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ItemNumber - 1

Docket No. _____

JOINT PETITION BY BLACKLAND WATER	§	
SUPPLY CORPORATION AND THE CITY OF	§	BEFORE THE
ROCKWALL, TEXAS REQUESTING	§	
APPROVAL OF CONTRACTS PURSUANT TO	§	PUBLIC UTILITY COMMISSION
TEXAS WATER CODE § 13.248 AND	§	
AMENDMENT OF SERVICE AREA	§	OF TEXAS
PURSUANT TO § 13.254(a)	§	

**JOINT PETITION BY BLACKLAND WATER SUPPLY CORPORATION
AND THE CITY OF ROCKWALL, TEXAS REQUESTING
APPROVAL OF CONTRACTS PURSUANT TO TEXAS WATER CODE § 13.248
AND AMENDMENT OF SERVICE AREA PURSUANT TO § 13.254(A)**

TO THE HONORABLE PUBLIC UTILITY COMMISSION OF TEXAS:

COME NOW Petitioners herein, Blackland Water Supply Corporation (Blackland) and the City of Rockwall, Texas (City), jointly requesting approval of contracts pursuant to Texas Water Code (TWC) § 13.248¹ and jointly requesting amendment of Blackland’s retail water service area under Certificate of Convenience and Necessity (CCN) No. 11305, pursuant to TWC § 13.255(a),² and corresponding Commission rules, including 16 TEX. ADMIN. CODE (TAC) §§ 24.253 and 24.259. In addition, Petitioners request amendment and removal of a portion of Blackland’s retail water service area, pursuant to TWC § 13.254(a),³ that is subject to agreements with developers. In support thereof, Petitioners would show the following:

I. Parties

Petitioner Blackland is a member-owned, member-controlled water supply corporation providing retail water service pursuant to water utility CCN number 11305. Petitioner, the City of Rockwall, Texas, is a municipality within Rockwall County providing retail water and wastewater service inside the City’s corporate limits and does not hold, is not required to hold, nor does it

¹ TWC § 13.248 (“Contracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the utility commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity”).

² TWC § 13.255(a) (providing, in part, “the municipality and a retail public utility that provides water or sewer service to all or part of the area pursuant to a certificate of convenience and necessity may agree in writing that all or part of the area may be served by a municipally owned utility”).

³ TWC § 13.254(a) (providing, in part, that Commission may amend service area “with the written consent of the certificate holder,” among other conditions).

want to hold, a water or wastewater CCN. Each is a “retail public utility” under TWC § 13.002(19).

II. Request for Approval of Service Area Agreements and Request for Removal/Decertification

- A. Attached as **Exhibit A** is a map showing the boundaries of Blackland’s CCN, as depicted on the Commission’s CCN Viewer, in relation to the City’s current city limits, as well as the location and boundaries of the areas ceded by Blackland within Rockwall County to the City pursuant to the Service Area Agreements and developer agreements described in more detail below.
- B. Over the course of several decades Blackland and the City have entered into several agreements by which Blackland ceded portions of its service area inside the City’s corporate limits to the City and transferred infrastructure and customers to the City (singularly, a “Service Area Agreement” and, collectively, “Service Area Agreements”). Some were apparently processed and retail service area of Blackland was removed, as reflected on the PUC’s CCN Viewer. However, attached as **Exhibits B-1 through B-4** are true and correct copies of each Service Area Agreement between Blackland and the City, with any exception noted below:
- 1) Citing the legislation that created TWC § 13.255, the “Water System Purchase Contract” of March 6, 1989 (**Exhibit B-1**), is the agreement transferring from Blackland “all property, water rights, and appurtenances thereto” within the City limits as of March 1, 1989, to the City and, providing for compensation to be paid Blackland. The area included approximately 151.16 acres across two tracts; however, the map attached to this Service Area Agreement has not been located and has apparently become disassociated with the agreement. **Exhibit C** is a City reproduction of the city limits which also designates the tracts annexed by use of color and by reference to the annexation ordinance (with last two digits of the year followed by the ordinance number), which can also show the boundaries as they existed on March 1, 1989. **Exhibit A** includes the two tracts that relate to the 1989 Service Area Agreement and is believed to be an accurate depiction of the area made the subject of the 1989 agreement. Blackland has identified one customer, BigTex Trailer World-Rockwall, at 2260 I-30 East, Rockwall, TX 75087, located along the periphery of the area transferred, that remains a retail water customer of Blackland; the City would consent to an exception that would allow Blackland to continue to serve this customer

based upon the customer's current level of use and facilities in place as of the date of this petition so that no customers would be affected.

- 2) The "Agreement to Transfer Portions of Retail Water Service Area (Currington Tract, Loftis Tract, Existing Home Tract, and FM 549 Tract)" of December 14, 2007 (**Exhibit B-2**) again cites TWC § 13.255 in the transfer of four tract totaling approximately 499.32 acres located within the City. As depicted on **Exhibit A**, while a portion of one of these tracts is outside of the Blackland CCN, the great majority of the area to be transferred remains within Blackland's CCN Viewer.
 - 3) Attached as **Exhibit B-3**, is the Mediated Settlement Agreement of May 24, 2005, in TCEQ Docket No. 2004-1736-UCR, *Application by City of Rockwall to Decertify a Portion of CCN No. 11305 from Blackland Water Supply Corporation in Rockwall County; Application no. 3644-C*. This Service Area Agreement resolves all issues related to Blackland's decertification of approximately 857 acres, without transfer of any water lines, facilities or other property of Blackland, and without transferring Blackland's then-existing customers along the west side of Amada Road and Jowers Tire Service.
 - 4) The "Agreement to Transfer Portions of Retail Water Service Area and Certain Water Distribution Facilities" of July 18, 2012 (**Exhibit B-4**) was implemented fully, except that the PUC's CCN Viewer shows that a 21.51-acre portion of "Area 1" remains within Blackland's CCN, splitting parcels almost in half, as reflected on Exhibit A. This agreement cites both TWC §§ 13.248 and 13.255 as the basis for the agreement.
- C. In addition to the foregoing Service Area Agreements, additional agreements have been made between Blackland and developers located within the city limits of the City in areas that had no then-existing customers. Each such "developer agreement" that does not appear to have resulted in removal of the Blackland CCN area, at least according to the PUC's CCN Viewer, follows: the "Agreement Concerning Retail Water Utility Service Areas (Airport Road)" of September 26, 2016 (**Exhibit D-1**) between Blackland and Ridgecrest SF, Ltd., for release of 29.541 acres within the City that had no customers in the area being released. To the extent a developer agreement has not previously been processed and service area released by the Commission, the Petitioners request that Blackland's service area be amended to remove the subject acreage under TWC § 13.254(a), based upon Blackland's written consent as expressed

in such agreements and in this joint petition. Blackland has never provided retail water service in these areas and has allowed the City to provide service without amendment of the certificate.

- D. The City and/or each developer has paid Blackland, and Blackland has accepted, as adequate and just compensation, the monetary compensation and other consideration required under each Service Area Agreement and each developer agreement. No person has objected to the Service Area Agreements or developer agreements, including, but not limited to, the ceding of service area by Blackland or the transfer of infrastructure or customers to the City. The City presently and exclusively provides service in each area made the subject of the Service Area Agreements and developer agreements.
- E. Despite good faith efforts to locate or confirm whether any of the Service Area Agreements or developer agreements had been approved by a regulatory agency with jurisdiction over the water CCN of Blackland, orders approving an agreement or the removal of designated areas from Blackland's retail water service area by the Texas Water Commission (cited in Exhibit B-1), the Texas Natural Resources Conservation Commission (cited in Exhibit B-2), the Texas Commission on Environmental Quality (cited in Exhibit B-3), or the Commission cannot be located, if such orders exist.
- F. Petitioners jointly request Commission approval of the Service Area Agreements under TWC §13.248 designating areas and customers to be served and, further, pursuant to §§ 13.248 and 13.255(a), removal from Blackland's CCN of retail water service areas subject to the Service Area Agreements.⁴ Likewise, Petitioners jointly request Commission amendment of Blackland's CCN to remove the areas specified in the developer agreements under TWC § 13.254(a). Because the areas subject to this Petition are all within the corporate limits of City and are served by the City, no other retail water utility is adversely affected and no retail customers of Blackland are affected.
- G. The City has the financial, managerial, and technical resources to provide, and to continue providing, retail water utility service within the areas ceded by Blackland. Amendment of Blackland's CCN would further serve the public interest by confirming and clarifying the

⁴ See TWC §§ 13.248 (providing that approved agreements "are incorporated into the appropriate areas of public convenience and necessity") and 13.255(a) (providing, in part, that the "executed agreement shall be filed with the utility commission, and the utility commission, on receipt of the agreement, shall incorporate the terms of the agreement into the respective certificates of convenience and necessity of the parties to the agreement").

extent of its CCN. If the Commission approves this petition, the City can and will provide the required mapping and GIS information as required by the PUC.

H. If the petition is approved, the City can and will provide the maps and GIS data required by the Commission.

III. Requests for Determination of Notice Requirements and for Informal Disposition

A. Informal Disposition

Pursuant to 16 TAC § 22.35, Petitioners request informal disposition processing for this petition without a hearing as all requirements for same are met. Upon determination of any notice requirements applicable to this proceeding, if any, any Commission decision will not be averse to any party other than the Commission Staff because this is a joint petition supported by the parties to the Service Area Agreements. As such, no hearing will be necessary and informal disposition is be appropriate.

