Texas, a distance of 1285.00 feet to a 1/2" rebar set at the southeast corner of said Lot 18, Bluff Hills, being also at the southeast corner of the said 120 1/4-acre tract, being the southwest corner of the said 23.592-acre tract.

THENCE North 7° 23' 47" East, along the west line of the 120 1/4-acre tract, being the east line of Lots 11-14, Bluff Hills, and being a part, the west line of the said 23.592-acre tract, and being the west line of the said 41.00-acre tract, a distance of 1284.23 feet to a 1/2" rebar found at the northwest corner of the 41.00-acre tract, being the southwest corner of a 22.210-acre tract described in a Deed with Vendor's Lien to Robert E. Stanford and wife, Patricia F. Stanford dated December 24, 1993 and recorded in Volume 585, Page 108 of the Deed Records of Williamson County, Texas.

THENCE over and across the 120 1/4-acre tract, South 81° 46' 12" East, along the north line of the 42.008-acre tract, being the south line of the said 22.210-acre tract, a distance of 592.41 feet to a 1/2" rebar found at the southeast corner of the 22.210-acre tract.

THENCE continuing over and across the 120 1/4-acre tract, over and across the 42.008-acre tract, the following three (3) courses and distances:

1. South 81°44'54" East, a distance of 149.95 feet to a 1/2" rebar found;
2. South 7°43'34" West, a distance of 448.88 feet to a 1/2" rebar with cap found;
3. South 92°19'55" East, a distance of 670.49 feet to a 1/2" rebar with cap found in the east line of the 42.009 acre tract;

THENCE continuing over and across the 126 1/10 acre tract, North 7°44'08" East, along the east line of the 42.009 acre tract, a distance of 620.14 feet to a calculated point from which a 1/2" rebar found in the south right-of-way line of County Road 138 (Williamson County, Right-of-Way Width Survey), at the northeast corner of the 42.009 acre tract, bears North 7°44'08" East, a distance of 18.08 feet;

THENCE continuing over and across the 136 1/10 acre tract, South 82°18'18" East, parallel to and 14.68 feet south of the south right-of-way line of County Road 138, a distance of 656.40 feet to a 3/8" rebar found in the east line of the 42.009 acre tract, being at the southwest corner of a 6.879 acre tract described in a General Warranty Deed in Edward Knoll and spouse, Sandra L. Knoll dated November 30, 1990 and recorded in Volume 1285, Page 579 of the Official Records of Williamson County, Texas;

THENCE South 7°25'18" West along the common line of the 126 1/10 acre tract and the said 6.879 acre tract, a distance of 543.04 feet to a 3/8" rebar found at the southwest corner of the 6.879 acre tract, being the northwest corner of a 10.04 acre tract described in a Correction Warranty Deed With Vendor's Lien to Douglas E. Vindel and wife, Hazel L. Vindel dated November 30, 1990 and recorded under Document No. 2000001080 of the Official Public Records of Williamson County, Texas;

THENCE continuing along the east line of the 126 1/10 acre tract, South 7°17'42" West, in part with the west line of the said 10.04 acre tract, and in part with the west line of the 11.55 acre tract described in a Correction Warranty Deed With Vendor's Lien to Lee Morris Craig and James Morris Craig dated February 3, 1990 and recorded under Document No. 200072880 of the Official Public Records of Williamson County, Texas, a distance of 523.25 feet to a 1/2" rebar with cap set at an angle point in the west line of the 11.55 acre tract;

THENCE continuing along the east line of the 126 1/10 acre tract, South 6°58'52" West, in part with the west line of the 11.55 acre tract, in part with the west line of a 6.894 acre tract described in a Partition Deed to Samuel A. Thielepape dated April 17,



1997 and recorded under Document No. 97-18155 of the Official Records of Williamson County, Texas, and in part with the west line of Lot 1, Mausser Addition, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 88, Page 833 of the Plat Records of Travis County, Texas, a distance of 523.45 feet to a 1/2" rebar found at an angle point in the west line of said Lot 1, Mausser Addition;

THENCE continuing along the east line of the 136 1/10 acre tract, South 8° 10' 55" West, in part with the west line of Lot 1, Mausser Addition, in part with the west line of Main Conveyance of the width varies, also known as Jan Drive, and in part with the west line of a 1.994 acre tract described in a Warranty Deed to James L. Doyle and wife, Sharon H. Doyle dated October 20, 1994 and recorded in Volume 7812, Page 174 of the Official Records of Travis County, Texas, a distance of 413.34 feet to a 1" iron pipe found at the southeast corner of the 136 1/10 acre tract;

THENCE South 75° 00' 30" West, continuing along the east line of the 1.994 acre tract, a distance of 1.03 feet to a 1/2" rebar with cap found at the northeast corner of Lot 23, Block C, The Estates of Rowe Lane Section 2, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded under Document No. 2004-00136 of the Official Plat Records of Travis County, Texas;

THENCE North 82° 11' 52" West, along the north line of The Estates of Rowe Lane Section 2, a distance of 771.25 feet to a 1/2" rebar found in the south line of the 136 1/10 acre tract, at the northwest corner of Lot 21, Block C, The Estates of Rowe Lane Section 2, being also at the northeast corner of Lot 22, Block A, Rolling Meadows Section One, a subdivision in Travis County, Texas, according to the map or plat thereof, recorded in Volume 85, Page 470 of the Plat Records of Travis County, Texas;

THENCE North 82° 11' 41" West, along the south line of the 136 1/10 acre tract, being the north line of Block A, Rolling Meadows Section One, a distance of 791.87 feet to a 1/2" rebar with cap found at the northwest corner of Lot 28, Block A, Rolling Meadows Section One, being also at the northeast corner of the 160 3/4 acre tract;

THENCE South 7° 24' 40" West, along the east line of the 160 3/4 acre tract, being the west line of Lots 27-28 and Lots 11-12, Block A, Rolling Meadows Section One, a distance of 957.67 feet to a 1/2" rebar with cap found at an angle point in the west line of Lot 11;

THENCE South 7° 28' 54" West, continuing along the east line of the 160 3/4 acre tract, being the west line of Lots 10 and 11, Block A, Rolling Meadows Section One, a



distance of 292.88 feet to a 1/2" rebar found for a angle point in the west line of Lot 10;

THENCE South 7°18'32" West, continuing along the east line of the 150 3/4 acre tract, being the west line of Lots 3-10, Block A, Rolling Meadows Section One, a distance of 1103.99 feet to a 1/2" rebar with cap set for an angle point in the west line of Lot 3;

THENCE South 7°32'58" West, continuing along the east line of the 150 3/4 acre tract, being the west line of Lots 1-3, Block A, Rolling Meadows Section One, a distance of 882.91 feet to a calculated point in the west line of Lot 1, from which a 1/2" rebar found in the east line of the 150 3/4 acre tract, at the southwest corner of Lot 1, being an angle point in the north right-of-way line of Rose Lane, bears South 7°32'58" West, a distance of 4.89 feet;

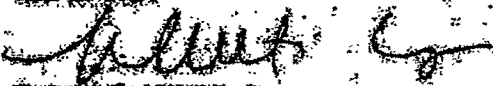
THENCE over and across the 150 3/4 acre tract and the 19.000 acre tract, the following twenty-two (22) courses and distances:

