

FIRST AMENDED AND RESTATED
AGREEMENT CONCERNING CREATION AND OPERATION
OF
SENNA HILLS MUNICIPAL UTILITY DISTRICT

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

THIS FIRST AMENDED AND RESTATED AGREEMENT CONCERNING CREATION AND OPERATION OF SENNA HILLS MUNICIPAL UTILITY DISTRICT (this "Agreement"), dated effective as of October 1, 1992, is made and entered into by and among the City of Austin, Texas (hereinafter referred to as the "City"), a Home Rule City situated in Travis County, Texas, acting herein by and through its undersigned duly authorized City Manager, as authorized by specific action of its City Council; Senna Hills Municipal Utility District (hereinafter the "District"), a municipal utility district created on the 6th day of April, 1988, by order of the Texas Water Commission, and operating pursuant to Chapter 54 of the Texas Water Code; and Senna Hills, Ltd., a Texas limited partnership (hereinafter "Senna Hills"), successor in interest to Senna Hills, Ltd., a Texas limited partnership, as the holder of legal title to a majority in value of the land comprising the District, which land is more particularly described in Exhibit "A" (the "Property"), attached hereto and incorporated herein by reference, consisting of approximately 316.695 contiguous acres situated wholly in Travis County, Texas, and lying wholly within the extraterritorial jurisdiction of the City.

The City, the District, and Senna Hills, Ltd. previously entered into that certain Agreement Concerning Creation and Operation of Senna Hills Municipal Utility District (the "Original Agreement") which details the terms and conditions upon which the property within the District is to be developed and the District is to be operated. The property in the District covered by the Original Agreement included the Property and an additional 76.10 acres of land (the "76 Acre Tract") out of the Chris Parker Survey No. 80, the Chris Parker Survey No. 400, the J.R. Watson Survey No. 646, the E.C. Gaines Survey No. 76, and the John Mustain Survey No. 40, all in Travis County, Texas, located on the south side of FM 2244. Title to the 76 Acre Tract has been acquired by Charles E. Ball and Troylyn W. Ball (collectively the "Balls"). The Balls submitted a request to the Board of Directors of the District to have the 76 Acre Tract de-annexed from the District. This request was approved by the Board of Directors of the District, subject to the City's approval of the deletion of the 76 Acre Tract from the coverage of the Original Agreement. The City is willing to delete the 76 Acre Tract from the coverage of the Original Agreement in accordance with the terms and provisions hereof. The City, the District, and Senna Hills also wish to make other modifications and amendments to the Original Agreement and to restate the Original Agreement, as so modified and amended, in its entirety.

Therefore, for and in consideration of the mutual agreements, covenants, and conditions hereinafter set forth, the parties hereto hereby contract and agree as follows:

ARTICLE 1

COMPLIANCE WITH CITY'S WATER DISTRICT ORDINANCE

Section 1.1 General Statement. Except as otherwise expressly provided herein, the consent to the creation of the District hereby granted by the City is subject to, and the creation and operation of the District shall be in accordance with, the Water District Ordinance adopted by the City Council of the City of Austin on August 19, 1981, by Ordinance Number 810819-E, as amended, a true and correct copy of which is attached hereto as Exhibit "B" and incorporated herein by reference ("Water District Ordinance"). The terms and conditions of the Water District Ordinance are made a part of this Agreement for all purposes to the extent permitted by law.

Section 1.2. Exemptions. Notwithstanding any provision in the Water District Ordinance to the contrary, the City has granted exemptions and/or variances to the District from certain sections of the Water District Ordinance as follows: (a) Sections II A. and III.: Granting the District the authority to issue bonds for all water, wastewater and drainage facilities of the District to the extent permitted by the Texas Water Commission, and (b) Section IV: Granting the District the authority to make surcharge calculations based on the bonding authority permitted by this Section 1.2.

ARTICLE 2

ISSUANCE OF BONDS BY THE DISTRICT

Section 2.1. General Statement. The District agrees that it shall only issue bonds and notes, including bond anticipation notes, for the purposes and in the manner provided by the rules and requirements of the Texas Water Commission and the Water District Ordinance. All bonds and notes of the District (the "District Bonds") and the terms and provisions thereof shall be approved by the City Council of the City in accordance with Section 9-13-1, et. seq. of the 1981 Code of the City of Austin, as amended ("Water District Procedure Ordinance"), prior to the issuance thereof, which approval shall not be unreasonably withheld; provided, however, that any authorization which may be granted hereunder by the City of a principal amount of District bonds (plus interest) proposed to be issued by the District shall be deemed to include the approval of bond anticipation notes in a principal amount not to exceed the amount of principal and interest of the District Bonds so authorized. It is specifically agreed that the District Bonds, when issued, shall be secured by a pledge of the District's taxes and revenues.

Section 2.2 Use of Bonds and Other Funds. The parties hereto acknowledge and agree that this Agreement and the Water District Ordinance have the effect of restricting the general statutory purposes for which the District may issue bonds and notes. The parties further recognize and agree that neither this Agreement nor the Water District Ordinance

otherwise restrict or limit the powers and authority of the District to acquire, own, operate and maintain water or wastewater systems, drainage facilities, recreational facilities, or any other systems, facilities, assets or properties of or serving the District. The District may use funds and assets from any other available, lawful source to provide for such acquisition, ownership, maintenance and operation, as well as to accomplish any purpose or to exercise any function, act, power or right authorized by law. Such funds and assets shall include, without limiting the generality of the foregoing, revenues from any of the systems, facilities, properties and assets of the District not otherwise committed for the payment of indebtedness of the District; maintenance taxes; loans, gifts, grants and donations from public or private sources; and revenues from any other source lawfully available to the District. The District bonds and notes may be issued by the District for any purpose not specifically prohibited by this Agreement or the Water District Ordinance.

ARTICLE 3

DISTRICT FACILITIES

Section 3.1. General Statement. It is understood and acknowledged that the District may provide water service to the Property by acquisition and/or construction of a District water treatment facility and distribution system; shall provide wastewater service by acquisition and/or construction of a District collection, treatment and irrigation system; shall provide drainage facilities, as necessary, within the District; and shall own and maintain certain parkland and associated recreational facilities within the District (collectively referred to as "District Facilities"); provided, however, notwithstanding the above, the District may purchase treated water from another political subdivision of the State of Texas through the use of said political subdivision's water treatment system if an agreement relating to water purchase is reached between such a political subdivision and Senna Hills and/or the District. Senna Hills shall file a copy of any such executed agreement with the Law Department of the City. Subject to the consent of the District, Senna Hills may serve as the project manager for the construction of all or a portion of the District Facilities to be constructed or acquired by the District. Senna Hills and/or the District shall cause the District Facilities to be designed and constructed in accordance with the plans prepared by the engineer for Senna Hills and/or the District. Construction of any District Facility shall not commence unless the plans and specifications therefor have been approved by the City and all other governmental entities having jurisdiction; provided, however, the District and/or Senna Hills shall have the right to impose specifications and requirements for construction and installation which exceed or are more restrictive than those established by the governmental agencies.

Section 3.2. Water and Wastewater Lines. The routing and design of District water and wastewater lines crossing any draws (100 year floodplain) shall be subject to the review and approval of the City's Environmental and Conservation Services Department ("ECSD"). The following mitigative measures shall be utilized during water and wastewater line

construction, as appropriate: Crossing points shall be chosen to minimize the impact on the environment to the extent feasible, work space and areas of disturbance shall be reasonably restricted, erosion and sedimentation controls as required by the City's Environmental Criteria Manual shall be utilized, and any disturbed area shall be immediately and properly restored with native vegetation. Restoration shall be subject to review of ECSD. Installation of all District water and wastewater lines shall comply with the applicable watershed ordinances and other applicable ordinances.

Section 3.3. No-discharge Permit. The parties acknowledge that Senna Hills has received a no-discharge wastewater disposal permit No. 13238-01 ("Permit") from the Texas Water Commission. Senna Hills shall file and diligently pursue an application with the Texas Water Commission to amend the Permit to require parameters of five (5) milligram per liter limit on five day biological oxygen demand (BOD5), five (5) milligram per liter limit on total suspended solids (TSS), and two (2) milligram per liter limit on ammonia nitrogen (N). In any case, Senna Hills shall operate the wastewater treatment facilities at the parameters stated in this Section. Senna Hills shall initiate proceedings before the Texas Water Commission to transfer the Permit to the District at or near the time the wastewater treatment facilities are acquired or constructed by the District. The orders of the Texas Water Commission amending the Permit and transferring the Permit shall be promptly filed with the City Attorney's office of the City.

Section 3.4. Use of Irrigation Land. Senna Hills and/or the District, as said permittee, shall utilize irrigation land having slopes of 0%-15%. Senna Hills and/or the District shall augment areas of existing vegetation with seeding of grasses through a seeding program. General guidelines for said program are shown in the attached Exhibit "C", made a part hereof for all purposes, which guidelines are subject to refinement by Senna Hills and/or the District in conjunction with ECSD. No irrigation shall be Permitted in the one hundred (100) year flood plain or during wet weather conditions.