B. Notice

This joint application seeks to simply amend the CCN territorial boundaries of Blackland in the Commission's records and maps to comport with the fact that Blackland and the City have agreed that the City, rather than Blackland, should provide water service to certain areas within the City limits. Because the petition in this case is being brought jointly by the two affected service providers and because the affected customers have been receiving service from the City for some time, the parties assert that notice to affected providers would be unnecessary. The parties assert that the Commission's standard notice published in the Texas Register for each of its Open Meetings when this case is finally decided would be adequate notice in this case.

The City serves water customers only within its corporate limits and does not hold, is not required to hold, and does not want to hold or acquire a CCN. Section 13.248 of the Water Code applies to “[c]ontracts between retail public utilities designating areas to be served and customer by served *by those retail public utilities*, when approved by the utility commission after public notice and hearing, are valid and enforceable and are incorporated *into the appropriate areas* of public convenience and necessity” without requiring that either (or both) actually hold a CCN.⁵

⁵ TWC § 13.248 (emphasis added). See also TWC § 13.002(19) (“Retail public utility” means any person, corporation, public utility, water supply or sewer service corporation, *municipality*, political subdivision or agency operating, maintaining, or controlling in this state facilities for providing potable water service or sewer service, or both, for compensation) (emphasis added).

The rule that comes the closest to implementing this Water Code provision differs in an important aspect from Section 13.248 in that the rule only applies to such designations *between CCN holders*.⁶ The City is not a CCN holder. The difference between the rule and the statute is significant in this case because, if the City possessed a CCN and the rule applied to this case, the Petitioners' notice would be as provided in 16 TAC § 24.253(c), which limits notice to potentially transferred customers – a group that has received water service from the City for some time. Any such notice would be confusing to such customers and would likely provide a false impression that Section 13.248 was somehow not the law of the land. The parties assert that the notice contemplated in TWC 13.248 in this particular case that the CCN boundary of Blackland has changed would best be provided through the Commission's notice of its Open Meetings when the Commission issues its final order.

Under TWC § 13.255(a), the Petitioners' Service Area Agreements clearly address permissible provisions that should be filed with the Commission, which, upon receipt of the agreement, "shall incorporate the terms of the agreement into the respective certificates of convenience and necessity of the parties to the agreement."⁷ However, it does not *require* the creation of a new CCN where none existed before, as is the case with the City. Inasmuch as this is a joint petition by a CCN-holder and the City and agreements have been executed, the provisions requiring notice and hearing are inapposite.⁸ Likewise, the Petitioners, as parties to the Service Area Agreements and developer agreements, have determined that the consideration paid was appropriate under the circumstances, rendering the valuation provisions inapplicable. Likewise, this proceeding is not a sale-transfer-merger application under TWC § 13.301 or 16 TAC § 24.239 and notice is not governed by that rule.⁹

⁶ 16 TAC § 24.253(a) ("This section only applies to the transfer of certificated service area and customers *between existing CCN holders*") (emphasis added).

⁷ See TWC § 13.255(a) ("The agreement *may* provide for single or dual certification of all or part of the area, for the purchase of facilities or property, and for such other or additional terms that the parties may agree on") (emphasis added).

⁸ *Id.* § 13.255(b) (addressing where no agreement is made, requiring municipality to request certification to serve area).

⁹ To the extent the Commission concludes that TWC § 13.301 applies, petitioners assert that good cause exists for the Commission to waive public notice under section 13.301(a)(2) because continuous and adequate service has been provided by the City to the areas in question and such direct notice of this case would cause unnecessary confusion.

To the extent the Commission concludes that TWC § 13.301 applies, or that other notice could have been contemplated by another interpretation of the law, petitioners assert that good cause exists for the Commission to waive public notice under section TWC § 13.301(a)(2) or 16 TAC § 24.239 because continuous and adequate service has been provided by the City to the areas in question and such direct notice of this case would cause unnecessary confusion to existing customers, defeating the purpose of such notice.

Based upon the foregoing and the facts presented, Petitioners believe no additional notice is required and informal disposition is appropriate under the Commission's rules.

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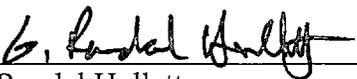
IV. Conclusion

Wherefore, premises considered, Petitioners, Blackland Water Supply Corporation and the City of Rockwall, Texas request the Commission to:

1. Take jurisdiction;
2. Determine that this Petition satisfies applicable requirements;
3. After such notice, if any, and hearing, if any, as may be required by law, approve the Service Area Agreements under TWC §§ 13.248 & 13.255 and find that amendment of Blackland's CCN No. 11305 is also warranted under TWC § 13.254(a), and, under either basis, amend Blackland's CCN No. 11305 by removing the territory described or shown in each of the agreements as depicted in Exhibit A, subject to the minor service area exception stipulated in paragraph II(B)(1) herein;
4. Modify the PUC's water CCN maps for Blackland's CCN; and
5. Grant such other and further relief to which Petitioners may be justly entitled.

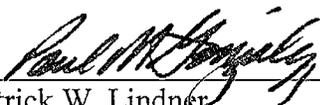
Respectfully submitted,

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Attorneys for City of Rockwall, Texas

VERIFICATION

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

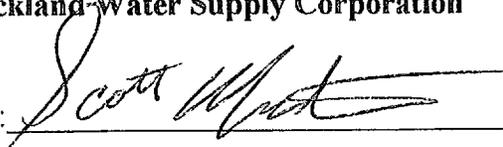
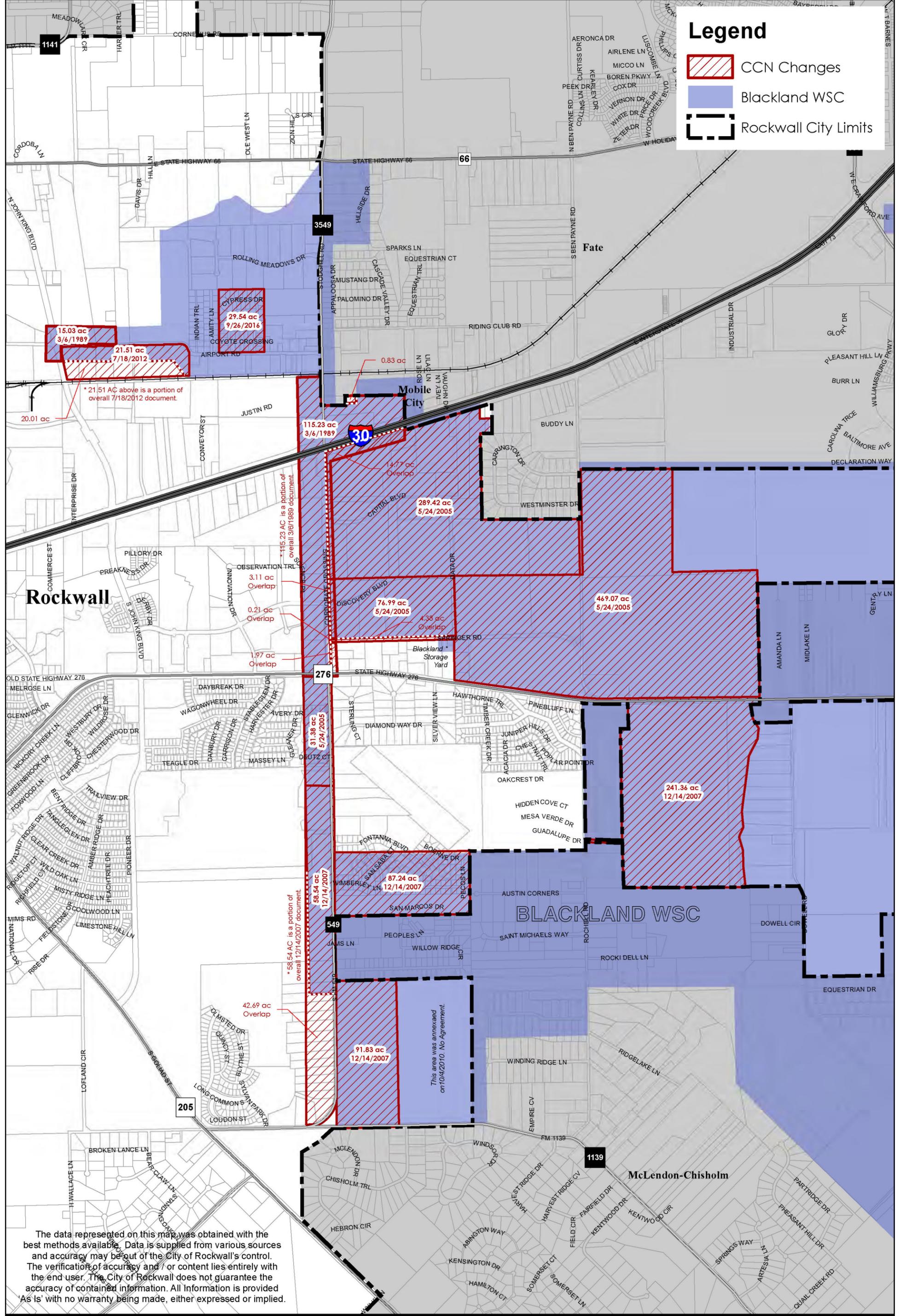
Blackland Water Supply Corporation By:  Name: Scott Muckensturm Title: General Manager Date <u>8-26-2021</u> , 2021	City of Rockwall, Texas By:  Name: Mary Smith Title: Interim City Manager Date <u>9-9-</u> , 2021
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Exhibit “A”

Legend

-  CCN Changes
-  Blackland WSC
-  Rockwall City Limits



The data represented on this map was obtained with the best methods available. Data is supplied from various sources and accuracy may be out of the City of Rockwall's control. The verification of accuracy and / or content lies entirely with the end user. The City of Rockwall does not guarantee the accuracy of contained information. All information is provided 'As Is' with no warranty being made, either expressed or implied.