1. North 83°31'41" West, a distance of 379.79 feet to a calculated point;
2. North 93°19'48" West, a distance of 147.95 feet to a calculated point;
3. North 10°11'48" West, a distance of 240.15 feet to a calculated point;
4. North 29°20'30" West, a distance of 251.05 feet to a calculated point;
5. South 84°26'34" West, a distance of 243.43 feet to a calculated point;
6. Along a non-tangent curve to the left, having a radius of 80.40 feet, an arc length of 71.68 feet, and a chord which bears North 54°18'06" West, a distance of 68.82 feet to a calculated point of reverse curvature;
7. Along a curve to the right, having a radius of 16.58 feet, an arc length of 13.82 feet, and a chord which bears North 68°16'00" West, a distance of 13.16 feet to a calculated point of tangency;
8. North 48°16'08" West, a distance of 93.97 feet to a calculated point;
9. South 46°44'37" West, a distance of 90.00 feet to a calculated point;
10. Along a non-tangent curve to the left, having a radius of 25.60 feet, an arc length of 23.55 feet, and a chord which bears North 70°14'23" West, a distance of 22.89 feet to a calculated point of reverse curvature;

11. Along a curve to the right, having a radius of 80.00 feet, an arc length of 14.29 feet, and a chord which bears South 89° 35' 41" West, a distance of 14.25 feet to a calculated point of reverse curvature.
12. Along a curve to the left, having a radius of 25.00 feet, an arc length of 21.86 feet, and a chord which bears South 71° 22' 13" West, a distance of 21.17 feet to a calculated point of compound curvature.
13. Along a curve to the left, having a radius of 270.00 feet, an arc length of 135.61 feet, and a chord which bears South 26° 43' 49" West, a distance of 130.24 feet to a calculated point of tangency.
14. South 7° 19' 10" West, a distance of 247.87 feet to a calculated point of curvature.
15. Along a curve to the left, having a radius of 25.00 feet, an arc length of 39.84 feet, and a chord which bears South 90° 08' 15" East, a distance of 25.32 feet to a calculated point.
16. North 83° 31' 31" West, a distance of 130.02 feet to a calculated point.
17. Along a non-tangent curve to the left, having a radius of 25.00 feet, an arc length of 52.80 feet, and a chord which bears North 61° 53' 35" East, a distance of 35.04 feet to a calculated point of tangency.
18. North 7° 19' 19" East, a distance of 171.52 feet to a calculated point of curvature.
19. Along a curve to the right, having a radius of 250.00 feet, an arc length of 124.00 feet, and a chord which bears North 18° 05' 15" East, a distance of 125.32 feet to a calculated point.
20. North 82° 40' 05" West, a distance of 692.79 feet to a calculated point.
21. South 7° 19' 10" West, a distance of 324.53 feet to a calculated point.
22. North 83° 03' 04" West, a distance of 329.55 feet to the POINT OF BEGINNING, containing 240.437 acres of land, more or less.

Page 7 of 7

Surveyed on the ground April 2, 2004. Bearing Basis: Grid Azimuth for Texas Central Zone, 1983-83 NADN values from LERA control network. Attachment: Drawing 143-022-WOOD.

  
Robert C. Wills, Jr.  
Registered Professional Land Surveyor  
State of Texas No. 4996



2-23-05

**Exhibit "E"**  
**Water Line Easements**

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

That, \_\_\_\_\_ ("Grantor"), for good and valuable consideration, has granted, bargained, sold and conveyed and by these presents does grant, bargain, sell and convey unto Manville Water Supply Corporation ("Grantee"), whose business address is \_\_\_\_\_, an easement and right of way ("Easement") upon and across the tracts of land described in Exhibit "A", attached hereto (hereinafter called "the Easement Tracts"), to construct, install, operate, maintain, inspect, repair, reconstruct and rebuild one or more underground water transmission lines (the "Water Lines"). Except as otherwise provided herein as to rights reserved by Grantor, the Easement will be exclusive.

The Water Lines must be constructed by Grantee at least \_\_\_\_\_ inches below the surface of the natural grade of the Easement Tract, in order to accommodate Grantor's need to cross the Easement Tract with roads and utilities. Grantee further agrees that, in locations in which Grantor requires that the Water Lines be constructed a greater depth due to such crossings, Grantee will construct the Water Lines at a depth of \_\_\_\_\_ inches below the surface of the natural grade. Such locations shall be specified by Grantor at the time of Grantor's plan approval, as provided below. Grantor reserves the right to grant easements in, under and across the Easement Tract for utility facilities (including, without limitation, water, wastewater, electric, telephone, cable television and gas facilities) and drainage facilities and to dedicate right-of-way for roadways which cross the Easement Tract ("Permitted Dedications") and Grantee (or the grantee named in any such Permitted Dedication) will have the right to construct utility and drainage facilities and roadways in, under and across the Easement Tract at depths which do not conflict with the minimum depths for the Water Lines specified above in accordance with the terms of the Permitted Dedications ("Permitted Improvements").

For in consideration of the grant of the Easement herein and other good and valuable consideration, the receipt of which is acknowledged by Grantee, Grantee hereby consents to Grantor's conveyance of the Permitted Dedications, and no further approval by Grantee of such Permitted Dedications or any construction pursuant to the terms thereof will be required. Grantee further agrees that 15 days prior to any construction within the Easement Tracts, Grantee will submit a complete set of its engineering plans to Grantor for approval in order to ensure that the construction will not interfere or conflict with any Permitted Improvements and such plans will be subject to approval by Grantor, which approval will not be unreasonably withheld or delayed. Grantee acknowledges that one or more points of connection to the Water Lines will be required and utilized by Grantor in order to obtain water service for Grantor's proposed development which includes the Easement Tract and agrees that such points of connection will be set forth on

the plans submitted by Grantee under the preceding sentence.

Grantor further reserves and will continue to enjoy the right to utilize the surface of the Easement Tract for all purposes which do not materially interfere with or prevent the use of the Easement by Grantee as contemplated herein. Grantor will have the right to construct streets, roads, driveways, hike and bike trails, fences, landscaping, irrigation and parking and to install signs on and across the Easement Tract.

Grantee further agrees to employ an arborist or horticulturist certified by \_\_\_\_\_ to supervise the trimming of any trees on the Easement Tracts, whether during initial construction or during any subsequent activity by Grantee within the Easement Tracts. Grantee further agrees the Water Lines will be constructed in a manner so as to avoid trees within the Easement Tracts over \_\_\_\_ inches in diameter and such trees will be protected at all times during construction, and preserved to the greatest extent possible.

Grantee further agrees that at any time Grantee disturbs the surface of the Easement Tracts, Grantee shall install and maintain silt fencing to prevent runoff until vegetation on the Easement Tracts is sufficiently restored to prevent such runoff and Grantee must reestablish the surface, to Grantor's reasonable satisfaction, with native and improved grasses. Grantee's re-vegetation obligation will continue until the new vegetation is fully established.

Grantee further agrees that upon completion of the initial construction of the Water Lines, and upon completion of any subsequent construction, maintenance or repair which disturbs the surface of the Easement Tracts, Grantee shall fill all trenches, remove all construction debris and restore the surface of the Easement Tracts to substantially the same condition which existed prior to commencement of such construction, maintenance or repair. Grantee further agrees that all rocks, timber, brush and other debris cleared from the Easement Tracts must be removed from the premises and shall not be placed on Grantor's adjacent lands, unless specifically approved in writing by Grantor. Further, if Grantee, in the exercise of its rights hereunder, disturbs or damages any Permitted Improvement, fence, street, road, hike and bike trail, driveway, landscaping, irrigation, or parking area located in or upon the Easement Tracts, Grantee shall, promptly upon completion of the work which caused the disturbance or damage, repair the Permitted Improvement, fence, street, road, hike and bike trail, driveway, landscaping, irrigation, or parking area to substantially the same condition that existed prior to Grantee's work, utilizing comparable materials, at Grantee's sole expense.