Section 3.5. Tailwater Control Facilities. Tail water control facilities, such as berms, shall be provided in a manner consistent with sound engineering principles within the area of effluent irrigation, if necessary. ECSD and the Water and Wastewater Utility shall have the right of prior approval of the proposed design and location of the facilities. The location and design of tailwater control facilities shall be shown on site development permits.

Section 3.6. Water and Soils Monitoring Program. Senna Hills and/or the District shall implement and comply with the water quality and soils monitoring program as generally described in Exhibit "D", attached hereto and incorporated herein by reference. Any potential for significant water quality or soils degradation revealed by the program shall be addressed by any mechanisms agreed upon by ECSD and Senna Hills and/or the District, including, but not limited to, the mitigative measures shown on Exhibit "D". If said entities are not able to agree upon a mechanism(s), any of said entities may request that the City Council make a recommendation as to said mechanism(s).

Section 3.7. Effluent Pond. The parties agree that the effluent storage pond shall be constructed in the Lake Austin Watershed and will be of sufficient size so as to provide up to one hundred (100) days of effluent storage, in accordance with the then current standards of the Texas Water Commission. Senna Hills shall line the holding pond with an impermeable liner which meets the specifications and requirements of the Texas Water Commission.

Section 3.8. Lift Stations. Senna Hills and/or the District shall design and install lift stations in accordance with City of Austin specifications and regulations. The City shall have the right to review and approve the design of the lift stations and overflow containment facilities.

Section 3.9. Acquisition by District. The District may reimburse Senna Hills for the cost of construction of any District Facilities constructed by Senna Hills to the extent authorized by the Texas Water Commission. To the extent the District is not permitted by the Texas Water Commission to pay Senna Hills for any facility, Senna Hills shall dedicate such facility to the District without compensation.

ARTICLE 4

OPERATION AND MAINTENANCE

Section 4.1. District Facilities. The District shall operate and maintain the District Facilities, unless the City and the District enter into a contract for the City to operate the District Facilities in such manner and for such compensation as may be mutually agreeable. The District shall have the obligation to inspect all water and wastewater connections made in the District for compliance with the requirements of the Uniform Plumbing Code, the City's local amendments thereto, the water and wastewater service detail Promulgated by the Water and Wastewater Utility of the City, as hereinafter amended from time to time, and the rules and regulations of the Texas Water Commission.

Section 4.2. Living Unit Equivalents The City acknowledges that the District's overall water and wastewater capacity demand, as expressed in living unit equivalents ("LUEs"), to fully develop the District is 494 LUEs of water service and 494 LUEs of wastewater service, based on a maximum of 484 LUEs for residential use and 10 LUEs for school use. LUEs per land use category are calculated based on City criteria.

Additional water and wastewater requirements shall be determined if (a) the District annexes land in accordance with Article V, (b) the land use plan for the Property is amended in accordance with Article 9 or (c) zoning, platting or replatting of property within the District affects the capacity demand.

Nothing herein shall be construed as a prohibition against the District or Senna Hills petitioning for any water or wastewater capacity which may become available to the District or Senna Hills by the extension or addition of City facilities; provided, however, that nothing herein guarantees the District or Senna Hills any capacity in any facilities.

Section 4.3. Park. The District shall operate and maintain the District Park described in Section 9.4 herein and the recreational facilities located within said District Park to the extent permitted by law and the rules and regulations of the Texas Water Commission. Upon annexation and dissolution of the District by the City, said District Park shall be conveyed to and operated and maintained by the City.

Section 4.4. Audit. The District shall file a copy of its annual audit, and a copy of its proposed budget for the following year showing expenses, income and revenue sources with the City Clerk, the Director of Financial Services and City Manager of the City. The annual audit shall be filed within one hundred thirty-five (135) days after the end of the District's fiscal year.

Section 4.5. Filings with State Agencies. The District and/or Senna Hills shall notify the City of any filings made with the Texas Water Commission, other than routine reports required by state law, in advance of said filings and shall provide copies of said filings to the Law Department of the City simultaneously with the filing at the respective agency.

Section 4.6. Operations Manual. Senna Hills and/or the District shall develop an operations manual relating to the proper operation of the wastewater treatment plant and the irrigation system and a copy of said manual shall be filed with the Law Department of the City.

ARTICLE 5

AREA OF AND LIMITATIONS ON SERVICE

Section 5.1. General Statement. Unless the prior approval of the City Council of the City is obtained, which approval shall not be unreasonably withheld, the District shall not: (1) construct or install water or wastewater lines or facilities to serve areas outside the District; (2) sell or deliver water or wastewater service to areas outside the District; or (3) annex any additional lands to the District.

Section 5.2. Procedure. With respect to all land for which approval for annexation to or out-of-district service from the District is hereafter requested, the petitioner shall comply with the Water District Procedure Ordinance and shall submit a land use plan covering the land for which annexation or out-of-district service is sought at the time such approval is requested. Any land for which annexation or out-of-district service is requested shall be developed in accordance with the approved land use plan in the same manner set forth in Article 9 for land originally included within the District.

ARTICLE 6

ANNEXATION BY CITY

Section 6.1. General Statement. The parties hereto acknowledge and agree that the land comprising the District lies within the extraterritorial jurisdiction of the City and is not bordered by another city, town, or village. The parties further acknowledge that the creation of the District, and the City's consent thereto, are for the purpose of promoting the orderly development of services to the Property.

Section 6.2. Incorporation. In furtherance of the purposes of this Agreement, the District and Senna Hills covenant and agree to the extent allowed by law that, except upon written consent of the City Council of the City they will not: (1) seek or support any attempt to incorporate any land within the District, or any part thereof; or (2) sign, join in, associate with, or direct to be signed any petition seeking to incorporate any land in the District or to include any of such land within the boundaries of the City or any other incorporated entity. Senna Hills shall notify each person or entity purchasing property within the District from Senna Hills of the annexation provisions of this Agreement and that any attempt to incorporate all or any part of the District would be contrary to the intent and purpose of this Agreement.

Section 6.3. Annexation Generally. All parties to this Agreement respectively agree that one of the purposes of this Agreement is to effectuate the provisions of Section 54.016(f) of the Texas Water Code regarding annexation of all of a district pursuant to the terms and conditions of a contract between the district and a city. It is further understood that, by enacting the ordinance granting consent to the creation of the District and by executing this Agreement, the City has begun to provide for the legal process of annexation of the District, and it is mutually agreed that all parties hereto shall use their best efforts to bring about the conclusion of that process in accordance with the terms hereof.

Section 6.4. Timing. It is expressly understood and agreed that the City may annex the District's lands and dissolve the District upon the following terms and conditions:

a. The District agrees that at least ninety percent (90%) by dollar amount of the total District Facilities to be constructed for which District bonds are authorized ("requisite percentage of District Facilities") will be installed within fifteen years from the date of confirmation of the creation of the District. At any time following the installation of the requisite percentage of District Facilities, such land may be included in the corporate boundaries of the City in accordance with applicable law. If the installation of the requisite percentage of District Facilities has not been accomplished within said fifteen years, the City, at its option, may annex land within the District in accordance with applicable law.

b. Notwithstanding the provisions of Section 6.4.a. of this Agreement, if prior to the installation of the requisite percentage of District Facilities, the City is presented with a valid petition for annexation of lands within the District in aid of incorporation which complies with the provision of the Municipal Annexation Act (Article 970a, V.T.C.S.) and all other statutes, ordinances and charter provisions relating to incorporation, or if the City finds annexation to be feasible, the City shall be authorized to annex such land into the corporate boundaries of the City.

c. Notwithstanding the above, if the installation of any item of authorized District Facilities financed with the proceeds of District bonds has commenced in good faith in compliance with and in reliance upon the provisions of this Agreement and is in progress at the time the City finds annexation of the District to be feasible, the City shall give written notice of its intent to proceed to annex the District, by registered or certified mail, return receipt requested, to the address of the District designated in the registration statement on file with the Texas Water Commission, with a copy to the District's attorney of record, and annexation of the District shall be postponed until: (i) the installation of the items has been completed; or (ii) the expiration of one (1) year, whichever occurs first.

Section 6.5. Allocation Agreement. Upon the annexation and dissolution of the District, the City shall immediately succeed to all properties, powers, duties, assets, debts, liabilities, and obligations of the District; provided, however, in the event the District and the City agree that the District shall continue to exist following the effective date of such annexation, such existence shall be subject to the following terms and conditions:

a. The provisions of this Agreement shall remain in full force and effect until the District is dissolved in accordance with the provisions of Section 6.5.d. herein.

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

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

d. The District shall be dissolved and the City shall succeed to all the remaining properties, powers, duties, assets, debts, liabilities, and obligations of the District upon: (1) the retirement of the District's bonded indebtedness or (2) the expiration of forty (40) years from the date this Agreement is executed by the District, whichever occurs first, unless the City and the District agree otherwise.