City of Rockwall



0 0.25 0.5 Miles
Date: 6/14/2021

BLACKLAND WSC TO CITY OF ROCKWALL CCN TRANSFERS

Exhibit “B-1”

STATE OF TEXAS

COUNTY OF ROCKWALL

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WATER SYSTEM PURCHASE CONTRACT

This Agreement is entered into on the 6th day of March, 1989, by and between the Blackland Water Supply Corporation, a non-profit corporation organized pursuant to Article 1434a, Vernon's Annotated Texas Statutes (V.A.T.S.), hereinafter called "Blackland" and the City of Rockwall, Texas, a municipal corporation organized pursuant to Article 11, Section 5, of the Constitution of the State of Texas, hereinafter called "City":

WITNESSETH

WHEREAS, a portion of the Blackland's Water Supply system is located within the city limits of the City of Rockwall, Rockwall County, Texas; and

WHEREAS, the City of Rockwall, Texas, owns and operates its water distribution system within the city limits; and

WHEREAS, in 1985 and 1986 the City annexed territory which included water supply facilities operated by Blackland and, in connection therewith the City, with Blackland's consent and agreement, took over the operation of said facilities with the understanding that compensation therefor would be agreed upon and paid at a later date,

WHEREAS, the City and Blackland now desire to formalize their agreement for the sale of that portion of Blackland's system which is located within the city limits of the City, the "System", in accordance with House Bill 2035 duly passed by the 70th Session of the Texas Legislature which allows for application by the City for single certification of said area in absence of an agreement; and

WHEREAS, both parties hereto deem the public interest to be best served by agreement on the sale of the System by Blackland to the City as more particularly hereinafter described;

NOW, THEREFORE, the parties hereby agree as follows:

1. That the above recitals are hereby agreed to by the parties as being true and correct and incorporated herein.

2. That Blackland hereby agrees to sell to the City all property, water rights, and appurtenances thereto of Blackland which are owned or used by Blackland in connection with the System, as more particularly described by the attached hereto Exhibit "A". Such water rights shall include but not necessarily be limited to the business of supplying water to users, if any, within the area described in Exhibit "A", all pipes, valves, pumps, machinery, equipment and other property used in that business; all franchises, easements, rights-of-way, rights and privileges of Blackland in connection with that business; and all contract rights, claims and options of Blackland in connection with the business. Blackland further agrees that all such water rights are turned over to City as of December 3, 1985, and that it hereby releases and discharges the City from any and all liability, claims or causes of

action in connection with the operation of the System since that date and the proceeds and profits therefrom. Blackland further agrees that it has no claim against the City for any water, sales or customer additions that occurred between that date and the date of this contract.

3. That the purchase price to be paid by the City to Blackland for the water rights and appurtenances thereto listed above for the area described in Exhibit "A", shall be \$90,543.00. Blackland acknowledges that it owes to the City the sum of \$30,158.00. Accordingly, the purchase price will be paid by (1) a cash payment in the amount of \$60,385.00, and (2) the City's release of Blackland's indebtedness to the City in the amount of \$30,158.00.

4. Blackland agrees to execute and deliver to the City all deeds, assignments, bills of sale and other documents and instruments which the City deems necessary or appropriate to transfer title to the City of all elements of the System, free and clear of liens and encumbrances.

5. The parties hereto recognize that a substantial portion of Blackland's water system has been financed through the Farmer's Home administration and that Blackland agrees to seek and obtain approval of this sale from F.M.H.A. and a release of all liens and encumbrances in favor of F.M.H.A. which are secured by the System and to incur any costs associated with obtaining such approval and release.

6. The parties hereto agree that upon consummation of the sale, the area as described shall become a part of Rockwall's municipal water system and that Blackland shall have no further right or obligation to serve or to provide water service to customers within the above-described area and that if Blackland has been certified for the area, this agreement shall be filed with the Texas Water Commission along with application to decertify Blackland from the said area.

7. Blackland agrees that in the event that they acquire an alternate source of water other than City, and that they obtain a release from City to acquire water elsewhere, Blackland will purchase from the City the City's transmission lines that are now serving Blackland's SH-276 pump station. The purchase price shall be determined by applying straight line depreciation based upon a 40-year life to the original cost of the line which shall include construction and engineering.

8. This agreement contains the entire understanding between the parties and such agreement may not be amended, changed or altered without written consent of both parties.

9. Venue for this agreement shall be in Rockwall County, Texas.

If for any reason, F.M.H.A. or the Texas Water Commission fails to approve this agreement within one hundred and twenty (120) days, the parties agree that the City at its option may declare this agreement to be null and void and in such event the City shall be entitled to a return of the purchase price set forth in Paragraph 3 plus any attorney's fees and costs of collection incurred by the City in enforcing its right to the return of such funds, and shall have no further obligation of any kind to Blackland.

EXECUTED ON the date first above written.

BLACKLAND WATER SUPPLY CORPORATION

By Philip H. Miller

ATTEST:

Mrs. Ada Jo Phillips Secy. & Treas.

CITY OF ROCKWALL

By William Eiser

ATTEST:

Mary Nichols



STATE OF TEXAS

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COUNTY OF ROCKWALL

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[]

BILL OF SALE

The Blackland Water Supply Corporation ("Blackland") by and through its duly undersigned representative, in consideration of \$10.00 and other valuable consideration and authority granted to them by the Board of Directors of said Corporation, do hereby SELL, CONVEY AND ASSIGN unto the City of Rockwall, Texas, a municipal corporation, all water rights, property and appurtenances thereto which are a part of Blackland's water supply system and located within the area as more fully described by the hereto attached Exhibit "A", such area located within the city limits of the City of Rockwall, Texas, including without limitation all pipes, valves, pumps, machinery, equipment and other property used in that business; all franchises, easements, rights-of-way, rights and privileges of Blackland in connection with the business; and all contract rights, claims and options of Blackland in connection with the business.

This conveyance is made according to the provisions of an agreement executed by Blackland Water Supply Corporation and the City of Rockwall, Texas, on the 24 day of March, 1989.

BLACKLAND WATER SUPPLY CORPORATION

By Philip H. Miller, President
Authorized Representative

STATE OF TEXAS

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COUNTY OF ROCKWALL

This is to certify that on the 24th day of March, 1989, before me, the undersigned, a notary public in and for Rockwall County, Texas, personally appeared Philip A. Miller, to me known to be the duly authorized representative of the Blackland Water Supply Corporation, that executed the within and foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that he was authorized to execute said instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and affirm my official seal the day and year first above written.

Louise A. Thell
Notary Public in and For
Rockwall County, Texas

EXHIBIT A

This agreement shall apply to all facilities that have been owned or operated by Blackland, that are still owned by Blackland, and that are within the city limits of Rockwall on March 1, 1989. The City limits as of this date are illustrated by the attached map.

2019 ANNEXATION MAP

CITY OF ROCKWALL

www.rockwall.com/gis

KEY: 17-01 TR 1
 Year Ordinance # Tract # (if used)

- | LANDMARKS | SCHOOLS |
|----------------------------------|-----------------------------|
| 1 TEXAS OPS | A ROCKWALL ELEM |
| 2 RECO OFFICE | B HAYS ELEM |
| 3 ANIMAL SHELTER & BUN RANCH | C JONES ELEM |
| 4 ROCKWALL CO JUSTICE CENTER | D WATKIN ELEM |
| 5 ROCKWALL CO TOWN HOUSE | E HERSCHE CHRISTIAN ACADEMY |
| 6 ROCKWALL CO APFTRAL DISTRICT | F UTLEY MIDDLE |
| 7 THE CENTER | G CURRIE ELEM |
| 8 PARKS & RECREATION | H WILLIAMS MIDDLE |
| 9 COMMUNITY CENTER | I WISE JAMES ELEM |
| 10 ROCKWALL CO MAINTENANCE | J SPRINGER ELEM |
| 11 CITY SERVICE CENTER | K ROCKWALL MIDDLE |
| 12 FOOTBALL STADIUM / FACILITIES | L QUEST ACADEMY / ADMIN |
| 13 LIBRARY | M SHANNON ELEM |
| 14 HISTORIC COURTHOUSE | N BERNHARDT ELEM |
| 15 ROCKWALL MUNICIPAL COURTS | O CARMELOE ELEM |
| 16 PUBLIC BOAT RAMP | P MULLEN ELEM (HEATH) |
| 17 CITY OF METRAY | |
| 18 POLICE | |
| 19 RALPH HALL MUNICIPAL AIRPORT | |
| 20 POLICE COMMUNITY CENTER | |

THIS MAP IS FOR GENERAL REFERENCE ONLY. PLEASE REFER TO ANNEXATION ORDINANCES FOR MORE DETAIL.

CITY OF ROCKWALL, TEXAS
 COURTESY OF THE TEXAS STATE ARCHIVES
 CITY OF ROCKWALL, TEXAS
 2019

This map was created with the best available data. The City of Rockwall does not warrant the accuracy or completeness of the information presented on this map. The City of Rockwall does not warrant the accuracy or completeness of the information presented on this map.