Grantee further agrees that Grantee shall be liable for all damage or injury to persons or property resulting from the activities of Grantee, its agents, employees, contractors, or subcontractors in coming upon or about the Easement Tracts, and Grantee hereby agrees to defend indemnify, and hold harmless Grantor, its agent, employees, contractors, subcontractors, suppliers, sub-suppliers, attorneys and assigns from any liability, damages, cost or expense resulting therefrom, including attorneys fees for the defense thereof.

TO HAVE AND TO HOLD the Easement unto Grantee and Grantee's successors and assigns forever, and Grantor does hereby bind Grantor's heirs, executors and administrators to warrant and forever defend the Easement unto Grantee and Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof, by, through or under Grantor, but not otherwise.

EXECUTED this the \_\_\_\_\_ day of \_\_\_\_\_, 2006.

**Signatures appear on the following page**

**Grantor:**

**The Commons at Rowe Lane, L.P.,**

**A Texas Limited Partnership,**

**By:**

**Rowe Commons Corporation, a Texas  
Corporation, Its General Partner**

**By: \_\_\_\_\_  
                    , Its President**

**ACCEPTED AND AGREED TO THIS \_\_\_\_ DAY OF \_\_\_\_\_, 2005.**

**GRANTEE:**

**MANVILLE      WATER      SUPPLY  
CORPORATION**

**BY: \_\_\_\_\_  
                    , Its President**

**Exhibit "F"**

**Waterline Easement Locations**

**(Easement 1 - 1. 528 acres)**

**(Easement 2 - 1. 028 acres)**



**Chaparral****Professional Land Surveying, Inc.  
Surveying and Mapping**Office: 512-442-1224  
Fax: 512-441-88872807 Manchaca Road  
Building One  
Austin, Texas 78704**1.526 ACRES  
WATERLINE EASEMENT**

A DESCRIPTION OF 1.526 ACRES (APPROXIMATELY 66,872 SQUARE FEET) OUT OF THE JACOB CASHER SURVEY, ABSTRACT 2753 IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF A 106.526 ACRE TRACT OF LAND CONVEYED TO THE COMMONS AT ROWE LANE, L.P. IN A SPECIAL WARRANTY DEED DATED FEBRUARY 02, 2004 AND RECORDED IN DOCUMENT NO. 2004022370 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS AND BEING A PORTION OF A 180.341 ACRE TRACT OF LAND CONVEYED TO ATLANTIC FOREST FOLLOWED BY A DEED DATED JAN. 31, 1944 AND RECORDED IN VOLUME 750, PAGE 101 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS; SAID 1.526 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEING a calculated point in the north right-of-way line of Rowe Lane (right-of-way width varies) being in the south line of the said 106.526 acre tract from which a 1/2" meter with cap set in the north right-of-way line of Rowe Lane, being the southeast corner of the said 106.526 acre tract, bears South 82°31'41" East, a distance of 462.21 feet;

THENCE North 82°31'41" West with the north right-of-way line of Rowe Lane and the south line of the said 106.526 acre tract, a distance of 20.15 feet to a calculated point for the southeast corner of an existing 20' wide wastewater utility and access easement, from which a 1/2" meter with cap set, bears North 82°31'41" West, a distance of 1247.11 feet;

THENCE with the east line of the said 20 foot wide easement, over and across the said 106.526 acre tract and the said 180.341 acre tract the following seven (7) courses:

1. North 06°33'27" East, a distance of 48.46 feet to a calculated point;
2. North 83°04'11" West, a distance of 172.06 feet to a calculated point;
3. North 10°50'29" West, a distance of 669.27 feet to a calculated point;
4. North 28°25'29" West, a distance of 492.23 feet to a calculated point;
5. North 17°23'29" West, a distance of 1073.89 feet to a calculated point;
6. North 82°40'36" West, a distance of 46.77 feet to a calculated point;

Page 2 of 2

7. North  $17^{\circ}13'21''$  West leaving the north line of the said 20 foot easement, a distance of 20.81 feet to a calculated point in the north line of the said 108.529 acre tract, being in the south line of a 10.032 acre tract of land described in Document No. 2005048839 of the Official Public Records of Travis County, Texas, from which a 1/2" rebar found in the north line of the said 108.529 acre tract, being the southwest corner of the said 10.032 acre tract, bears North  $82^{\circ}29'15''$  West, a distance of 346.79 feet.

THENCE South  $82^{\circ}29'15''$  East with the north line of the said 108.529 acre tract and the said 108.529 acre tract to the south line of the said 10.032 acre tract, a distance of 84.83 feet to a 1/2" rebar with cap set for the south east corner of the said 10.032 acre tract, being the southeast corner of Lot 8, Bolling Hills, a subdivision of record in Volume 76, Page 277 of the Plat Records of Travis County, Texas;

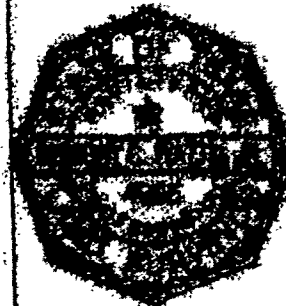
THENCE South  $82^{\circ}29'15''$  East with the north line of the said 108.529 acre tract and the south line of said Lot 8, a distance of 14.23 feet to a calculated point, from which a 1/2" rebar found, bears South  $82^{\circ}29'15''$  East, a distance of 1147.92 feet;

THENCE over and across the said 108.529 acre tract and the said 108.529 acre tract the following line (s) commence:

1. North  $17^{\circ}13'21''$  East, a distance of 1886.14 feet to a calculated point;
2. South  $26^{\circ}25'25''$  East, a distance of 489.88 feet to a calculated point;
3. South  $10^{\circ}50'23''$  East, a distance of 857.71 feet to a calculated point;
4. South  $82^{\circ}04'11''$  East, a distance of 177.49 feet to a calculated point;
5. South  $08^{\circ}33'27''$  West, a distance of 58.22 feet to the POINT OF BEGINNING, containing 1.038 acres of land, more or less.

Surveyed on the ground April 03, 2004. Bearing Basis: Civil Azimuth in Texas Central Zone, 1983/85. Height values from LCPA control network. Adjacent to: Drawing T43-022-WF-1.

*Robert C. Wells, Jr.*  
Robert C. Wells, Jr.  
Registered Professional Land Surveyor  
State of Texas No. 4995



9.28.05

A SKETCH TO ACCOMPANY A DESCRIPTION OF 1.528 ACRES (APPROXIMATELY 65,572 SQUARE FEET) OUT OF THE JACOB CABNER SURVEY, ABSTRACT 2753 IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF A 100.000 ACRE TRACT OF LAND CONVEYED TO THE COMMONS AT ROME LAKE, L.P. IN A SPECIAL WARRANTY DEED DATED FEBRUARY 07, 2005 AND RECORDED IN INSTRUMENT NO. 2005022370 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS AND BEING A PORTION OF A 120 3/4 ACRE TRACT OF LAND CONVEYED TO ALAN ERNEST PELIGER IN A DEED DATED JAN. 31, 1945 AND RECORDED IN VOLUME 750, PAGE 892 OF THE DEED RECORDS OF TRAVIS COUNTY, TEXAS

**LEGEND**  
 \* 1/2 REBAR FOUND (OR AS NOTED)  
 O CALCULATED POINT  
 X 1/2 REBAR WITH CAP SET

1" = 200'