Section 6.6. City Surcharge. After annexation of the District by the City and dissolution of the District, the City may charge and collect a special surcharge for the purpose of wholly or partially compensating the City for the assumption of the obligations of the District, as provided by Texas Water Code, Section 54.016(h). The surcharge shall be calculated pursuant to the criteria and formula provided for in Exhibit "E" attached hereto and incorporated herein by reference. The surcharge may be charged by the City in addition to the City's normal water and sewer rates to customers within the boundaries of the dissolved District until the bonded indebtedness of the District has been retired or for thirty (30) years after the initial District debt issue, whichever occurs last, but in no case for a longer period of time than is necessary to wholly compensate the City for its assumption of the bonded indebtedness of the District. It is understood and acknowledged that the formula and criteria contained in Exhibit "E" base such charge upon compensation of only a portion of the obligations to be assumed by the City. The City shall have the right to recalculate the amount of the surcharge so that such surcharge would compensate the City for additional outstanding obligations of the District. If the variables used to calculate the surcharge should change from the numbers used in Exhibit "E", the City may recalculate the surcharge accordingly, and such recalculated surcharge may be charged and collected as provided herein. The provisions of this Section 6.6 shall be disclosed at closing to each purchaser of a tract of land in the District in accordance with the Texas Water Code, Section 54.016(h)(4).

ARTICLE 7

OBLIGATIONS AFTER ANNEXATION

Except as otherwise provided herein, when the land within the District is annexed to the City and the District is dissolved, Senna Hills shall incur no further contractual obligations and responsibilities pursuant to this Agreement; provided, however, that any such

obligations or responsibilities which may have been incurred by Senna Hills prior to annexation and dissolution of the District shall not terminate unless and until the City and Senna Hills agree otherwise.

ARTICLE 8

LAND AND EASEMENT COSTS

All easements and rights-of-way needed for District purposes within the District shall be dedicated to the District by Senna Hills, its successors or assigns. The District may acquire land outside the District for District purposes from Senna Hills or other landowners in accordance with the rules of the Texas Water Commission. Land, easements, and rights-of-way outside the District required by the District shall be acquired by the District in accordance with the usual and customary public purchasing standards and procedures applicable to the District.

ARTICLE 9

LAND USE AND DEVELOPMENT

Section 9.1 Restrictive Covenants. Senna Hills, its successors and assigns, covenant and agree that, at the time the creation of the District is confirmed by the qualified voters in the District or prior to development of the Property, whichever occurs first, the following restrictive covenants, lettered a. through k., shall be placed of record in the Real Property Records of Travis County, Texas, in a form approved by the City Attorney, which covenants and restrictions shall run with the land and be binding upon Senna Hills, and its successors and assigns:

a. Senna Hills, its successors and assigns, shall develop and maintain the Property in accordance with the Land Plan, attached hereto as Exhibit "F" and made a part hereof for all purposes ("Land Plan"), including all notations thereon, as the same may be amended from time to time with the concurrence of a majority of the members of the City Council of the City and Senna Hills, its successors and assigns, in accordance with the Water District Procedure Ordinance, except as otherwise hereinafter provided. The District's overall gross residential density shall be limited to no more than 1.53 units per acre based on a maximum of four hundred eighty-four (484) residential units on 316.695 acres.

b. The Property shall be developed and maintained in a manner which meets or exceeds the standards for landscaping set out in the City's Landscape Ordinance, as codified in Chapter 13-2A of the 1981 Code of the City of Austin (the "Code"), as

amended from time to time, and the standards of the Tree Ordinance, as codified in Chapter 9-12 of the Code, as amended from time to time.

c. The Property is located partially within the Barton Creek Watershed and partially within the Lake Austin Watershed. Development of the Property specifically shall comply with the Comprehensive Watersheds Ordinance No. 860508-V, unless the Property is exempt from said Ordinance pursuant to the terms of said Ordinance in which case the Property shall be developed pursuant to the following standards: Development and maintenance of that portion of the Property which lies within the Barton Creek Watershed shall meet or exceed the standards set forth in the Barton Creek Watershed Ordinance, as codified in Article VII, Division 2 of Chapter 13-3 of the Code, pertaining to subdivision of property, and in Article V, Division 4 of Chapter 9-10 of the Code, pertaining to site development of property, as such may be amended from time to time. Development and maintenance of that portion of the Property which lies within the Lake Austin Watershed shall meet or exceed standards set forth in the Lake Austin Watershed Ordinance, as codified in Article VII, Division 5 of Chapter 13-3 of the Code, pertaining to subdivision of property, and in Article V, Division 5 of Chapter 9-10 of the Code, as such may be amended from time to time. That portion of the Property which lies within the Lake Austin Watershed is hereby granted a waiver from Sections 9-10-421 and 13-3-663 of the Code as follows: Senna Hills shall provide eight thousand (8000) square feet per living unit equivalent of irrigation land on slopes up to 15%, provided, however, that Senna Hills may utilize seven thousand (7000) square feet per living unit equivalent of irrigation land on slopes of 0-15%, so long as said 7000 square feet contains not less than six inches of effective depth of soil as determined by Senna Hills and ECSD; and further provided, however, if in the best judgment of ECSD, the addition of soil to reach a level of six inches of effective depth of soil would be ineffective or adverse to the environment, ECSD may waive said requirement.

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d. The standards for construction and maintenance on the Property shall be in compliance with the City's Building Code, including, but not limited to any provisions thereof relating to construction in flood plains (including floodplain modification standards of the Waterway Development Ordinance in effect at the time each subdivision is developed), the City's Plumbing Code, the City's Electrical Code, the City's Mechanical Code and the City's Fire Protection Code, as the same may be amended from time to time, as if the Property were within the City's corporate limits.

e. The subdivision of the Property shall require approval of subdivision plats by the City Planning Commission as provided by Art. 974a V.T.C.S., as amended; by applicable provisions of Chapter 13-3 of the Code, as amended from time to time; and by any variances, exemptions, or waivers from applicable ordinances granted by the City.

f. The erection and maintenance of billboards and signs in the District shall be consistent with the standards of Chapter 13-13 of the Code, as amended from time to time.

g. Development shall be prohibited within the Irrigation Lands as shown on the Land Plan; provided, however, said irrigation land may be utilized for recreational purposes and facilities which do not conflict with the use of said land for irrigation purposes. This restriction shall continue to be in effect following the time that irrigation may cease on said areas.

h. The following setbacks and easements shall be required and shall be indicated on required preliminary plans and final plats:

(1) An irrigation setback of one hundred fifty feet (150') from the centerline of the two (2) major draws within the District; and

(2) An irrigation setback of one hundred feet (100') from the seasonal seep as shown on the Land Plan; and

(3) An irrigation setback of twenty-five feet (25') from the centerline of the swale located in the ephemeral seepage zone as shown on the Land Plan; and

(4) A lot line or building setback of twenty-five feet (25') from the downslope limits of the 0% to 15% slope category, where this category occurs adjacent to the 35% or greater slope category at three locations as shown on the Land Plan.

(5) Erosion and sedimentation controls shall be maintained adjacent to and outside of said setbacks in compliance with applicable City ordinances.

i. Compliance with the applicable terms of the City's FM 2244 Ordinance shall be required.

j. Compliance with all applicable City environmental ordinances and any variances, exemptions or waivers granted by the City from said ordinances shall be required.

k. All City reviews, permits, approvals, or inspections required by these covenants and restrictions shall require the payment to the City of the standard fees charged for said reviews, permits, approvals or inspections, which fees shall not be included as bondable items. It is specifically understood and agreed that inspection fees for bondable water, sewer and drainage facilities are not addressed in this section and bonding of such fees is not prohibited. Failure to procure the required permits, (variances, waivers,) reviews, approvals or inspections, whether conducted by the City or an authorized outside agency, shall subject Senna Hills, its successors and assigns, or the permit holder, as appropriate, to stop work orders issued by the appropriate agents of

the City as authorized by the applicable ordinance or a court of competent jurisdiction requiring the cessation of any further construction or related operations until such permits, (variances, waivers,) reviews, approvals or inspections are acquired.

Section 9.2 Land Plan Changes. It is acknowledged and agreed that the densities and land use intensities reflected on the Land Plan and in Section 9.1a above are not guaranteed levels of development, but rather are subject to changes thereof necessitated by compliance with the requirements of applicable ordinances and applicable provisions of the City's Comprehensive Plan, as such may be amended from time to time, and the aforementioned gross density limit. Senna Hills may request variances from applicable ordinances in accordance with the provisions of said ordinances but variances are not guaranteed except as stated in this Agreement. Senna Hills may also request variances, exceptions, and waivers from the requirements of Section 9.1, however, variances, exceptions, and waivers are not guaranteed except as stated in this Agreement. Any increase in the overall residential density within the District, any increase in the number of LUEs, any increase in the intensity of the land uses, or any change in the land uses shown on the Land Plan may only be made with the concurrence of a majority of the members of the City Council of the City and Senna Hills, its successors and assigns, in accordance with the Water District Procedure Ordinance; provided, however, other changes may be approved administratively by the City's Director of Planning and Development.