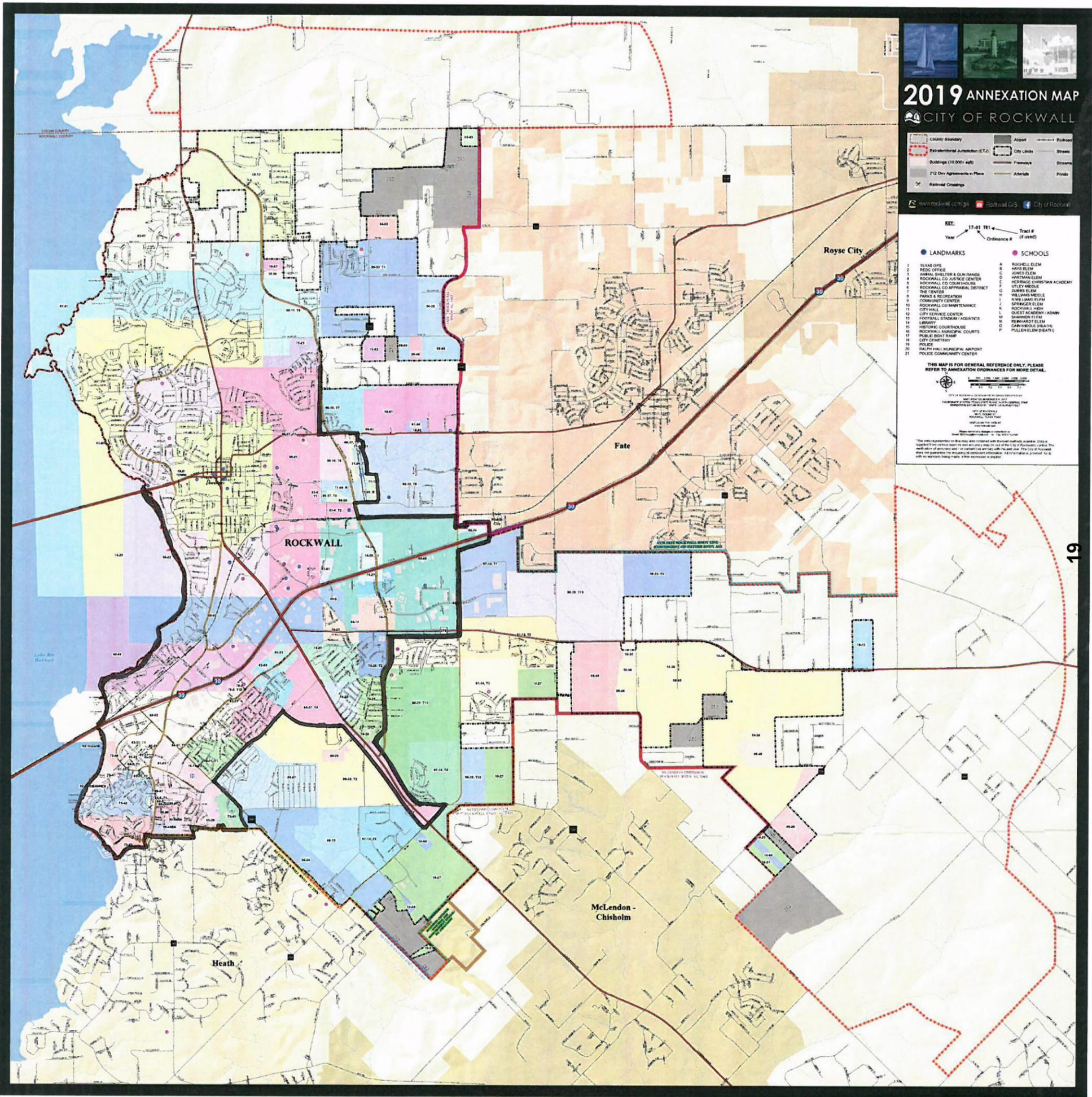


Exhibit “B-2”

**AGREEMENT TO TRANSFER
PORTIONS OF RETAIL WATER SERVICE AREA
(Currington Tract, Loftis Tract, Existing Home Tract, and FM 549 Tract)**

This Agreement to Transfer Portions of Retail Water Service Area (the "Agreement") is made and entered into on the 14th day of December, 2007 (the "Effective Date") by and between Blackland Water Supply Corporation ("BWSC") and the City of Rockwall, Texas (the "City"). BWSC and the City may be referred to herein collectively as the "Parties" and individually as a "Party."

RECITALS

WHEREAS, BWSC is a non-profit water supply corporation, organized and operating pursuant to Chapter 67 of the Texas Water Code, which holds Certificate of Convenience and Necessity ("CCN") No. 11305, and owns water facilities, transmission lines, and distribution lines in Rockwall and Hunt Counties, and provides retail water service to customers within its certificated service area;

WHEREAS, the City desires to acquire the retail water service rights from BWSC for four (4) tracts of land located within BWSC's CCN area, which comprise approximately 499.32 acres total, all of which is within the City's corporate limits; and

WHEREAS, in accordance with Section 13.255 of the Texas Water Code, the Parties desire to enter into a binding agreement governing retail water utility service to the areas described herein; and

WHEREAS, City and RWSC are, by coincidence only, approving a separate contract regarding the supply of water, but that agreement is independent of this Agreement..

AGREEMENT

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

1. Transfer Area. The CCN area to be transferred to the City consists of all of the CCN rights that BWSC may have within the four (4) tracts of land more specifically identified as Phase VI A, Phase VI B, Phase VI C, and Phase VI D on the attached Exhibit "A," comprising approximately 499.32 acres total, hereinafter referred to as the "Transfer Area."
2. Compensation to BWSC. To compensate BWSC for the loss of revenue and service rights in the Transfer Area, the City shall pay to BWSC by certified check or other readily available funds the amount of TWO HUNDRED FORTY-FIVE THOUSAND SIX HUNDRED NINETY AND 00/100 dollars (\$245,690.00), to be made in four equal installment payments, as follows:

a. The initial installment payment of SIXTY-ONE THOUSAND FOUR HUNDRED TWENTY-TWO AND 50/100 dollars (\$61,422.50) shall be received by BWSC not later than 10 days after the Effective Date; and

b. The three remaining installment payments, each in the amount of SIXTY-ONE THOUSAND FOUR HUNDRED TWENTY-TWO AND 50/100 dollars (\$61,422.50), shall be received by BWSC on or before December 1 of the three (3) successive years, with the first of such payments due December 1, 2008. BWSC shall provide the City with an invoice for each installment payment approximately one month before the date the payment is due. No interest shall be charged on the installment payments, if paid when due.

i. If the City fails to comply with any payment obligation under this Section 2(b.) (a "Default"), BWSC agrees not to invoke any rights or remedies with respect to such Default until after BWSC delivers to the City a written notice of the Default, and the City fails to cure the Default within 10 days of receiving notice.

ii. Any Default in payment will be a material breach of this Agreement. Unpaid amounts will accrue interest at a rate of ten percent (10%) per annum, and if BWSC is forced to sue to collect payment, BWSC shall be entitled to recover its reasonable collection costs, including attorney's fees.

3. Transfer of CCN.

a. Application to Transfer the CCN. The Parties shall cooperate to promptly file, or amend, any appropriate application or other documentation with the Texas Commission on Environmental Quality ("TCEQ") to transfer the Transfer Area to the City's CCN (the "Application"). All costs associated with preparing and filing the Application and the pursuit of regulatory approvals shall be borne by the City. The City previously filed an application under Section 13.255(b) of the Texas Water Code seeking single certification of the Transfer Area.

b. Transfer to City. The Parties agree that, after the TCEQ completes the transfer of the CCN, BWSC shall have no further obligation or right to provide water service to any existing or future customers located within the Transfer Area, except as may be agreed by the Parties in writing.

c. Customers in Transfer Area. All retail water customers whose place of use of water is located within the Transfer Area will become customers of the City.

d. Facilities and Waterlines. No facilities, waterlines, equipment or other property or property rights of BWSC are transferred to the City by this Agreement, except for the portions of the retail water CCN as set forth herein.

e. No Impairment of Other Customers. Nothing in this Agreement shall in any way impair or adversely affect BWSC's right to provide water to any customers located outside of the Transfer Area. BWSC shall continue to have the right to use, repair,

replace, and upgrade all of its water transmission and distribution lines and facilities, including those that are located within the Transfer Area, provided however, that BWSC shall not provide retail water service to any customer located within the Transfer Area unless so requested by the City in writing.

4. Transfer of Customers.

a. Notice. BWSC and the City shall cooperate in providing notice of the transfer to customers located within the Transfer Area.

b. Revenues. BWSC shall be entitled to receive all water utility service revenues and fees for water utility services rendered by BWSC prior to the transfer of the Transfer Area, unless otherwise agreed in writing.

c. Prevention of Service Interruption. The Parties shall cooperate to prevent any interruption of water service to the customers located within the Transfer Area.

5. General Provisions.

a. Assignment. This Agreement may not be assigned by either Party without the written consent of the other Party. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted and approved successors and assigns.

b. Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the Parties hereto.

c. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Rockwall County, Texas.

d. Authority. The respective signatories to this Agreement covenant that they are fully authorized to sign and execute this Agreement on behalf of their respective Party.

e. Notice. Any notice provided for under the terms of this Agreement by either Party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested, addressed and delivered to the following:

to the City: City Manager
City of Rockwall, Texas
108 E. Washington
Rockwall, Texas 75087

With copy to:

Patrick Lindner
Davidson & Troilo, P.C.
7550 West IH-10, Suite 800
San Antonio, Texas 78229

to BWSC:

President
Blackland Water Supply Corporation
P.O. Box 215
Fate, Texas 75132

with copy to:

Leonard Dougal
Jackson Walker L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701

Each Party may change the address to which notice may be sent by giving notice of such change to the other Party in accordance with the provisions of this Agreement.