**JACOB CABNER SURVEY  
 ABSTRACT 2753**

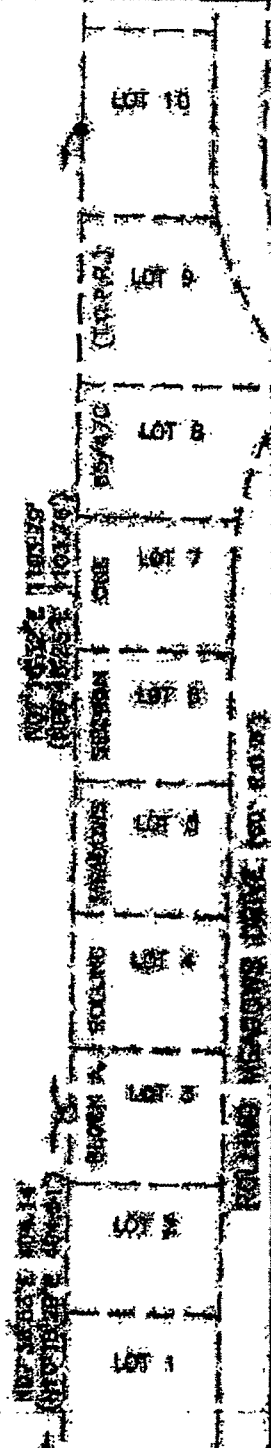
1.528 ACRES

APPROX. 65,572 SQ. FT.

100.000 ACRES  
 THE COMMONS AT ROME LAKE, L.P.  
 (2005022370)

120 3/4 ACRES  
 ALAN ERNEST PELIGER  
 (07502582)

100.000 ACRES  
 THE COMMONS AT ROME LAKE, L.P.  
 (2005022370)



1247.31' 1247.31' 1247.31' 1247.31' 1247.31' 1247.31' 1247.31' 1247.31' 1247.31' 1247.31'  
 ROME LAKE N85°31'41"W 1729.32' (VARIABLE WIDTH ROAD)

NOTHING DONE OR DONE FOR  
 THIS CENTRAL ZONE, 1987/88 WITH  
 MARKS FROM LOCAL CONTROL  
 NETWORK

DATA MANAGED BY  
 (MARKING WITH 5.0 M)

ATTACHMENTS: NOTES AND BOUNDS  
 DESCRIPTION 145-022-001

DATE OF SURVEY: 04/02/04  
 POST DATE: 04/20/04  
 DRAWING NO.: 145-022-001  
 PROJECT NO.: 145-022  
 DRAWING BY: JF  
 SHEET 1 OF 2

**Chaparral**



**Chaparral****Professional Land Surveying, Inc.  
Surveying and Mapping**Office: 512-443-1724  
Fax: 512-441-69872207 Manchaca Road  
Building One  
Austin, Texas 78704**1.024 ACRES  
WATERLINE EASEMENT**

A DESCRIPTION OF 1.024 ACRES (APPROXIMATELY 44,774 SQUARE FEET) OUT OF THE JACOB CASNER SURVEY AND THE JOHN KELSEY SURVEY, BOTH IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF A 10.032 ACRE TRACT OF LAND CONVEYED TO THE COMMONS AT ROWE LANE, L.P. IN A GENERAL WARRANTY DEED DATED MARCH 11, 2005 AND RECORDED IN DOCUMENT NO. 200504036 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, AND BEING A PORTION OF A 10.006 ACRE TRACT OF LAND CONVEYED TO THE COMMONS AT ROWE LANE, L.P. IN A GENERAL WARRANTY DEED DATED MARCH 11, 2005 AND RECORDED IN DOCUMENT NO. 200504038 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS, SAID 1.024 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a calculated point on the south line of the said 10.032 acre tract being in the north line of a 100.029 acre tract of land described in Document No. 200504032 of the Official Public Records of Travis County, Texas, from which a 1/2" corner will run set for the southeast corner of the said 10.032 acre tract, being the southwest corner of Lot 2, Rolling Hills, a subdivision of record in Volume 75, Page 277 of the Plat Records of Travis County, Texas, bears South 83°20'15" East, a distance of 32.51 feet;

THENCE North 82°20'15" West with the south line of the said 10.032 acre tract and the north line of the said 100.029 acre tract, a distance of 22.02 feet to a calculated point, from which a 1/2" corner found for the southeast corner of the said 10.032 acre tract, being a southeast corner of Lot 1, Block C, Steeds Crossing, a subdivision of record in Volume 68, Page 08 of the Plat Records of Travis County, Texas, bears North 82°20'15" West, a distance of 346.79 feet;

THENCE over and across the said 10.032 acre tract and the said 10.006 acre tract the following three (3) courses:

1. North 17°14'21" West, a distance of 258.30 feet to a calculated point;
2. Along a curve to the right, an arc length of 1073.68 feet, having a radius of 2490.08 feet and a chord which bears North 04°52'10" West, a distance of 1085.38 feet to a calculated point;

Page 2 of 2

3. North  $07^{\circ}25'00''$  East, a distance of 993.44 feet to a calculated point in the north line of the said 10.000 acre tract, being the south line of a 19.761 acre tract of land described in Volume 10/00, Page 1248 of the Real Property Records of Travis County, Texas, from which a 12" rebar with cap set for the northwest corner of the said 10.000 acre tract, being the southwest corner of the said 19.761 acre tract, being also the northeast corner of a 2.819 acre tract of land described in Document No. 200304503 of the Official Public Records of Travis County, Texas, bears South  $12^{\circ}31'00''$  West, a distance of 10.00 feet.

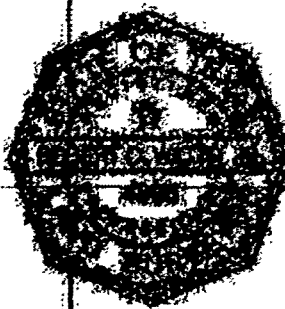
THENCE South  $82^{\circ}31'00''$  East with the north line of the said 10.000 acre tract and the south line of the said 19.761 acre tract, a distance of 20.00 feet to a calculated point, from which a 12" rebar is set, bears South  $82^{\circ}31'00''$  East, a distance of 993.44 feet.

THENCE over and upon the said 10.000 acre tract and the said 10.002 acre tract the following three (3) courses:

1. South  $87^{\circ}20'00''$  West, a distance of 993.44 feet to a calculated point;
2. Along a curve to the left, an arc length of 1065.85 feet, having a radius of 2421.00 feet and a chord which bears South  $04^{\circ}52'10''$  East, a distance of 1065.82 feet to a calculated point;
3. South  $17^{\circ}12'21''$  East, a distance of 267.52 feet to the POINT OF BEGINNING, containing 1.028 acres of land, more or less.

Surveyed on the ground June 15, 2004. Bearing Basis: One Azimuth for Texas Central Zone, HARN values from ICRS control network. Adjustments: Drawing 100-028-002.

*Robert G. Hays, Jr.*  
 Robert G. Hays, Jr.  
 Registered Professional Land Surveyor  
 State of Texas No. 4985



*7-21-05*

A SKETCH TO ACCOMPANY A DESCRIPTION OF 1028 ACRES (APPROXIMATELY 41,774 SQUARE FEET) OUT OF THE JAMES GARNER SURVEY AND THE JOHN KELSEY SURVEY, BOTH IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF A 1028 ACRE TRACT OF LAND CONVEYED TO THE COMMONS AT HOME LAKE, L.P. IN A GENERAL WARRANTY DEED DATED MARCH 14, 2005 AND RECORDED IN DOCUMENT NO. 200504636 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS AND BEING A PORTION OF A 1028 ACRE TRACT OF LAND CONVEYED TO THE COMMONS AT HOME LAKE, L.P. IN A GENERAL WARRANTY DEED DATED MARCH 17, 2005 AND RECORDED IN DOCUMENT NO. 200504638 OF THE OFFICIAL PUBLIC RECORDS OF TRAVIS COUNTY, TEXAS.