Section 9.3. Subdivision Plats. All of the Property shall be developed consistent with the City's Subdivision Ordinance, Chapter 13-3 of the Code, as such may be amended from time to time, except as stated in this Agreement, and with the Land Plan, which shall be updated as each section of the Property is platted, and shall further comply with any applicable provisions of the City's Comprehensive Plan, as such may be adopted and amended from time to time. Senna Hills agrees to supply the City with density and LUE analysis as each site plan, preliminary subdivision plan, and final plat for any portion of the Property is submitted to the City, for the purpose of monitoring compliance with the aforementioned density and LUE limits. The Director of the Department of Planning and Development shall determine whether a plat is in substantial compliance with the Land Plan. Any person aggrieved by the decision of said Director may appeal such decision by filing a written notice thereof with the City Clerk within ten (10) days of the date of such decision. The City Council shall then hold a public hearing and render a decision either affirming or reversing such decision within fifteen (15) days of the date of such notice of appeal.

Section 9.4. Public Park. Senna Hills agrees and covenants to dedicate, as public parkland, and by these presents does hereby express its intention to dedicate at approximately 14 acres of public parkland to the District, with approximately 500 feet of roadway frontage, as such acreage is shown on the Land Plan, within seven (7) years of the creation of the District. Senna Hills shall finance the design and installation of at least \$98,000.00 worth of park and recreational facility improvements on the dedicated

parkland (the "Recreational Facilities"), with such installation to be completed within two years of the dedication of the public parkland to the District. Senna Hills agrees to allow the City to review and approve the plans and specifications for the Recreational Facilities prior to installation, using the same criteria as if the site were located within the City limits. The park and Recreational Facilities shall be constructed to City specifications and shall be dedicated to the District at no cost to the District.

Section 9.5. Irrigation Land. Senna Hills shall dedicate the Irrigation Land indicated on the Land Plan and required by Section 9.1 herein to the District. The Irrigation Land may be dedicated in portions as final plats for the Property are approved; provided, however, each preliminary subdivision plan, final plat or previously approved preliminary plan or final plat shall show a sufficient amount of Irrigation Land at the time of any final plat approval as needed to provide sufficient Irrigation Land for the lots on said final plat and all previously approved final plats for the Property. Senna Hills shall have the right to use such acreage under the provisions of the City's Subdivision Ordinance during the platting process, including but not limited to the use thereof for density and impervious cover calculations, to the extent permitted under applicable City ordinances.

Section 9.6. Conservation Easements. Conservation easements shall be created and executed and recorded to protect all of the Conservation Easement Areas shown on the Land Plan. All conservation easements shall permit Senna Hills, its successors and assigns, to utilize said easements for utilities as reasonably necessary subject to the review and approval of ECSD; provided, however, this section is not intended to waive any requirement relating to the obtaining of site development permits contained in applicable ordinances of the City or this Agreement. All other construction site disturbance shall be prohibited. A copy of all conservation easements shall be filed with the City Attorney's Office.

Section 9.7. Drainage. Energy dissipation and filtration shall be provided on all storm sewer drainage outfalls within one hundred fifty feet (150') of all canyon heads and major ravines in accordance with the applicable City watershed ordinance. Energy dissipation and filtration may be accomplished through the use of grassed swale or other acceptable method.

Section 9.8. Springs. All groundwater discharge areas defined as "springs" by the City's Comprehensive Watershed Ordinance, Chapter 13-15 of the Code, shall be identified on all required site plans, preliminary plans, final plats and site development permit applications.

Section 9.9. Transportation.

a. Senna Hills shall provide traffic signals when warranted at the intersections of any access roads to the Property from FM 2244. Traffic warrants will be

determined by the Texas Department of Transportation ("TxDOT") and the City's Department of Public Works and Transportation ("DPWT").

b. Senna Hills shall provide right turn lanes on FM 2244 at the intersections of any access roads to the Property, with FM 2244 at the discretion of the TxDOT.

c. Senna Hills shall evidence its ability to fully fund the requirements of Section 9.9, a and b by posting fiscal arrangements prior to the recording of any final subdivision plat on the Property unless:

(1) The TxDOT approves a lesser amount in consequence of its FM 2244 budgeting and construction through TxDOT's financing of all or a part of said requirements or,

(2) Additional roadway access through the Property to the adjacent Wolf tract is proposed prior to the Provision of any of the above referenced roadway improvements. In that case the fiscal participation of Senna Hills would be based on a pro-rata share as determined by a Traffic Impact Analysis ("TIA"). If the proposed Wolf tract development is not required to perform a TIA by City ordinances, then Senna Hills would be required to submit a new TIA to support its reduced percentage of participation.

TxDOT must deliver or have delivered to the City Manager, or his or her designee, a written release from this Section 9.9.c. prior to any such reduction by the City of Senna Hills' fiscal responsibility.

d. Senna Hills shall post fiscal arrangements to fully fund all internal roadway construction and traffic control signs or devices for each phase of development of the Property prior to the recording of any final plat for such phase.

ARTICLE 10

ASSIGNMENT OF AGREEMENT

Section 10.1. General Statement. Senna Hills, its successors and assigns may, from time to time, transfer, convey or assign all or any part of its rights and obligations under this Agreement with respect to all or any part of the land within the District owned by it. Upon approval by the City of the assignee or assignees, which approval shall not be unreasonably withheld, provided that the assignee or assignees assume the liabilities, responsibilities and obligations of the assignor under this

Agreement, the party assigning its rights and obligations under this Agreement shall be released from the liabilities, responsibilities and obligations hereof to the extent of the land involved in such assignment or assignments or to the extent otherwise approved by the City. The Purchaser of an undeveloped tract of land within the District shall agree to accept an assignment of the land use and development rights and obligations of this Agreement with respect to the tract being Purchased. The seller of said tract shall agree to make such an assignment. Purchasers of a developed - but unimproved lot shall be required at the time of purchase to sign a statement acknowledging and agreeing to abide by the land use and development requirements herein. Neither the District nor the City shall assign this Agreement without written consent of each of the other parties hereto, which consent shall not be unreasonably withheld. Senna Hills may pledge or assign any of its rights hereunder to a lending institution as security for development financing of the Property. Senna Hills is specifically authorized to assign this Agreement to the District upon its creation; provided, however, that such assignment shall not relieve Senna Hills or its successors or assigns from the obligation to comply with the land use requirements and the other provisions contained herein affecting the use and conditions of sale of property within the District.

ARTICLE 11

TERM OF AGREEMENT

Section 11.1. General Statement. This Agreement shall be effective from the date of execution hereof by the City and Senna Hills and shall continue in effect for a period of forty (40) years from the date of the creation of the District.

ARTICLE 12

JOINT CONTRACTING

Section 12.1. General Statement. The District shall be and is hereby authorized to contract with any entity, individual, governmental authority or political subdivision for the construction, operation and maintenance of any water, wastewater or other facilities which are within the power of the District to construct, operate or maintain in accordance with the Texas Water Code, Section 54.218.

ARTICLE 13

SEVERABILITY AND ENFORCEABILITY

Section 13.1. Severability. The provisions of this Agreement are severable and, in the event any word, phrase, clause, sentence, paragraph, section or other provision of this Agreement, or the application thereof to any person or circumstance, shall ever be held or determined to be invalid, illegal or unenforceable for any reason, the remainder of this Agreement shall remain in full force and effect and the application thereof to any other person or circumstance shall not be affected thereby.

Section 13.2. Enforceability. In the event that the Texas Water Commission or any court of competent Jurisdiction determines that any provision of this Agreement is beyond the scope of the Texas Water Code; the City, Senna Hills and the District agree to immediately amend this Agreement to conform to any final ruling or decision.

ARTICLE 14

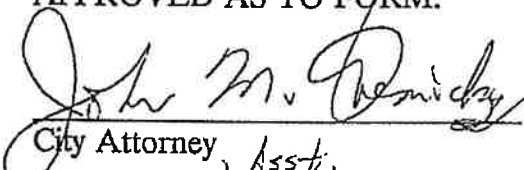
BENEFITS OF AGREEMENT

Section 14.1. General Statement. This Agreement is for the benefit of the City, the District, and Senna Hills, and their respective successors and assigns, and shall not be construed to confer any benefit on any other party except as expressly provided herein.


This Agreement may be executed by the City and Senna Hills prior to creation of the District and shall be binding upon the City and Senna Hills for a period of eighteen (18) months following such' execution by the City, pending creation and confirmation of the creation of the District and approval and execution of this Agreement by the Board of Directors of the District.

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

APPROVED AS TO FORM:


City Attorney, Asst.

CITY OF AUSTIN, TEXAS

By: 
Asst. City Manager, ~~Asst.~~
City of Austin

ATTEST:

-17-


DEPUTY City Clerk

SENNA HILLS MUNICIPAL UTILITY DISTRICT

By: *Charles A. Brown*
Charles A. Brown,
President,
Board of Directors

Attest: *Tom Ball*
Tom Ball,
Secretary,
Board of Directors

SENNA HILLS, LTD.,
a Texas limited partnership
By: SH DEVELOPMENT, L.C.,
a Texas limited liability company

By: *Don P. Miller II*
Don P Miller, II, President

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was ACKNOWLEDGED before me on Feb 4, 1993, by Joseph L. Lessor, City Manager of the City of Austin, Texas, on behalf of said city.

Asst.

[S E A L]



Lucile Mokry
Notary Public - State of Texas

My Commission Expires: _____

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was ACKNOWLEDGED before me on JANUARY 11, 1993, by Charles A. Brown, President of the Board of Directors of Senna Hills Municipal Utility District, on behalf of said District.