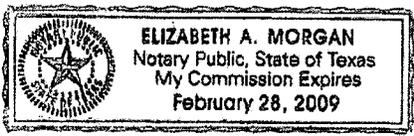
f. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

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

h. Enforceability. The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms.

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

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 14th day of December, 2007.



Elizabeth A Morgan
Notary Public in and for the State of Texas
My Commission Expires: 2-28-09

EXHIBIT "A"
Identification of the Transfer Area

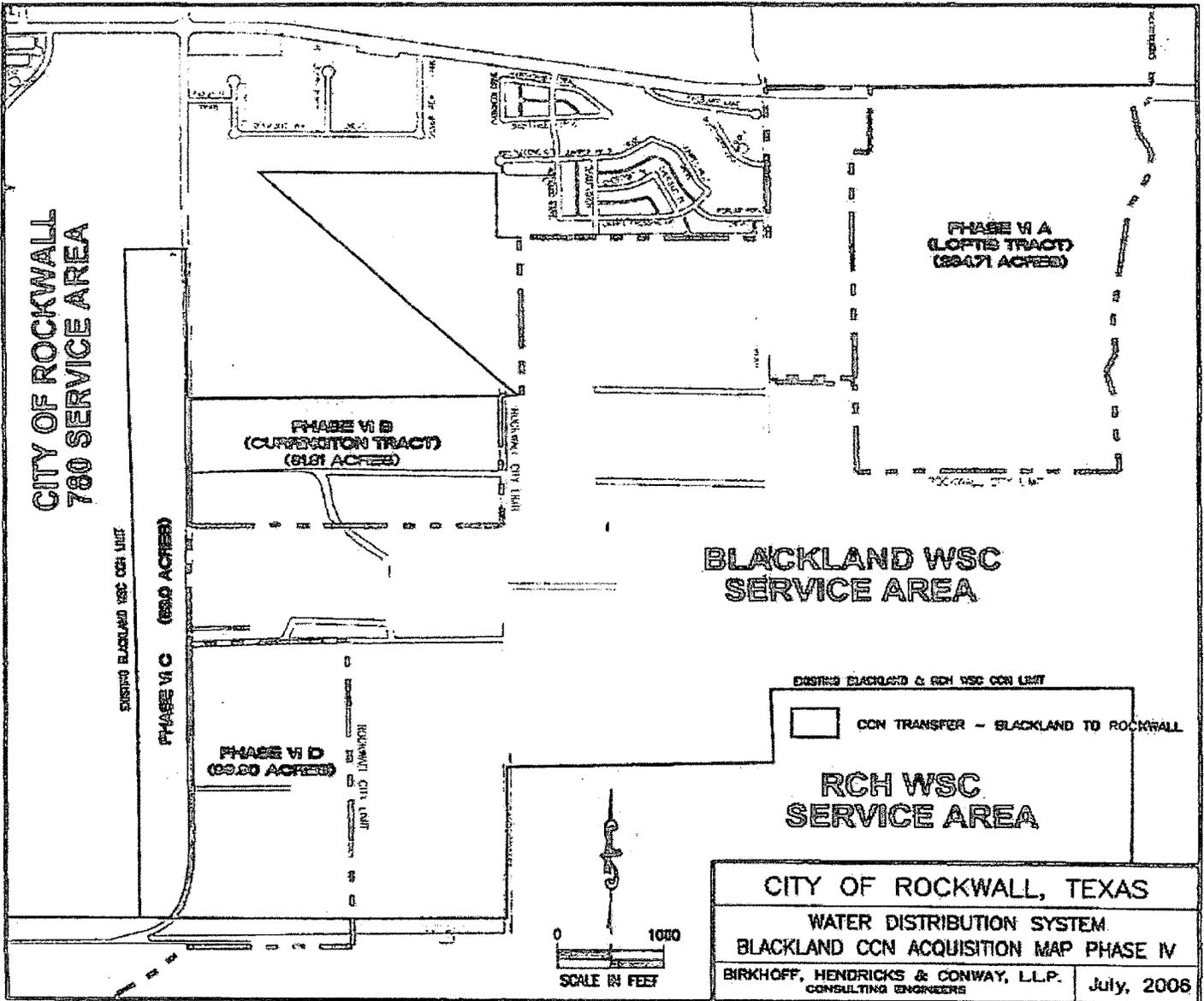


Exhibit "B-3"

SOAH DOCKET NO. 582-05-3133
TCEQ DOCKET NO. 2004-1736-UCR

APPLICATION BY CITY OF ROCKWALL §
TO DECERTIFY A PORTION OF CCN §
NO. 11305 FROM BLACKLAND WATER §
SUPPLY CORPORATION IN §
ROCKWALL COUNTY; APPLICATION §
NO. 3644-C §

BEFORE THE STATE OFFICE
OF
ADMINISTRATIVE HEARINGS

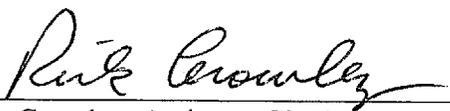
MEDIATED SETTLEMENT AGREEMENT

On April 29, 2005, and May 24, 2005, a mediation was held concerning the above-referenced matter in Rockwall and Austin, Texas. To avoid litigating this application in a contested public hearing, the City of Rockwall and Blackland Water Supply Corporation have mediated their dispute and agree to the following:

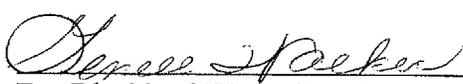
1. The City of Rockwall shall pay to Blackland Water Supply Corporation the sum of \$700,000 ("the payment") within 30 days of the approval of this agreement by the City of Rockwall City Council and the Blackland Water Supply Corporation Board of Directors.
2. By May 26, 2005, the City of Rockwall and Blackland Water Supply Corporation will file a joint motion to abate discovery and the procedural schedule in the contested case hearing pertaining to this matter pending approval of the agreement by the respective governing bodies.
3. This agreement resolves all issues pertaining to the City of Rockwall's compensation of Blackland Water Supply Corporation for the decertification/single certification of the approximately 857 acres of Blackland Water Supply Corporation's water CCN that are subject to this application ("the transfer area"), as more fully described and shown on the three maps, Exhibit "A," attached hereto and incorporated herein, and including attorney's fees and all other costs. No water lines, facilities, or other property of Blackland Water Supply Corporation are included in the transfer. The existing customers along the west side of Amanda Road and Jowers Tire Service will remain customers of Blackland Water Supply Corporation.
4. The parties agree that the terms of this settlement agreement shall not be binding or precedential with respect to future CCN acquisitions by the City of Rockwall.
5. This agreement is subject to the approval of the City Council of the City of Rockwall and the Board of Directors of Blackland Water Supply Corporation. The City of

Rockwall's negotiating team, including the assistant city manager, finance director, city engineer, attorney, and rate consultant, shall recommend approval of the agreement to the Rockwall City Council at its next regularly scheduled meeting, currently set for June 6, 2005. If the City Council approves the agreement, Blackland Water Supply Corporation's president and counsel shall recommend approval of the agreement to Blackland Water Supply Corporation's Board of Directors at the next meeting following the City of Rockwall's approval, which meeting is currently scheduled for June 14, 2005.

6. Following the approval of this agreement by the City Council of the City of Rockwall and the Board of Directors of Blackland Water Supply Corporation, and within five business days of the receipt of the payment to Blackland Water Supply Corporation, the City of Rockwall and Blackland Water Supply Corporation will file a joint motion in which Blackland Water Supply Corporation will withdraw its protest and request for hearing and request that the proceeding be remanded for administrative approval by the Executive Director of the TCEQ.
7. If either the City Council of the City of Rockwall or the Board of Directors of Blackland Water Supply Corporation does not accept this agreement by June 24, 2005, this agreement shall be null and void.
8. Blackland Water Supply Corporation and the City of Rockwall agree that, after the payment of the \$700,000, the City of Rockwall will have the sole right to provide retail water service within the transfer area, except for Blackland Water Supply Corporation's existing customers described in paragraph 3, above.


Rick Crowley, Assistant City Manager
For the City of Rockwall
Date: 5-24-05


Patrick Lindner, Attorney
For the City of Rockwall
Date: 5-24-05


For Blackland Water Supply Corporation
Genell Walker, President
Date: 5-24-05

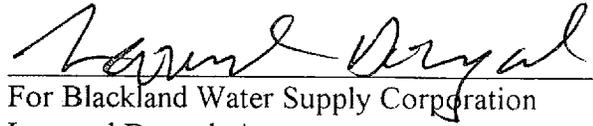

For Blackland Water Supply Corporation
Leonard Dougal, Attorney
Date: 5-24-05

EXHIBIT "A"
1/3

549

ROCKWALL ANNEXATION OF
BLACKLAND WSC CCN
ROCKWALL TECHNOLOGY PARK



Total:
105 Acres

PROPOSED
ELEVATED TANK

CITY OF ROCKWALL
SERVICE AREA

BLACKLAND WSC
SERVICE AREA

LEGEND	
	CITY OF ROCKWALL SERVICE AREA
	BLACKLAND WSC SERVICE AREA
	PROPOSED ROCKWALL ANNEXATION OF BLACKLAND WCS CCN

CITY OF ROCKWALL, TEXAS

WATER DISTRIBUTION SYSTEM 105

BLACKLAND CCN ANNEXATION MAP - PHASE I

BIRKHOFF, HENDRICKS & CONWAY, L.L.P. SEPT., 2002

32 CONSULTING ENGINEERS

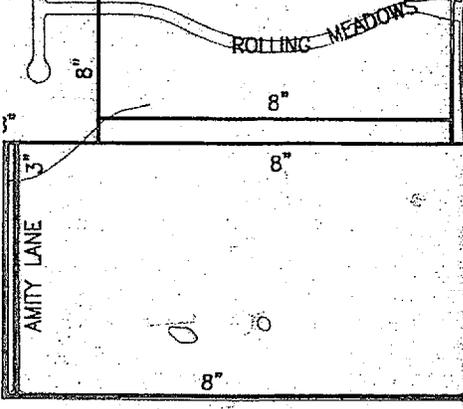
Revised: 09/12/2002 JFO H:\Projects\Rockwall\99105\blacklandccnpurchase1.dwg