CURVE TABLE						
NO.	DELTA	RADIUS	CHORD	ARC	CHORD	BEARING
01	24°42'20"	2400.00	165.31	1070.88	1065.52	N04°52'10"W
02	24°42'20"	2400.00	165.31	1070.88	1065.52	S04°52'10"E

LINE TABLE			
NO.	BEARING	LENGTH	(RECORD)
01	N04°52'10"W	22.58	
02	S04°52'10"E	22.58	
03	S04°52'10"E	22.58	
04	S04°52'10"E	22.58	
05	N04°52'10"W	22.58	

LEGEND	
●	1/2" IRON ROD FOUND (AS NOTED)
○	1/2" IRON ROD WITH CAP SET
○	CALCULATED POINT

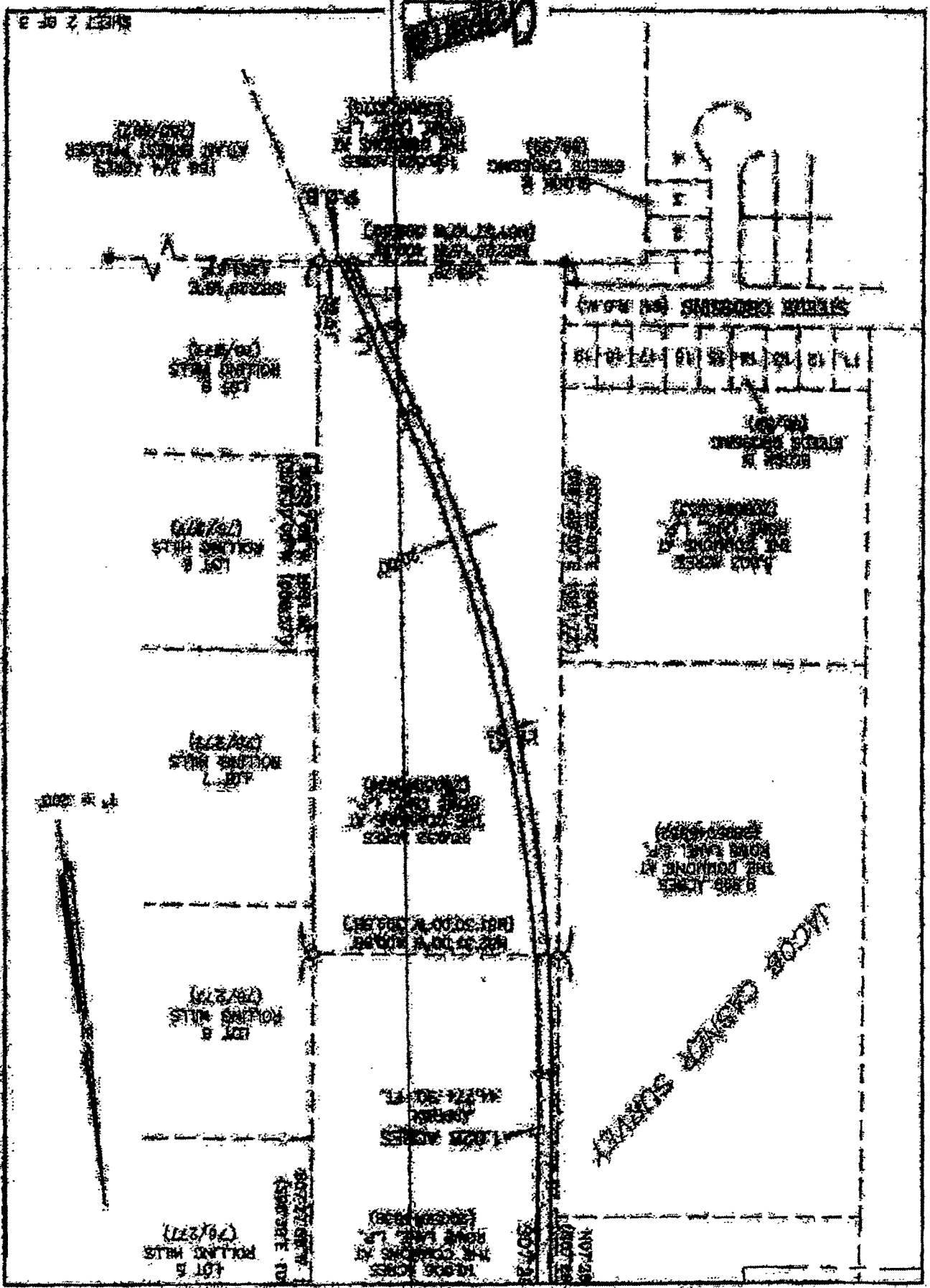


BEARING BASED ON THE ADJACENT  
TERRACE CENTER LINE, EXTENSION  
FROM VALLEY VIEW LANE, CENTRAL  
NEWPORT.

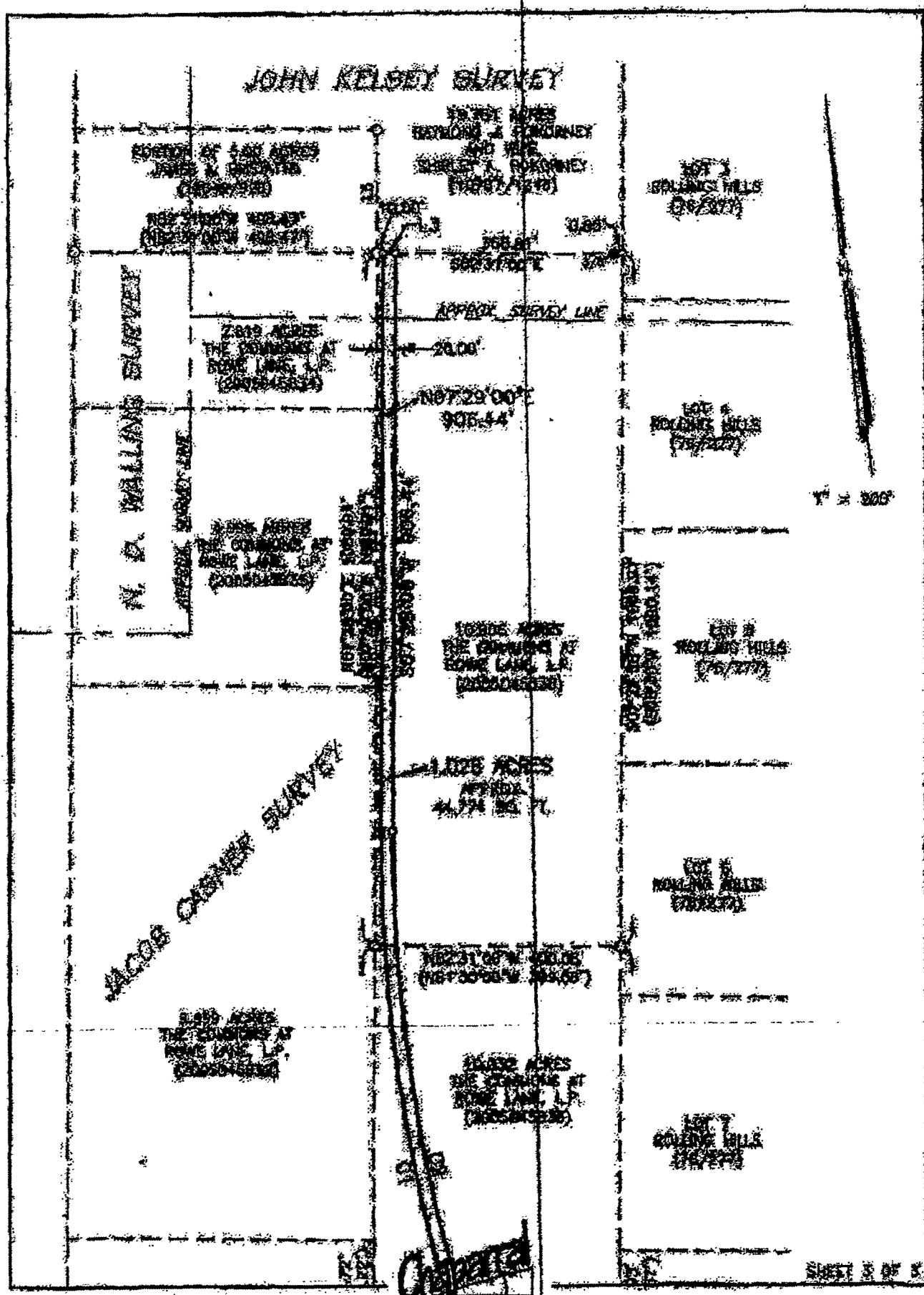
STATIONARY: METES AND BOUNDS  
DESCRIPTION 143-022-462