[S E A L]

Michelle Massey Riffin
Notary Public - State of Texas

My Commission Expires: 9/11/93

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was ACKNOWLEDGED before me on January 11, 1993, by DON P MILLER, II, President of SH DEVELOPMENT, L.C., a Texas limited liability company, acting in its capacity as general partner of SENNA HILLS, LTD., a Texas limited partnership, on behalf of said limited partnership.




Catherine B. Rippenhagen
Notary Public - State of Texas

My Commission Expires: _____

The Resolution Trust Corporation, as Conservator for Sunbelt Federal Savings, FSB is the beneficiary of a Deed of Trust With Security Agreement and Assignment of Rental which creates a first lien against the Property, and hereby executes this Agreement solely to evidence its consent to the provisions hereof.

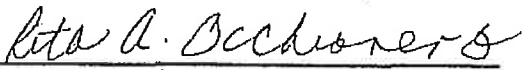
The Resolution Trust Corporation, as
Conservator for Sunbelt Federal Savings, FSB

By: 
Its: Irving A. Adler, Authorized Signatory for RT

THE STATE OF FLORIDA §
 §
COUNTY OF BROWARD §

This instrument was ACKNOWLEDGED before me on January 20, 1993, by Irving A. Adler, Authorized Signatory for of the Resolution Trust Corporation, as Conservator for Sunbelt Federal Savings, FSB, a Federal corporation, on behalf of said corporation.

[S E A L]


Notary Public - State of Florida

My Commission Expires: _____

NOTARY PUBLIC, STATE OF FLORIDA.
MY COMMISSION EXPIRES: DEC. 18, 1993.
BONDED THRU NOTARY PUBLIC UNDERWRITERS.

The undersigned are each owners of one acre tracts out of the Property as more particularly described on Exhibits G-1 through G-5 attached hereto, and hereby execute this Agreement to evidence our intent to have our properties be bound by and our consent to the provisions hereof.

Bill Sullivan
Bill Sullivan

Bryan Dabbs
Bryan Dabbs

Tom Ball
Tom Ball

Larry Richardson
Larry Richardson

Charles Andrew Brown
Charles Andrew Brown

THE STATE OF TEXAS

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§

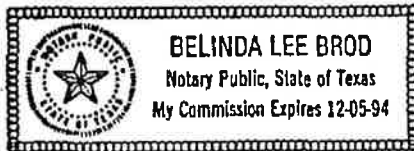
COUNTY OF TRAVIS

This instrument was ACKNOWLEDGED before me on January 12, 1993, by BILL SULLIVAN.

[SEAL]

Belinda Lee Brod
Notary Public - State of Texas

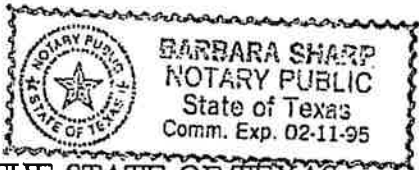
My Commission Expires: 12-05-94



THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

This instrument was ACKNOWLEDGED before me on January 11, 1993, by
BRIAN DABBS.

[S E A L]

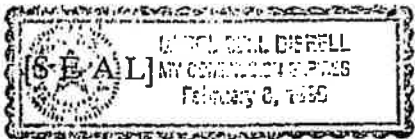


THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Barbara Sharp
Notary Public - State of Texas

My Commission Expires: 2-11-95

This instrument was ACKNOWLEDGED before me on Jan 21, 1993, by
TOM BALL.



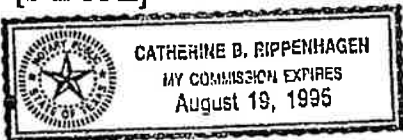
THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

Carol Bell Dibrell
Notary Public - State of Texas

My Commission Expires: _____

This instrument was ACKNOWLEDGED before me on January 11, 1993, by
LARRY RICHARDSON.

[S E A L]



Catherine B. Rippenhagen
Notary Public - State of Texas

My Commission Expires: _____

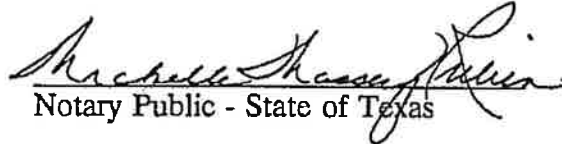
THE STATE OF TEXAS

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§

COUNTY OF TRAVIS

This instrument was ACKNOWLEDGED before me on JANUARY 11, 1993, by CHARLES ANDREW BROWN.

[S E A L]


Notary Public - State of Texas

My Commission Expires: 9/11/93

EXHIBIT A

EXHIBIT "A"

PROPERTY DESCRIPTION

ALL OF THAT CERTAIN TRACT OR PARCEL OF LAND OUT OF THE JOHN G. MUSTAIN SURVEY NO. 40, THE J.M. TEAGUE SURVEY NO. 40, THE E.C. GAINES SURVEY NO 76 AND THE J.R. WATSON SURVEY NO. 646 IN TRAVIS COUNTY, TEXAS, BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESIGNATED AS TRACT 2, CONTAINING 322.68 ACRES OF LAND AS CONVEYED TO CUNNINGHAM & ASSOCIATES NUMBER III, BY DEED RECORDED IN VOLUME 8467, PAGE 4 OF THE REAL PROPERTY RECORDS OF TRAVIS COUNTY, TEXAS, ALSO BEING ALL OF LOTS 1 & 2 AND A PORTION OF LOT 3, SENNA HILLS SECTION ONE P.U.D., A SUBDIVISION IN TRAVIS COUNTY, TEXAS, AS RECORDED IN PLAT BOOK 86, PAGES 121A AND 121B OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, ALSO BEING ALL OF SENNA HILLS DRIVE, A PUBLIC RIGHT-OF-WAY DEDICATED BY PLAT RECORDED IN BOOK 86, PAGES 121A AND 121B OF THE PLAT RECORDS OF TRAVIS COUNTY, TEXAS, THE HEREIN DESCRIBED TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2 inch iron pin set at the intersection of the East line of the said 322.68 acre tract and the new North r.o.w. line of F.M. Hwy No. 2244, being in the West line of that certain tract of land as conveyed to Rex D. Bible by deed recorded in Volume 7322, Page 148 of the Deed Records of Travis County, Texas, for the Southeast corner hereof;

THENCE along the new North r.o.w. line of F.M. Hwy. No. 2244 (fence varies along r.o.w. line) for the following courses:

S 69° 06' 47" w for a distance of 1427.11 feet to a highway monument found (brass disc in concrete) at a point of curve

Along a curve to the right whose radius is 1064.40 feet, whose arc is 1101.52 feet and whose chord bears N 81° 12' 49" W for a distance of 1053.02 feet to a 1/2 inch iron pin set

N 51° 33' 20" W for a distance of 1418.11 feet to a highway monument found at a point of curve

Along a curve to the left whose radius is 1532.40 feet, whose arc is 596.54 feet and whose chord bears N 70° 44' 57" W for a distance of 592.78 feet to a highway monument found

N 86° 32' 4" W for a distance of 61.26 feet to a 1/2 inch iron pin set at the intersection of the West line of the said 322.68 acre tract and the new North r.o.w. line of F.M. Hwy No. 2244, for the southwest corner hereof;

THENCE along the west line of the said 322.68 acre tract as fenced upon the ground for the following courses:

N 27° 49' 14" E for a distance of 315.50 feet to a 1/2 inch iron pin found

N 27° 56' 30" E for a distance of 539.35 feet to a 1/2 inch iron pin found

S 52° 19' 20" E for a distance of 100.26 feet to a 1/2 inch. iron pin found

N 28° 22' 39" E for a distance of 932.65 feet to a 1/2 inch iron pin found

N 28° 22' 50" E for a distance of 1152.29 feet to a 1/2 inch iron pin found

N 28° 01' 27" E for a distance of 757.54 feet to a 60-d nail found in a cedar tree at the Northwest corner of the said 322.68 acre tract for the Northwest corner hereof;

THENCE along the North line of the said 322.68 acre tract as fenced upon the ground for the following courses:

S 60° 09' 10" E for a distance of 411.60 feet to a 1/2 inch iron pin found

S 80° 47' 10" E for a distance of 35.84 feet to a 1/2 inch iron pin found

S 62° 30' 10" E for a distance of 78.20 feet to a 60-d nail found in a cedar tree

S 64° 03' 36" E for a distance of 43.66 feet to a 60-d nail found in a cedar tree

S 63° 18' 05" E for a distance of 139.88 feet to a 60-d nail found in a cedar tree

S 61° 56' 14" E for a distance of 91.40 feet to a 60-d nail found.