ROCKWALL CITY LIMIT

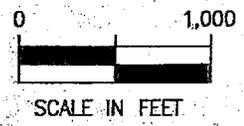
2/3

PHASE 3A BLACKLAND WSC ACQUISITION (331 ACRES)

549



CITY OF FATE SERVICE AREA



EXISTING BLACKLAND CCN LIMIT

BLACKLAND WSC PUMP STATION

VALL AREA

PHASE 3A RETAIL CUSTOMERS (160 ACRES)

EXIST. BLACKLAND CCN LIMIT

780 SERVICE AREA DIVIDE

PROPOSED WATERLINE

549

PHASE 3B BLACKLAND WSC CCN ACQUISITION (282 ACRES)

EXISTING BLACKLAND CCN LIMIT

EXISTING BLACKLAND CCN LIMIT
EXISTING ROCKWALL CITY LIMIT

EXISTING BLACKLAND CCN LIMIT
EXISTING ROCKWALL CITY LIMIT

OF ROCKWALL SERVICE AREA

CITY OF ROCKWALL, TEXAS 282

WATER DISTRIBUTION SYSTEM
BLACKLAND CCN ACQUISITION MAP - PHASE III

BIRKHOFF, HENDRICKS & CONWAY, L.L.P.
CONSULTING ENGINEERS

MAR., 2002

Exhibit "B-4"

**AGREEMENT TO TRANSFER PORTIONS
OF RETAIL WATER SERVICE AREA AND
CERTAIN WATER DISTRIBUTION FACILITIES**

Area 1: 41.523 acres of raw land bounded by Airport Road on the north, John King Blvd. on the west, the Blackland Airport Road Pump Station on the east, and the UP/Dallas Garland N.E. Railroad on the south, with one existing residential connection;

Area 2: 3 existing residential connections on South FM 549 which are addressed as 1925 S. FM549, 1957 S. FM549, and FM549 Clear Channel Tower Field; and

Area 3: 1 existing connection served by a two-inch (2") meter (equivalent to eight (8) single-family residential connections) on IH 30 Westbound Service Road addressed as 1805 E. IH 30 being adjacent to CCN 11305 but outside of any CCN.

This Agreement to Transfer Portions of Retail Water Service Area and Certain Water Distribution Facilities (the "**Agreement**") is made and entered into on the 17th day of July, 2012 (the "**Effective Date**") by and between Blackland Water Supply Corporation ("**Blackland**") and the City of Rockwall, Texas (the "**City**"). Blackland and the City may be referred to herein collectively as the "**Parties**" and individually as a "**Party**."

RECITALS

WHEREAS, Blackland is a non-profit water supply corporation organized and operating pursuant to Chapter 67 of the Texas Water Code, which holds Certificate of Convenience and Necessity ("**CCN**") No. 11305, and owns water facilities, transmission lines, and distribution lines in Rockwall and Hunt Counties, and provides retail water service to customers within its certificated service area;

WHEREAS, the City desires to acquire the retail water service rights from Blackland for three (3) areas of land located within and adjacent to Blackland's CCN area, as described above, all of which is within the City's corporate limits;

WHEREAS, in accordance with Sections 13.248 and 13.255 of the Texas Water Code, the City will file an application with the Texas Commission on Environmental Quality ("**TCEQ**") to acquire Blackland's service area rights within the three described areas, identified as Areas 1, 2 and 3 in the caption of this Agreement; and

WHEREAS, the Parties desire to enter into an agreement relating to the transfer of the retail water utility service rights to the areas described herein.

AGREEMENT

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

1. Transfer Area. The CCN area to be transferred to the City consists of all of the CCN rights that Blackland may have within the three (3) areas listed in the caption of this Agreement and shown as the cross-hatched areas on the aerial photographs attached as Exhibit "A"; hereinafter the three areas shall be referred to collectively as the "**Transfer Area.**"

2. Transfer of Certain Water Facilities. Subject to and pursuant to the terms of this Agreement, Blackland agrees to convey to the City at Closing those certain water lines and meter boxes identified on Exhibit "B" attached hereto (the "Surplus Waterlines"). The City acknowledges and agrees that the Surplus Waterlines are used and at Closing will be conveyed by a Bill of Sale, without representations or warranties whatsoever, in their then existing condition. The Surplus Waterlines are to be conveyed to the City solely "AS IS, WHERE IS, and WITH ALL DEFECTS" and after such conveyance Blackland shall have no obligation to maintain, replace or repair any of the Surplus Waterlines. Blackland also agrees to assign (without representations or warranty) those easements or rights-of-way, if any, in which the Surplus Waterlines are located.

3. Compensation to Blackland. To compensate Blackland for the loss of revenue and service rights in the Transfer Area, the sale of the Surplus Waterlines, and any and all damages that Blackland may suffer as a result of the transfer, if any, the City shall pay to Blackland by certified check or other readily available funds the amount of FORTY ONE THOUSAND FOUR HUNDRED SIXTY ONE AND 50/100 dollars (\$41,461.50), such payment shall be made in a single lump-sum payment within ten (10) days after the Effective Date of this Agreement. The total amount is determined as follows:

Raw Land: 41.523 ac. (area 1) x \$500 per acre = \$20,761.50

Active Meter Equivalents: 1(area 1) +3(area 2) + 8(area 3) = 12 x \$1,725 per meter equivalent = \$20,700.00

Total: \$41,461.50

Upon payment of the Compensation, the City shall be entitled to provide retail water utility service to the Transfer Area without a CCN under Section 13.242(c) of the Texas Water Code and 30 Tex. Admin. Code § 291.103(c).

4. Transfer of CCN.

a. Application to Transfer the CCN. The Parties shall cooperate to promptly file, or amend, any appropriate application or other documentation with the TCEQ to decertify the Transfer Area from Blackland's CCN (the "**Application**"). All costs associated with preparing and filing the Application and the pursuit of regulatory

approvals shall be borne by the City. The City agrees to diligently pursue the TCEQ's approval of the Application.

b. Transfer to City. The Parties agree that, after the date of Closing, Blackland shall have no further obligation or right to provide water service to any existing or future customers located within the Transfer Area, except as may be agreed by the Parties in writing.

c. Customers in Transfer Area. All retail water customers whose place of use of water is located within the Transfer Area will become customers of the City as of the date of Closing.

d. No Impairment of Other Customers. Nothing in this Agreement shall in any way impair or adversely affect Blackland's right to provide water to any customers located outside of the Transfer Area. Blackland shall continue to have the right to use, repair, replace, and upgrade all of its water transmission and distribution lines and facilities, including those that are located within the Transfer Area, but excluding the Surplus Waterlines, provided however, that Blackland shall not provide retail water service to any customer located within the Transfer Area unless so requested by the City in writing.

5. Closing. Within sixty (60) days after the TCEQ's approval of the Application described in Section 4(a), or at such other time agreed to by the City and Blackland, a closing (the "**Closing**") shall be held. At Closing, Blackland will deliver to the City: (i) a Bill of Sale transferring Blackland's rights, title and interest to the Transfer Area and the Surplus Waterlines, and (ii) an Assignment of the easements and rights of way, if any, as described in Section 2. Blackland will assist the City in obtaining the readings from the meters for the existing customers, such reading to occur not more than three days before the Closing, unless otherwise agreed to by the Parties.

6. Transfer of Customers.

a. Notice. Blackland and the City shall cooperate in providing notice of the transfer to customers located within the Transfer Area.

b. Revenues. Blackland shall be entitled to receive all water utility service revenues and fees for water utility services rendered by Blackland prior to the transfer of the Transfer Area, unless otherwise agreed in writing.

c. Prevention of Service Interruption. The Parties shall cooperate to prevent any interruption of water service to the customers located within the Transfer Area.

7. General Provisions.

a. Assignment. This Agreement may not be assigned by either Party without the written consent of the other Party. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective permitted and approved successors and assigns.

b. Entire Agreement. This Agreement contains the entire agreement of the Parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the Parties hereto.

c. Applicable Law. This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Rockwall County, Texas.

d. Authority. The respective signatories to this Agreement covenant that they are fully authorized to sign and execute this Agreement on behalf of their respective Party.

e. Notice. Any notice provided for under the terms of this Agreement by either Party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested, addressed and delivered to the following:

to the City:

City Manager
City of Rockwall, Texas
385 S. Goliad
Rockwall, Texas 75087

With copy to:

Patrick Lindner
Davidson & Troilo, P.C.
7550 West IH-10, Suite 800
San Antonio, Texas 78229

to Blackland:

President
Blackland Water Supply Corporation
P.O. Box 215
Fate, Texas 75132

with copy to:

Leonard Dougal
Jackson Walker L.L.P.
100 Congress Avenue, Suite 1100
Austin, Texas 78701

Each Party may change the address to which notice may be sent by giving notice of such change to the other Party in accordance with the provisions of this Agreement.

f. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

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

h. Enforceability. The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms.

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

IN WITNESS WHEREOF, the Parties have executed this Agreement and caused this Agreement to be effective on the date first written above as reflected by the signatures below.