DATE OF SURVEY: 06/16/04  
FILE DATE: 06/21/06  
DRAWING NO.: 143-022-462  
PROJECT NO.: 143-022  
DRAWN BY: JES  
CHECKED BY: JES  
SHEET 1 OF 3

*Chapman*







**Exhibit "G"**  
**Minimum Takedown Schedule**

The Developer, or after creation, the District, shall not be required to purchase water capacity pursuant to the Agreement, except upon the final plat approval of lots within the property owned by Developer and within the jurisdiction of the District, and upon the following schedule. The Capacity Charges shall be due at the closing of each lot.

Following the approval of the final plat of The Commons at Rowe Lane Phase 1, hereinafter referred to as "Phase 1" and after the closing of the same and purchase of Fifty-Eight (58) lots within Phase 1, Developer and/or after creation the District, shall be entitled to purchase from Manville Fifty-Eight (58) LUE's of water service (hereafter the "Initial Water Take Down").

No later than One Hundred and Eighty (180) days after the Initial Water Take Down, the Developer and/or after creation the District, shall be entitled to purchase Thirty-two (32) LUE's of water service (hereafter the "Second Water Take Down").

No later than Ninety days (90) days after the Second Water Take Down, Developer and/or after creation the District, shall be entitled to purchase Thirty-two (32) LUE's of water service (hereafter "Quarterly Water Take Down"). Thereafter, the Developer, and/or after creation the District, shall be entitled to purchase the Quarterly Water Take Down amount on or before 90 days after each take down, until 178's LUE's of service have been purchased from Manville for that phase of the development.

Thereafter, no later than Ninety days (90) after the approval of the final plat of each subsequent phase of the Commons at Rowe Lane, the Developer and/or after creation the District, shall be entitled to purchase Thirty-two (32) LUE's of water service. Thereafter, the Developer and/or after creation the District, shall be entitled to purchase Thirty-two (32) LUE's of water service every Ninety (90) days until 1100 LUE's have been purchased by the Developer, and/or after creation the District, from Manville.

**EXHIBIT B – TCEQ APPROVAL SUMMARY LIST**

## EXHIBIT B

### TCEQ Approval Log Number List

PHASE	TCEQ Plan Review Log Number	Approval Date
1	200907-022	July 21, 2009
2A	200612-096	June 7, 2007
2B	200907-107	July 31, 2009
2C	P-10042011-013	Nov 16,2011
3A	P-03112010-056	April 16,2010
3B		
4A	P-06052012-015	Aug 6, 2012
4B	p-05282015-139	July 28, 2015
5A	P-12202013-102	Jan 21, 2014
5B	P-06172015-102	Aug 12, 2015
6A	P-06122014-079	Aug 14, 2014
6B	P-06062018 -029	Aug 6, 2018
7	P-03122013-063	May 8, 2013
8		

Approval Letters are Included on Submitted CD as Exhibit H

**EXHIBIT C – PFLUGERVILLE WATER OPERATOR LICENSES**

## EXHIBIT C

### Pflugerville Water Licenses

Name	Water Operator	Surface Water Operator	Water Distribution Operator	TCEQ Customer Number	TCEQ Lincense Number
<b><u>WTP</u></b>					
Brandon Pritchett	A			CN603192659	WO0038520
Brian Camp		B		CN602602633	WS0008951
Richard Hodgson		C		CN602212425	WS0010018
Karen Franks		C		CN602093502	WS0012716
Shelby Granger		C		CN605002864	WS0013338
Alex Cooke		C		CN604162602	WS0013339
David Galvan		C		CN605043207	WS0014136
Dyllon Ripkoski	D			CN605676949	WO0044771
<b><u>Pumps &amp; Motors</u></b>					
Dustin Paul			C	CN603266552	WD0009236
Samuel Pearson			B	CN603160623	WD0013204
<b><u>Line Maintenance</u></b>					
Max Walther			B	CN602671356	WD0011042
Gregory Briggs			B	CN603387069	WD0011970
David Denby			B	CN605239052	WD0015751
Javier Gonzalez II			C	CN603947045	WD0011098
Aaron Griffith			C	CN605590579	WD0015743
Steven Kolbeck			D	CN605239011	WW0060543
Kevin Brown			C	CN605169515	WD0014923
Diego Escalante			C	CN605463157	WD0015261
<b><u>Regulatory</u></b>					
Matt Woodard	A			CN601950520	WO0030849
Matt Johns			B	CN602671380	WD0015138
Robert Herchek			C	CN605485192	WD0015740
Kyle Haas		C		CN602110249	WS0010017
<b><u>Meters</u></b>					
Mark Kowalczsk		B		CN601862048	WS0008715
Billy Payne			B	CN603636994	WD0014294
David McGee			B	CN604999581	WD0015611
Micheal Meacham			B	CN604655522	WD0014579

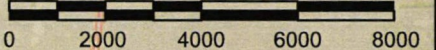
**EXHIBIT D – GENERAL LOCATION MAP**



**EXHIBIT D**  
**LAKE SIDE MUD NO. 3**  
**GENERAL LOCATION MAP**

33.49

SCALE: 1"=4000'  
GRAPHIC SCALE IN FEET



**LOCATION MAP**

— AREA TO DECERTIFY

PROJECT NO. 1500-11379	DRAWN BY: IH
DATE: 03/05/2020	CHECKED BY: SM



8834 N. Capital of Texas Hwy.  
Austin, Texas 78759  
Suite 140  
(512)452-0371  
FAX(512)454-9933  
TBPE FIRM #2946

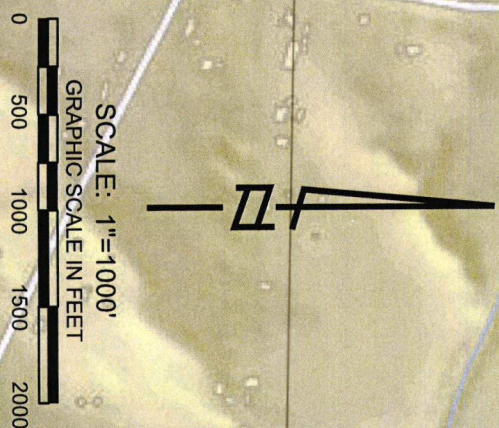
H:\PROJECTS\1500 LAKE SIDE MUD NO. 3\11379 CON REVISION\ADMIN\SUBMITTALS\FIGS\32 MAPPLING - LOCATION EXHIBITS AND FINAL PLATS (EXHIBIT D AND ENGINEERING MAP EXHIBIT.DWG) DATE: 3/4/2020 10:26:21