S 61° 26' 20" E for a distance of 469.07 feet to a 1/2 inch iron pin found

S 62° 11' 20" E for a distance of 917.23 feet to a 1/2 inch iron pin found

S 61° 47' 20" E for a distance of 385.36 feet to a 1/2 inch iron pin found

S 62° 38' 20" E for a distance of 587.05 feet to a 1/2 inch iron pin found

S 61° 06' 09" E for a distance of 175.60 feet to a 1/2 inch iron pin found

S 62° 42' E for a distance of 103.60 feet to a 1/2 inch iron pin found

S 35° 02' 11" E for a distance of 615.71 feet to a 1/2 inch iron pin found at the Northeast corner of the said 322.68 acre tract, for the Northeast corner hereof;

THENCE along the East line of the said 322.68 acre tract as fenced upon the ground for the following courses:

S 28° 51' 25" W for a distance of 1094.38 feet to a 1/2 inch iron pin found

S 28° 07' 13" W for a distance of 408.38 feet to a 1/2 inch iron pin found

S 27° 10' 38" W for a distance of 24.90 feet to a 1/2 inch iron pin found

S 26° 10' W for a distance of 217.65 feet to a 1/2 inch iron pin set at the Northeast corner of a 0.50 acre tract;

THENCE along the North line of the said 0.50 acre tract, N 63° 50' W for a distance of 200.12 feet to a 1/2 inch iron pin set for the Northwest corner of the said 0.50 acre tract;

THENCE along the West line of the said 0.50 acre tract, S 15° 31' W for a distance of 134.62 feet to a 1/2 inch iron pin found at the Northwest corner of the said Bible Tract, being in the East line of the said 322.68 acre tract;

THENCE along the East line of the said 322.68 acre tract, being the West line of the said Bible Tract as fenced upon the ground, S 15° 38' W for a distance of 249.63 feet to the PLACE OF BEGINNING and containing 316.695 acres of land, more or less.

EXHIBIT B

ORDINANCE NO. 81 0819-E

AN ORDINANCE REPEALING ORDINANCE NO. 800320-E; ESTABLISHING A POLICY RELATING TO POLITICAL SUBDIVISIONS CREATED PURSUANT TO ARTICLE III, SECTION 52 OF THE TEXAS CONSTITUTION OR ARTICLE XVI, SECTION 59 OF THE TEXAS CONSTITUTION FOR THE CITY OF AUSTIN; ESTABLISHING THEREIN BASIC QUALIFICATIONS FOR CONSENT TO THE CREATION OF A WATER DISTRICT; PROVIDING PERCENTAGES ALLOWED FOR BOND FINANCING; ESTABLISHING THE PROVISIONS OF THE BONDING PACKAGE; PROVIDING FOR THE PROVISION OF SPECIAL WATER AND SEWER RATES WITHIN THE CONSENT AGREEMENT AS AUTHORIZED BY SECTION 54.016(h) OF THE TEXAS WATER CODE; ESTABLISHING VARIOUS REQUIREMENTS; DECLARING A POLICY STATEMENT; SUSPENDING THE RULE REQUIRING THE READING OF ORDINANCES ON THREE SEPARATE DAYS; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, The City Council, of the City of Austin, Texas, wishes to allow the prudent utilization of Water Districts to encourage development in accordance with its Growth Management Plan, and

WHEREAS, The City Council wishes to develop policies to curtail the rising costs of housing and the size of purchase-money mortgages, and

WHEREAS, The City Council wishes to develop a policy for creation of Water Districts in a manner that will not burden the citizens of Austin with future debt, and

WHEREAS, The City Council wishes to develop a policy for the creation of Water Districts in a manner that will discourage urban sprawl; Now, Therefore,

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF AUSTIN:

PART 1. That Ordinance No. 800320-E, as amended, be and it is hereby repealed.

PART 2. That this policy relating to the political subdivisions created pursuant to Article III, Section 52 of the Texas Constitution or Article XVI, Section 59 of the Texas Constitution, be adopted pursuant to the applicable provisions of the Texas Water Code and the Texas Municipal Annexation Act of the State of Texas, to be equitably applied to all petitioners for new Water Districts within the City's Extra-Territorial Jurisdiction.

- I. BASIC QUALIFICATIONS FOR CONSENT TO THE CREATION OF A WATER DISTRICT INCLUDING BUT NOT LIMITED TO MUNICIPAL UTILITY DISTRICTS (MUD), WATER CONTROL AND IMPROVEMENT DISTRICTS (WCID), AND FRESH WATER SUPPLY DISTRICTS (FWS).

- A. The Water District shall contain acreage necessary to assure the economic viability of the District, but in no event shall a Water District contain less than 100 acres.
- B. The land to be included within the Water District must lie entirely outside the City limits; provided however, that land within the City by virtue of strip-annexation along major thoroughfares may be included with the Water District if such land within the City, constitutes no more than 5% of the total acreage of the Water District.
- C. The economic viability of the district must be shown in the same manner as required by the State.
- D. The consent resolution and agreement must reflect, and conform to, all the applicable stipulations of this policy.
- E. The City Council must determine that the district is not likely to be annexed by the City within three (3) years. Such determination shall not be binding on the City, however.
- F. When the City Council receives a petition for creation of a Water District within the City's Extra-Territorial Jurisdiction, it shall be evaluated in accordance with the policy set forth herein.

II. PERCENTAGES ALLOWED FOR BOND FINANCING.

- A. A Municipal Utility District will be allowed to issue bonds equal in amount to the bonding package outlined in Section III. hereof, times the appropriate percentage determined in Exhibit "A", attached hereto. All other forms of Water Districts including Water Control and Improvement Districts and Fresh Water Supply Districts in Growth Management Areas III and IV will be allowed bonding authority equal to one half the percentages for the following items only listed in Exhibit "A" Municipal Utility Districts: 1) internal water lines, 2) regional drainage, 3) water approach mains, and 4) water facilities. All such other forms of Water Districts located in Growth Management Area V will be allowed bonding authority equal to three quarters of the percentages for the items listed. Exceptions to the percentage limitations in Exhibit "A" may be granted by the City Council only where a proposed Water District will serve established residential areas and is not being created primarily to serve undeveloped land. Further, when a petition is received for creation of a Municipal Utility

District in Area V which in the estimation of the City Council will not have a deleterious effect on the urban planning decisions including annexation, extension of utility service, protection of the environment, the fiscal integrity of the City of Austin and other goals delineated in the Austin Tomorrow Comprehensive Plan, it shall be evaluated on a case by case basis and considered individually on its merits and not necessarily subject to the provisions of this policy.

- B. Where a Water District overlaps any of the boundary lines in Exhibit "A", the percentage shall be apportioned according to the number of living unit equivalents in each area. The percentage shall be determined with respect to area designation and City limits at the date the consent agreement is approved by the City Council.
- C. The following definitions shall apply when used in Exhibit "A":
 - 1. "Growth management area" refers to an area as described within the Master Plan of the City of Austin.
 - 2. "Extra-territorial jurisdiction area" refers to that area between the City limits and 5 miles beyond that as defined in appropriate state enabling legislation.
 - 3. "Internal water lines" or "Internal wastewater lines" means those lines, constructed within the Water District, including any oversize required which will not be recovered under the City's oversize policy since that policy shall be applicable to the developer.
 - 4. "Storm sewer/drainage" is limited to the cost of storm sewer pipe and open channels and their installation where impervious channel surfaces are required.
 - 5. "Regional drainage" means regional type storm water retention/detention features designed and constructed to control and/or manage storm water, a substantial portion of which issues from one or more watersheds outside the Water District, and provided such construction is approved by the Engineering Department of the City of Austin.

6. "Wastewater facilities" means treatment plants, storage facilities and other items not included in 3 or 9 of this section.
7. "Water facilities" means treatment plants, storage facilities, wells and other items not included in 3 or 10 of this section.
8. "Water Facilities Using Ground Water from Edward's Aquifer" means all such facilities listed in definition 7 above which, in this case, derive their raw water source from the Edward's Aquifer.
9. "Irrigation land" means land irrigated in connection with a sewage treatment plant. The bonds allowed for this land are to be determined by the raw land cost. When land or irrigation is no longer used for that purpose, and it is sold, the proceeds from the sale shall be placed in the Debt Retirement Fund of the district. If annexation has occurred, such proceeds shall be placed in the Utility Enterprise Debt Retirement Fund of the City of Austin.
10. Approach mains are defined as those water and/or wastewater lines which lead up to but not within the property to be served and as further defined, by the Cost Participation Ordinance of the City of Austin.

III. BONDING PACKAGE.

A. WATER, WASTEWATER AND DRAINAGE

A Water District shall be permitted the bonding permitted under the State law and the rules of the Texas Water Development Board for 1) construction, and for 2) land and easement costs for water, sewer, and drainage improvements (in accordance with Exhibit "A"). Further, the "30% rule" instituted by the Texas Water Commission shall apply in determining the bonding allowed for Water, Wastewater and Drainage. The percentages in Exhibit "A" shall apply after limits imposed by that rule and the delineation between types of districts and allowable bonding percentages established in Section II.A. of this Ordinance. The developer must pay 30% of the cost of internal lines and drainage. Additionally, that oversize portion of a water or wastewater approach main which the City of Austin has required to be constructed to serve areas outside of the

boundaries of the Water District may be financed with bonds. In such cases, the City shall repay the Water District annually for the City's pro rata share of the debt retirement cost of such facility. The City shall retain the right to allocate its pro rata share of the facility and collect subsequent users fees as defined in the Cost Participation Ordinance of the City of Austin. Provided, however, that the following items shall not be allowed to be financed by the issuance of bonds, and therefore, shall not be included in the bonding package:

1. Land or easements within the Water District, or any property owned by the developers of the Water District, dedicated for any water or wastewater line or facility, including treatment plants for any function related to drainage. Provided, however, that bonds may be authorized for the purchase of land for irrigation purposes connected with a package treatment plant (in accordance with the chart in Exhibit "A"). Provided further that irrigation land purchased from the developers of the Water District must be purchased at book value.
2. Curbs, gutters, inlets, culverts, and bridges.
3. Drainage improvement, except storm sewers and regional facilities, in accordance with Exhibit "A".