BLACKLAND WATER SUPPLY CORPORATION



President, Board of Directors

STATE OF TEXAS

§
§
§

COUNTY OF ROCKWALL



BEFORE ME, the undersigned authority, on this day personally appeared James K Myers known to me to be one of the persons whose names are subscribed to the foregoing instrument; he/she acknowledged to me he/she is the duly authorized representative for BLACKLAND WATER SUPPLY CORPORATION, and he/she executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 18th day of July, 2011 2012

May 31, 2015

Notary Public in and for the State of Texas

My Commission Expires:

CITY OF ROCKWALL, TEXAS

Richard Crowley

Richard Crowley, City Manager

STATE OF TEXAS

§
§
§

COUNTY OF ROCKWALL

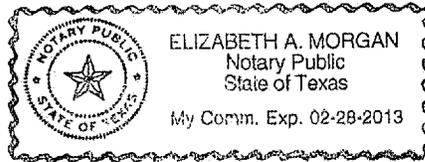
BEFORE ME, the undersigned authority, on this day personally appeared Richard Crowley known to me to be one of the persons whose names are subscribed to the foregoing instrument; he/she acknowledged to me he/she is the duly authorized representative for CITY OF ROCKWALL, TEXAS, and he/she executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 17 day of July, 2012.

Elizabeth A Morgan

Notary Public in and for the State of Texas

My Commission Expires:





SUBJECT PROPERTY



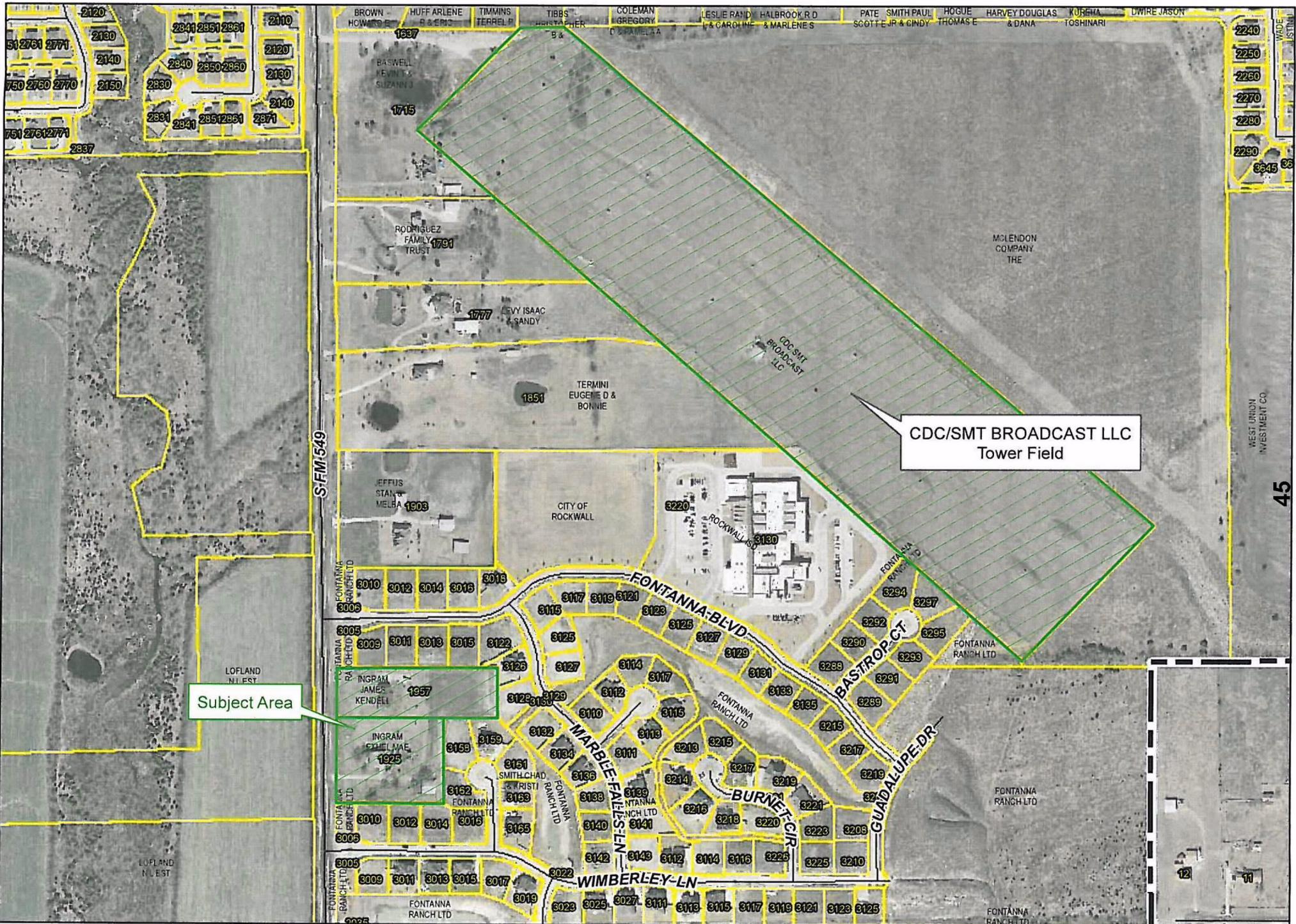
0 125 250 500 750 1,000 Feet

JULY 18, 2011

1 inch = 500 feet

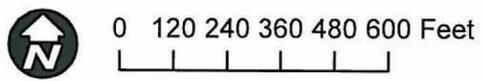
A-2

CCN - ACQUISITION MAP



CDC/SMT BROADCAST LLC
Tower Field

Subject Area



1 inch = 425 feet

A-3

45

EXHIBIT “B”
Surplus Waterlines

Area 1

- Approximately 1,300 linear feet of 6” waterline along Airport Road from the former master meter location to the current master meter location.

Area 2

- No surplus waterlines.

Area 3

- Approximately 2,100 linear feet of 6” waterline from the existing pump station south to the golf course and 2 industrial buildings.
- A single two-inch (2”) water meter that provides services to the golf course and 2 industrial buildings.

Exhibit “C”

2019 ANNEXATION MAP

CITY OF ROCKWALL

www.rockwall.com/gis Rockwall GIS City of Rockwall

LEGEND

	County Boundary		Airport
	Cadastral/Levelling (C/L)		City Limits
	Dallages (10,200+ sqft)		Freeway
	2-10 Day Agreements in Place		At-grade
	Railroad Overpass		Railroad

Scale: 1" = 100' (30.48m)

Year: 17-21 **Order:** 1-10 **Text #:** (1-10)

LANDMARKS

1 TEXAS ONE	11 ROCKWELL ELEMENTARY
2 WACO OFFICE	12 ROCKWELL ELEMENTARY
3 ANNA MARIE TOLSON RANGE	13 ROCKWELL ELEMENTARY
4 ROCKWALL DISTRICT CENTER	14 ROCKWALL ELEMENTARY
5 ROCKWALL CO. COURTHOUSE	15 ROCKWALL ELEMENTARY
6 ROCKWALL CO. APPRAISAL DISTRICT	16 ROCKWALL ELEMENTARY
7 THE OFFICE	17 ROCKWALL ELEMENTARY
8 PARKS & RECREATION	18 ROCKWALL ELEMENTARY
9 COMMUNITY CENTER	19 ROCKWALL ELEMENTARY
10 ROCKWALL CO. MAINTENANCE	20 ROCKWALL ELEMENTARY
11 CITY ENGINE CENTER	21 ROCKWALL ELEMENTARY
12 ROCKWALL POLICE DEPARTMENT	22 ROCKWALL ELEMENTARY
13 ROCKWALL STADIUM FACILITY	23 ROCKWALL ELEMENTARY
14 HISTORIC COURTHOUSE	24 ROCKWALL ELEMENTARY
15 ROCKWALL MUSEUM	25 ROCKWALL ELEMENTARY
16 PUBLIC CITY HALL	26 ROCKWALL ELEMENTARY
17 CITY CEMETERY	27 ROCKWALL ELEMENTARY
18 RALPH HALL AIRPORT	28 ROCKWALL ELEMENTARY
19 POLICE COMMUNITY CENTER	29 ROCKWALL ELEMENTARY

SCHOOLS

A ROCKWELL ELEMENTARY
B ROCKWELL ELEMENTARY
C ROCKWELL ELEMENTARY
D ROCKWELL ELEMENTARY
E ROCKWELL ELEMENTARY
F ROCKWELL ELEMENTARY
G ROCKWELL ELEMENTARY
H ROCKWELL ELEMENTARY
I ROCKWELL ELEMENTARY
J ROCKWELL ELEMENTARY
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V ROCKWELL ELEMENTARY
W ROCKWELL ELEMENTARY
X ROCKWELL ELEMENTARY
Y ROCKWELL ELEMENTARY
Z ROCKWELL ELEMENTARY

DISCLAIMER: THIS MAP IS FOR GENERAL REFERENCE ONLY. PLEASE REFER TO ANNEXATION ORDINANCES FOR MORE DETAIL.