## **EXHIBIT E – DETAILED MAP**



EXHIBIT E  
LAKE SIDE MUD NO. 3  
DETAILED MAP

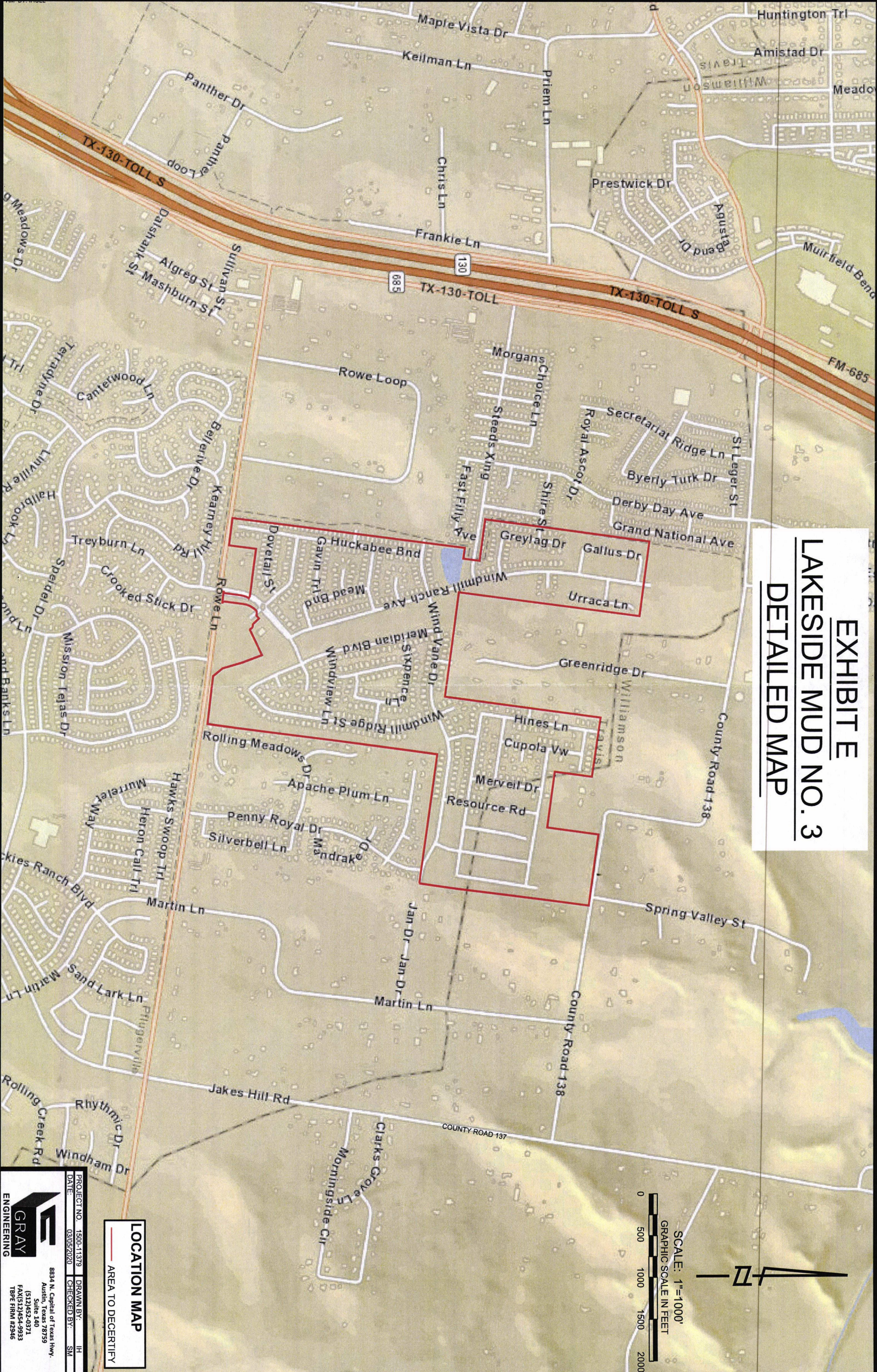


LOCATION MAP  
— AREA TO DECERTIFY



8834 N. Capital of Texas Hwy.  
Austin, Texas 78759  
Suite 140  
(512) 452-0371  
FAX (512) 454-9933  
TBE FIRM #2946

PROJECT NO.	1500-11379	DRAWN BY:	IH
DATE:	03/05/2020	CHECKED BY:	SM





**EXHIBIT F – COMPREHENSIVE DEVELOPMENT AND CONSENT AGREEMENT FOR  
LAKESIDE WCID NO. 3**

COMPREHENSIVE DEVELOPMENT AND CONSENT AGREEMENT  
FOR LAKESIDE WCID NO. 3

THIS COMPREHENSIVE DEVELOPMENT AND CONSENT AGREEMENT FOR LAKESIDE WCID NO. 3 (this "Agreement") is made and entered into effective November 22, 2004, by and among Rowe Lane Development, Ltd., a Texas limited partnership ("Rowe Lane"), H2N Corporation ("H2N") and Atlan Ernest Pfluger, Jr., Ruby Mae Pfluger, and Patricia Pfluger Hoffman (collectively "Landowners"), and the City of Pflugerville, Texas (the "City"), a municipal corporation. This Agreement has been authorized by a resolution of the City Council of the City.

RECITALS

Developer (as defined in Section 1.9) owns or controls a tract of approximately 251.646 acres, hereinafter called the "Land" or the "Development," which tract is located within Travis County and Williamson County, Texas. The Land is also located within the extraterritorial jurisdiction (the "ETJ") of the City. Developer desires to create one or more water control and improvement districts or municipal utility districts to provide water and wastewater service to the Land. Developer and City desire that the Land be developed pursuant to the terms and conditions of this Agreement.

Effective contemporaneously with this Agreement, Rowe Lane, H2N, the City, and Lakeside Water Control and Improvement District No. 2-C ("WCID No. 2-C") have entered into that certain NPWIS Construction and Participation Agreement providing for the construction of the North Pflugerville Wastewater Interceptor System and the flow therein of wastewater from the districts created in this Agreement.

Pursuant to the authority of §42.042 of the Texas Local Government Code, and in consideration of the mutual agreements herein set forth and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the City and Developer agree as follows:

#### ARTICLE I. DEFINITIONS

The following terms and expressions when used in this Agreement have the following meanings, unless the context clearly indicates otherwise:

1.1 "Agreement" means this Comprehensive Development and Consent Agreement for Lakeside WCID No. 3 and the exhibits referenced herein, as such agreement and exhibits may be amended from time to time.

1.2 "City" means the City of Pflugerville, Texas, a municipal corporation with its principal offices at 100 E. Main Street in Pflugerville, Travis County, Texas.

1.3 "City Council" means the city council of the City.