B. INTANGIBLES

1. A contingency factor of 10% shall be allowed on all water, wastewater and drainage costs.
2. Construction costs shall include 10% for engineering, and shall include all fees.
3. Interest during construction and capitalized interest shall be allowed to the full extent of the State law for all costs that qualify for bond financing.
4. Other non-construction costs allowed for bond financing are: fiscal agent fees, legal fees and administration organizational expense and printing the bonds, as allowed by State law.

C. BONDED AMENITIES

Additional bonding authority may be used as the City Council specifies for any of the following items. The City Council must approve the need for each item, the

site location and design. The aggregate of the City requirements shall be limited by the economic viability of the District. Bonded authority for any land under this section shall be based on raw land cost and carrying expenses.

1. Solid waste disposal sites.
2. Fire station sites.
3. Park lands, nature preserves, creek preservation easements, hike and bike trails, lakes and greenbelts in addition to those required by City ordinance.
4. Water quality monitoring stations, holding ponds and storm water treatment facilities.
5. Other items which might be mutually agreed upon by the City Council and the petitioners, and are permitted by the State.

D. NON-BONDED AMENITIES

The following amenities are required and shall not be financed by the issuance of bonds or by the incurrence of debt by the district.

1. Traffic control signs and devices constructed within the Water District.
2. Street signs.
3. Street lights.
4. Sidewalks, installed in accordance with Chapter 41 of the Austin City Code (Subdivision Ordinance), when developing by urban standards.
5. Recreational facilities on park land equal to 10% of the value assigned to the park land.

- IV. Consent agreements for Municipal Utility Districts shall provide, in adequate detail as required by Section 54.016(h) of the Texas Water Code that the water and sewer rates for properties within the MUD be specifically set so as to compensate the City of Austin for assuming the district's indebtedness after annexation. These special rates shall be in effect until the bonded indebtedness of the MUD is fully retired. If the bonds are called, these special rates shall nevertheless be in effect for the full projected life of the original bonds. These special rates shall consist of a component calculated to retire all or part of the bonded indebtedness incurred by the MUD as set out in "A" below. The component shall be determined by calculating the monthly debt retirement

payment for the appropriate bonded indebtedness and dividing the monthly payment by the number of planned living unit equivalents within the district. After annexation, this special rate shall be charged in addition to the water and sewer rates paid by other city consumers of similar customer classification.

If the Municipal Utility District requests City Council approval of subsequent, additional bonding authority beyond that agreed to in the original consent agreement, the special rates agreed to in this section will be recalculated as determined above to reflect the additional bonded indebtedness.

In addition, if it becomes evident via the subdivision approval process or otherwise, that the number of planned living unit equivalents within the district will exceed or be less than the figure originally used as the basis for computing the surcharge then the district and the City agree to adjust the special charges accordingly.

A. The bonded indebtedness used to calculate the special rate shall be:

- 1) Area III: the total amount of bonded indebtedness for construction, land and easement costs for water and wastewater internal lines, and all drainage as set out in Exhibit "A";
- 2) Area IV: the total amount of bonded indebtedness for construction, land and easement costs for water and wastewater internal lines, all drainage as set out in Exhibit "A"; and fifty percent of the total bonded indebtedness for construction, land and easement costs for water and wastewater approach mains and facilities and irrigation land as set out in Exhibit "A".
- 3) Area V: the total amount of bonded indebtedness for construction, land and easement costs for regional drainage, water and wastewater approach mains, water and wastewater facilities and irrigation land.

B. Since Section 54.016(h) of the Texas Water Code which permits the special rates used in this policy contains a provision which says that the City of Austin cannot annex the district prior to the installation of 90% of the facilities for which district bonds were authorized, the consent agreement must also contain a provision containing

a date for 90% installation beyond which authorization for all unissued bonds may be terminated at the option of the City Council. If the City Council elects to so terminate, it must concurrently annex the district. To facilitate this requirement the consent agreement must require that bonds be issued to finance only completed and approved facilities and existing items.

- C. Any water and sewer customer within the boundaries of the City may enforce the special rates required to be included in a contract authorized by this policy.
- D. Prior to annexation, the special rate calculated in Section IV shall be charged in addition to the regular rate which shall not be less than that charged by the City within the City limits for consumers of similar customer classification. The revenue from the special rate shall be deposited in the debt retirement fund of the district.
- V. The revenue and ad valorem taxing authority of the district shall be pledged on all bonds as the City's ad valorem taxing authority shall be after annexation has occurred.

VI. ADDITIONAL REQUIREMENTS AND POLICY STATEMENT.

The City shall require the following of all Water Districts, and these requirements shall be stipulated by the appropriate set of consent resolutions and agreements.

- A. All development activities within the district shall conform to all existing City of Austin ordinance requirements.
- B. Underground utilities may be required by the City Council.
- C. All development construction by the district or the developers must be done in accordance with the City of Austin standards for similar facilities and copies of plans and specifications must be approved by the City before construction begins.
- D. All planning, designs, and construction of drainage facilities and other facilities and/or features pertinent to drainage shall be done in accordance with the "Drainage

Criteria Manual" of the City of Austin. Drainage plans must be approved by the Director of Public Works prior to land development.

- E. The City shall have the right to inspect all facilities of the district at any time during construction, and final approval is required. In addition, the City shall have the right to charge inspection fees for review of facilities the cost of which is not covered by other appropriate charges.
- F. Bonds shall be issued only for those purposes specifically authorized by the consent agreement, and bonds authorized for one purpose shall not be used for another.
- G. Before the Water District issues bid invitations for its bonds, the City Council shall have the right of approval of all bond issues and sales, including bond prices, interest rates, and redemption premiums, and copies of all documents submitted to State agencies shall be concurrently submitted to the City.
- H. All records, files, books, information, etc., of the district shall be a matter of public record, and available for City inspection at all times.
- I. The district shall prepare annual reports for the City on the status of construction and bond sales.
- J. All bonds issued by the district shall have a call provision which allows the option to redeem the bonds at par.
- K. The district shall not furnish water or wastewater service to any tract of land unless the Planning Commission of the City of Austin has approved a subdivision plat covering such tract of land and such plat has been recorded in the deed records. The Planning Commission of the City of Austin will not be required to approve any subdivision within a Water District which does not conform to the provisions of the consent agreement.
- L. The district shall not provide service outside its boundaries unless approval is obtained from the City Council. If such permission is granted, no bond funds shall be expended or indebtedness incurred to provide such service without approval of the City Council.

- M. The City shall review and approve the adequacy, type and construction of all roadways in the Water District.
- N. The City may require the construction of facilities or improvements for the purpose of mitigating the impacts of storm water runoff.
- O. No land within the Water District shall be allowed, at any time in the future, to incorporate, join in an incorporation, or be annexed into any incorporated city other than the City of Austin.
- P. No land may be annexed to a district without the approval of the City Council.
- Q. Right-of-way, public park land, utility and drainage easements and all other appropriate lands and easements shall be properly dedicated to the public, the district and its ultimate successor.
- R. The net effective interest rate will not exceed 2% above the highest average interest rate reported by the Daily Bond Buyer in its weekly "20 Bond Index" during the one-month period preceding the date notice of sale is given.
- S. Any wastewater treatment plant constructed in whole or in part with bond proceeds under this policy, shall not discharge over the Edward's Aquifer recharge zone or in the Barton Creek Watershed but must instead irrigate. Any wastewater treatment plant constructed in whole or in part with bond proceeds under this policy must be reviewed and approved by the City Council prior to the issuance of the State permit or any amendment thereto if it is to discharge instead of irrigate.
- T. Water Districts that are not charging a special rate as described in this Ordinance Part I, IV. shall charge a regular rate for service not less than that charged by the City for service to customers outside of the City as shall be established by the City Council from time to time.
- U. Water service in a WCID, FWSD or any other type of Water District with the exception of a Municipal Utility District will only be provided to lots one (1) acre minimum in size to insure the capability to install and operate an on-site wastewater disposal system over the life of the property.

PART 3. That all ordinances, resolutions and orders heretofore passed, adopted and made, or any part of the same, affecting approach mains, which

are in conflict with this Ordinance, shall be and the same are hereby in all things repealed.

PART 4. Whereas, an emergency is apparent for the immediate preservation of order, health, safety and general welfare of the public, which emergency requires the suspension of the rule providing for the reading of an ordinance on three separate days, and requires that this ordinance become effective immediately upon its passage; therefore, the rule requiring the reading on three separate days is hereby suspended and this ordinance shall become effective immediately upon its passage as provided by the Charter of the City of Austin.