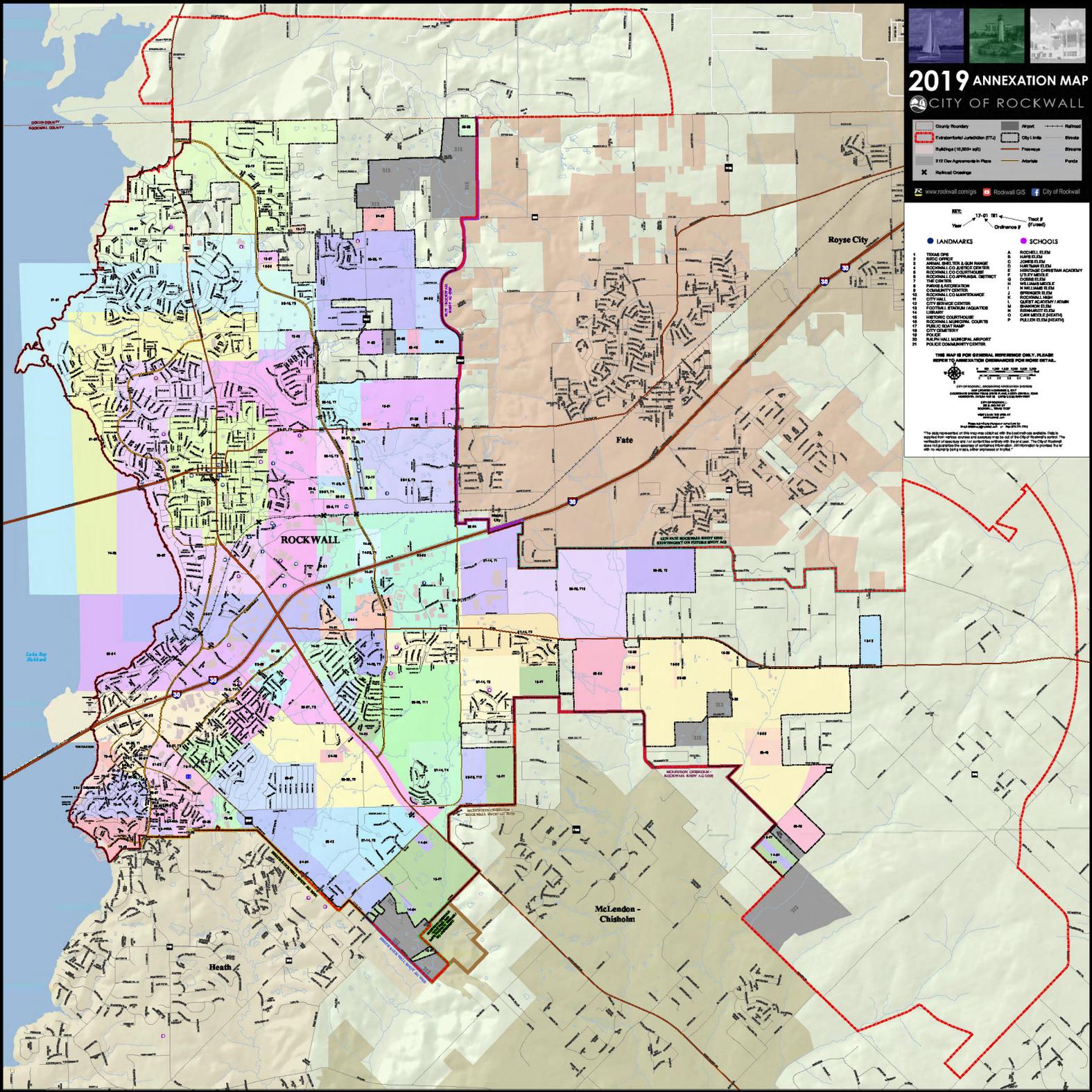


Exhibit "D-1"

**AGREEMENT CONCERNING
RETAIL WATER UTILITY SERVICE AREAS**

(Airport Road)

This Agreement Concerning Retail Water Utility Service Areas ("Agreement") is made and entered into on the 21st day of September, 2016 (the "Effective Date") by and between Blackland Water Supply Corporation ("BWSC") and Redcrest SE LLC ("Developer"). BWSC and Developer may collectively be referred to herein as the "Parties."

RECITALS

WHEREAS, BWSC is a non-profit water supply corporation, is organized and operates pursuant to Chapter 67 of the Texas Water Code, holds Certificate of Convenience and Necessity ("CCN") No. 11305, and owns water facilities, transmission lines, and distribution lines in Rockwall County in and around the City of Rockwall, and provides retail water utility service to customers within its certificated service area;

WHEREAS, the portions of BWSC's CCN area are located within the city limits of the City of Rockwall including the area of the Rockwall Lakeside Church of Christ Addition (the "Subdivision"), and the City desires to be the provider of retail water service to the Subdivision, under the terms set forth in this Agreement;

WHEREAS, Developer is developing the residential lots within the Subdivision; and

WHEREAS, the Developer and BWSC wish to enter into a binding agreement governing the specific retail water utility service areas described herein, and as allowed by Texas Water Code Section 13.255.

AGREEMENT

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

1. Transfer Area and Compensation

1.1 Transfer Area. The CCN area to be transferred to the City of Rockwall consists of a portion of the Subdivision in which BWSC is the certificated retail water provider. The area is specifically identified in the attached Exhibit "A," and is designated as the "Transfer Area."

1.2 Compensation to BWSC. To compensate BWSC for the loss of revenue and service rights in the Transfer Area, the Parties agree that Five Hundred dollars (\$500.00) per acre is just, adequate, and reasonable compensation to BWSC.

1.3 Payment. Within ten (10) business days of the Effective Date, the Developer shall pay to BWSC, by certified check, the full amount set forth in Paragraph 1.2. If the payment

is not timely made, this Agreement shall terminate and BWSC shall remain certificated to the Transfer Area.

2. Transfer of CCN

2.1 Transfer to City of Rockwall. Following receipt of the payment, BWSC agrees to transfer to the City of Rockwall that portion of CCN No. 11305 that is within the Transfer Area if so desired by the City of Rockwall.

2.2 Application to Amend CCN. BWSC shall cooperate with the Developer and the City of Rockwall to support an appropriate application with the Public Utility Commission of Texas ("PUC") to transfer the Transfer Area to the City of Rockwall. BWSC and the City will support and cooperate with each other and the PUC to accomplish the transfer. All costs associated with preparing and filing the CCN application and the pursuit of regulatory approvals shall be borne by the Developer or the City of Rockwall.

2.3 Customers in Transfer Area. There are no retail water customers whose place of use of water is located within the Transfer Area.

2.4 Facilities and Waterlines. No facilities, water lines, equipment, or other property or property rights of BWSC are transferred to the City of Rockwall by this Agreement, except for the portion of the retail water CCN as set forth herein.

2.5 No Impairment of Other Customers. Nothing in this Agreement shall in any way impair, or adversely affect, BWSC's right to provide water to any customers located outside of the Transfer Area. BWSC shall continue to have the right to use, repair, replace, and upgrade all of its water transmission and distribution lines and facilities, including those that are located within the Transfer Area, provided however, that BWSC shall not provide retail water service to any customer in the Transfer Area unless so requested by the City of Rockwall in a writing.

3. Miscellaneous

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

3.2 This Agreement contains the entire agreement of the parties with respect to the matters contained herein and may not be modified or terminated except upon the provisions hereof or by the mutual written agreement of the parties hereto.

3.3 This Agreement shall be construed in accordance with the laws of the State of Texas and shall be performable in Rockwall County, Texas.

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

3.5 The individuals executing this Agreement on behalf of the respective parties below represent to each other and to others that all appropriate and necessary action has been taken to authorize the individual who is executing this Agreement to do so for and on behalf of

the party for which his or her signature appears, that there are no other parties or entities required to execute this Agreement in order for the same to be an authorized and binding agreement on the party for whom the individual is signing this Agreement, and that each individual affixing his or her signature hereto is authorized to do so, and such authorization is valid and effective on the date hereof.

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

3.7 Any notice provided for under the terms of this Agreement by either party to the other shall be in writing and may be effected by registered or certified mail, return receipt requested, addressed and delivered to the following:

to BWSC: Jennifer Cannon, General Manager
Blackland Water Supply Corporation
P. O. Box 215
Fate, Texas 75132

to Developer: Ridgecrest SF Ltd.

Edith Winchester Drive Ste. 710
Dallas TX 75225

Each party may change the address to which notice may be sent by giving notice of such change to the other parties in accordance with the provisions of this Agreement.

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

3.9 In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

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

EXHIBIT "A" Transfer Area

LEGAL DESCRIPTION

BEING, a tract of land situated in the E.M. Elliott Survey, Abstract No. 77 in Rockwall County, Texas, being all of Lot 2 Block A and a portion of Lot 1 Block A, out of Rockwall Lakeside Church of Christ Addition, an addition to the City of Rockwall, as described in Cabinet F, Slide 72-78, in the Plat Records of Rockwall County, Texas, being more particularly described as follows:

BEGINNING, at a ½ inch iron rod set at the southwest corner of said Rockwall Lakeside Church of Christ Addition and being the southeast corner of Greenlee addition, an addition to the City of Rockwall, as described in Cab. A, Slide 151, in said Plat Records;

THENCE, North 01°05'03" East, along the west line of said Rockwall Lakeside Church of Christ Addition and along the east line of said Greenlee Addition, for a distance of 1325.57 feet, to a ½ inch iron rod set at the northwest corner of said Rockwall Lakeside Church Addition;

THENCE, South 89°18'40" East, along the north line of said Rockwall Lakeside Church Addition, at 894.47 feet, passing the northeast corner of said Lot 2 Block A and the northwest corner of said Lot 1 Block A, for a total distance of 954.47 feet, to a ½ inch iron rod set;

THENCE, South 01°09'28" West, departing said north line, for a distance of 1353.35 feet, to a ½ inch iron rod set at the most southerly southeast corner of said Rockwall Lakeside Church of Christ Addition;

THENCE, North 88°50'39" West, along the south line of said Rockwall Lakeside Church of Christ Addition, for a distance of 952.71 feet, to the POINT OF BEGINNING and containing 29.541 acres of land.