1.4 "City Engineer" means the duly appointed and acting professional engineer for the City or any person or persons who, by official designation or appointment of the City Council, succeeds or succeed to all or part of the functions of the City Engineer under this Agreement.

1.5 "City Inspectors" means those employees or representatives of the City designated or appointed by the City Council and who are authorized by the City Council to perform the investigation and inspection services for the City provided for in this Agreement.

1.6 "Collection System" means the facilities, equipment, lands, and rights-of-way for the collection and transportation of wastewater, and any extensions or additions thereto, to be constructed by Landowners to serve wastewater customers in the Development.

1.7 “Commission” means the Texas Commission on Environmental Quality, and any successor agency.

1.8 “Conceptual Land Use Plan” means the land use master plan approved by the City for the Development, as further described in Section 5.1.

1.9 “Developer” means H2N and Landowners, collectively.

1.10 “Development” or “Land” means the lands owned or controlled by Developer and described in Exhibit A.

1.11 “District” means the Lakeside Water Control and Improvement District No. 3 ( or appropriately named municipal utility district) which will be created to include the tract of land described in Exhibit A. Such term also shall mean each additional district which may be created pursuant to Article II of this Agreement.

1.12 “District Bonds” has the meaning given to such term in Section 4.1 of this Agreement.

1.13 “Drainage System” means the facilities, equipment, lands, and rights-of-way for the collection, storage, transportation, diversion, and control of local storm water or other local harmful excesses of water in the Development to be constructed by Landowners.

1.14 “ETJ” means extraterritorial jurisdiction.

1.15 “Kelly Lane” means Kelly Lane Utility Company.

1.16 “Kelly Lane Collection System” means the wastewater collection facilities and service area under the certificate of convenience and necessity of Kelly Lane Utility Company.

1.17 “Lakeside Districts” means Lakeside Water Control and Improvement District Nos. 1, 2-A, 2-B, 2-C, 2-D, 3, and 5.

1.18 “Landowners” means Atlan Ernest Pfluger, Jr., Ruby Mae Pfluger, and Patricia Pfluger Hoffman, and any party subsequently acquiring an ownership interest in the Land.

1.19 “North Pflugerville Wastewater Interceptor System” or “NPWIS” means the wastewater force main, series of lift stations, and related wastewater transmission facilities necessary for the City to: (i) provide wholesale wastewater service to land within the Kelly Lane Collection System and the Lakeside Districts, (ii) decommission the Kelly Lane wastewater treatment plant, and (iii) transport wastewater from the Kelly Lane Collection System and the Lakeside Districts to the City’s central wastewater plant. A map depicting the NPWIS is attached as Exhibit D.

1.20 “Oversize” means an increase in the size of a component or the addition of a new component of the Collection System or the Water System, which is made at the request of the City for the benefit of the City to serve areas outside the Development.

1.21 “Potable Water” means water which is fit for human consumption. All references to water and water supply in this Agreement mean potable water unless otherwise stated.

1.22 “Professional Services Agreement” has the meaning given to such term in Section 6.7.

1.23 “Subdivision Code” means the City of Pflugerville, Texas Code of Ordinances, Chapter 156, Subdivision Code, as it may be amended.

1.24 “Water System” means the facilities, equipment, lands, and rights-of-way for the storage, transportation, and distribution of a potable water supply, and any extensions or additions thereto, that may be constructed by Landowners to serve water customers in the Development.

ARTICLE II. CONSENT TO CREATION AND OPERATION OF  
MULTIPLE WATER CONTROL AND IMPROVEMENT DISTRICTS

2.1 The City hereby gives its consent to the creation of one or more water control and improvement districts (or municipal utility districts) which may include all or part of the Land described in Exhibit A. The first district to be created shall be named "Lakeside Water Control and Improvement District No. 3" (or appropriately named municipal utility district) and may be created to include all or any portion of the Land.

2.2 The City acknowledges that Developer intends to create one or more districts within the Development under the authority of Article XVI, Section 59 of the Texas Constitution and the statutes promulgated thereunder. The City further acknowledges that this may be accomplished either by dividing the District into multiple districts, pursuant to Sections 51.748 through 51.753, Texas Water Code, or by the creation of separate districts, and the option of which method utilized to create multiple districts lies with the Developer. To the extent that the City's consent to such creation, division, or conversion is required by Section 42.042 Local Government Code or other provisions of law, this Agreement shall serve as the City's consent to such creation, division, and conversion, and no additional consent shall be required. Developer will provide the City with information showing the original boundaries and the revised boundaries of any district created pursuant to this Agreement. The terms and conditions applicable to the District upon assignment of this Agreement shall apply to any such districts so created, divided, or converted.

2.3 Unless otherwise agreed to by the City, the District shall not include any areas designated for commercial or retail use, which areas are depicted on the Conceptual Land Use Plan



as amended from time to time. At a minimum, the following portions of the Land shall not be included with the boundaries of the District and shall be designated for commercial or retail use:

10 acres of land adjoining Rowe Lane.

Any areas included in a District that are designated for commercial or retail use after the creation of the District shall be deannexed from the District and such deannexation areas must be contiguous with the City limits. The District shall be allowed to provide out-of-district service to any such areas that are designated for commercial, retail, or non-residential use.

### ARTICLE III. ANNEXATION BY CITY

3.1 The Land comprising the District is located within the ETJ of the City. As such, all development within the District is subject to the Subdivision Code and other ordinances and regulations of the City that are applicable thereto by virtue of the District being located within the ETJ of the City. In accordance with Chapter 212 of the Texas Local Government Code, the District shall not furnish water or wastewater service to any portion of the Land within the City's ETJ unless the City has approved a subdivision plat covering such tract of land.

3.2 In furtherance of the purposes of this Agreement, Landowners covenant and agree to the extent allowed by law that, except upon written consent of the City Council of the City, they will not seek or support any effort to incorporate the Land or any part thereof, or to include the Land within the boundaries of any incorporated entity, other than the City.

3.3 It is expressly understood and agreed that the City may annex a District's lands within the City's ETJ subject to the limitations and requirements for annexation of districts provided for by pertinent statutes at the time of annexation. Provided however, annexation of a District's lands by the City shall not occur prior to the earlier of:

- (i) 30 years after the date that District is created; or
- (ii) such time as the District Bonds needed to fund all of the water, wastewater and drainage facilities required to serve the District and authorized under this Agreement have been issued and 90 percent of the facilities within a District for which the District Bonds were issued have been installed.

3.4 Rowe Lane and/or H2N shall secure a wholesale contract with Manville Water Supply Corporation ("Manville") for water service. Rowe Lane and/or H2N shall provide the City with a draft of the proposed contract for its comments, which contract must be approved by the City in writing before it may be deemed effective. Rowe Lane and/or H2N will assign the wholesale contract, in part, to each of the Districts according to the needs of each. Upon annexation, the City agrees to assume the rights and obligations under the portion of the wholesale contract relating to a District that is annexed. If Manville does not execute a contract for wholesale water service for whatever reason, then the City shall provide wholesale water service to the Districts by means of the City water supply system, provided that the following conditions shall apply:

- (i) Manville releases its certificate of convenience and necessity for the area to be served and agrees that the City may provide wholesale service;
- (ii) Any required extension of the City's water supply system shall be completed with no expense to the City, but rather at the expense of an appropriate developer;
- (iii) The City's proposed water treatment plant has become operational as determined by the City, which is expected to occur in the summer of 2005.

3.5 By contract with H2N, the City shall provide wholesale wastewater service within the Development and shall, to the extent necessary, obtain any consent of a holder of a certificate