PASSED AND APPROVED

August 19, 1981

X
X
X
X
X

Carole Kerley McClellan
Mayor

APPROVED: Albert De La Rosa
Acting City Attorney

ATTEST: Grace Monroe
City Clerk

EXHIBIT C

PROPOSED
SENA HILLS MUD
IRRIGATION FIELDS
PLANT SEEDING & MAINTENANCE PROGRAM

Introduction

To insure maximum consumption of irrigated effluent a plant seeding and maintenance program has been defined for the Senna Hills irrigation fields. Four grasses were chosen for the different soil types and topography found on the fields. Each cover type will be maintained to maximize water and nutrient uptake. Proposed plant covers and their consumptive rates are shown in the attached table. A brief description of each type of grass and its properties follows:

Planting Program

1. Eastern Gamma Grass

Eastern Gamma grass is a high yielding hay grass producing as much as 12,000 lb of hay per acre per year. This grass requires at least 84 inches of water per year and grows well in Volente soils. Since the Volente soils on the Senna Hills site are located on flat areas, these grasses will be amenable to intensive harvesting. Unlike other native grasses, Eastern Gamma grass is metabolically active year round especially in the spring and fall. Approximately 37 acres of this grass will be planted.

2. Wild Rye and Fescue Tall Bunch Grass Meadows

Fescue and Wild Rye will be planted in the well developed Brackett soils. These grasses require approximately 68 inches of water per year and produce about 6,000 pounds of hay per acre. These grasses are metabolically most active in the cool seasons and will

require harvesting once a year. Approximately 40 acres of this grass will be planted.

3: Bahia Grass

This grass is well suited to sloped areas susceptible to erosion. Bahia grass grows well in Brackett soils, with a higher percentage of limestone cobble. It is metabolically most active in the summer and requires about 50 inches of water annually. Bahia grass will be overseeded with Gulf Annual Rye grass which is metabolically most active in the winter. Approximately 30 acres of this grass will be planted.

4. Indiangrass

Indiangrass will be planted with a winter overseeding of Gulf Annual Rye. Indiangrass grows well in Brackett soils with a high percentage of rocks but is shorter than Bahia grass and requires little or no harvesting. The water requirement of this grass is approximately 50 inches per year with additional water consumption expected from the overseeding of Gulf Annual Rye in the winter. Approximately 19 acres of this type of cover will be planted.

SUMMARY

Using City criteria the projected flows from the Senna Hills Wastewater Treatment Plant are 286 acre-ft per year. The total water consumption from the proposed planting program is approximately 333 acre-ft per year providing a 16% safety factor. Including evaporation losses from the sprinkler heads and the holding pond, the safety factor is increased to more than 50%.

SENNA HILLS

Plant Cover for Irrigation Areas

Irrigation Field	Type Cover	Acres	Water Required	Average Rainfall	Net Deficit	Net Acre-Ft of Effluent Consumption Capacity (Acre Ft Per Year)	Actl Seas
1	Eastern Gamma Grass	32	84	32	52	139	Year drawd
2	Wild Rye & Peasue (mixed tall grass)	110	68	32	36	120	Year espec: cool
3	Bahia Grass (easily erodable areas)	30	50	32	18	45	Summe:
4	Indian grass, Switchgrass, Mixed tall bunch grass	19	50	32	18	29	Summe
Total Grass Consumption						333	
Sprinkler Evaporation						71.5	
Pond Evaporation						32.6	
Total Available Consumption						436.6 Acre-Ft	
Total Effluent to be Irrigated						286.0 Acre-Ft	
Excess Consumption Capacity Available						150.6 Acre-Ft	

• PAN Evaporation Intc

Arngl

POLICY FOR USE OF NATURAL AREA MAINTENANCE
CHEMICALS
WITHIN PROPOSED SENNA HILLS DEVELOPMENT

Pesticide Use Restrictions

1. No State or Federal Restricted Use pesticides may be used.
2. No use of any pesticide within 50 feet of a waterway.
3. No use of any pesticide within 150 feet of any sensitive environmental feature such as a cave, sinkhole, spring, wetland, rimrock or fault.
4. No pesticides should be applied during wet weather or when rainfall is imminent.

<u>Use</u>	<u>Approved Pesticide</u>
Post-emergent weed control	glyphosate (Round-up*)
Fire ant control	amidinohydrazone (Amdro*) fenoxycarb (Logic*)
Broad spectrum insecticide	Safer soap*, synthetic pyrethrins
Caterpillar control	Bacillus thuringensis (B.t.) (Thuricide*, Dipel*)

* Registered trade-mark of commonly used product.

Use of biological pest controls (such as introductions of lady-bugs, lace-wings, or Bacillus) and cultural pest controls (such as mulching for weed control in beds) are highly recommended over chemical applications in sensitive watersheds. Other pesticides may be approved by the Environmental and Conservation Services Department (499-2550) in consultation with the City's Integrated Pest Management Committee. Any pesticide must be applied in strict accordance with label instructions and manufacturer's recommendations.

Fertilizer Use

Use of chemical fertilizer is discouraged in areas of shallow soils and karst topography. Nutrient loading due to contamination by fertilizers of surfacewaters or groundwater and springs may result in algal blooms, growth of filamentous algae and excessive aquatic plant growth. Nitrates from chemical fertilizers may be a significant human health threat if groundwater is contaminated in areas where domestic wells are in use. Organic slow release fertilizers such as manure, compost, or seaweed concentrates are readily available, should not contaminate area water

supplies, and will serve to improve the soil as well as add nutrients.

EXHIBIT D

MONITORING PROGRAM
SENA HILLS MUD (rev. 10-8-86)

1. Areas of natural groundwater discharge (springs and seepage zones) will be monitored to assess lateral movement of effluent in the subsurface, and to monitor for discharge of effluent to surface drainages via shallow groundwater systems. The District will work in conjunction with the Department of Environmental Protection (DEP) to locate springs and seeps directly recharged from the irrigation areas that are suitable for sampling. A minimum of three springs and/or seeps will be monitored.
2. If an insufficient number of springs or seeps are found, shallow groundwater monitoring wells will be located along the downslope areas of the irrigation fields.
3. Monitoring will occur at the underdrain of the lined effluent holding pond, to detect any possible leakage.
4. A surface water monitoring station, with a flow meter, automatic sampler, and permanent control section, will be operated to monitor an area which receives runoff from the irrigation fields. The Department of Environmental Protection shall review and approve the site with DEP's Water Quality Management Division approving the design of the monitoring station.
5. A soil water percolate (unsaturated zone) monitoring program shall be established in conjunction with the soil monitoring program, and surface water monitoring and spring/seepage zone monitoring programs within one of the irrigation fields for the purpose of monitoring vertical movement of various wastewater effluent constituents.
6. A soil monitoring program shall be established in conjunction with the unsaturated zone monitoring and surface water monitoring stations to provide information on the potential loading impacts to the irrigated lands and associated surface water and groundwater systems.

PARAMETERS

The following parameters will be analyzed, to provide data for the surface water, groundwater discharge, unsaturated zone water, and soil monitoring programs. Soil and water samples will be tested for by an independent testing laboratory.

Surface Water and Groundwater Discharge Monitoring Program

A complete nitrogen series ($\text{NO}_3\text{-N} + \text{NO}_2\text{-N}$, TRN, $\text{NH}_3\text{-N}$), total phosphorus, BOD, chloride, fecal coliform and fecal streptococci.

EXHIBIT D

PAGE 1 OF 5

Soil Water Percolate (Unsaturated Zone) Monitoring Program

A complete nitrogen series ($\text{NO}_3\text{-N} + \text{NO}_2\text{-N}$, TKN, $\text{NH}_4\text{-N}$), total phosphorus, BOD, specific conductivity, chloride, fecal coliform and fecal streptococci.

Soil Monitoring Program

A complete nitrogen series ($\text{NO}_3\text{-N} + \text{NO}_2\text{-N}$, TKN, $\text{NH}_4\text{-N}$), total phosphorus, chloride, percent moisture, depth of soil and soil texture (Soil texture may be determined in the field by qualified personnel.)

SCHEDULE

Surface water and groundwater discharge will be conducted quarterly. Soils and unsaturated zone water may be sampled twice a year, in mid-March and mid-August. It may be advisable to do monthly monitoring for one year to establish baseline conditions. The sampling and analyses program and the sampling locations acceptable to both the District and the City shall be finalized no later than 120 days from confirmation of the District. Sampling for surface water, groundwater discharge, unsaturated zone water, and soils baseline conditions should commence no later than one year prior to the projected start-up date of the irrigation system. Results of the various monitoring programs will be sent to the Department of Environmental Protection on a quarterly basis.

TRIGGER MECHANISM

Trigger values for each parameter shall be agreed upon by the District and the City staff of the Department of Environmental Protection, after collection of baseline data. If the trigger values are exceeded by the average of the three most recent test results for any analyte being sampled, appropriate mitigative measures shall then be considered by the District and the City staff and the agreed upon measures shall be implemented by the District.

MITIGATIVE MEASURES

Mitigative measures could include: 1) modification of the irrigation system design, 2) modification of application rates and schedules and other operating guidelines, 3) rotation of applications on various tracts to allow for resting periods, 4) implementation of water conservation within the development to reduce inflow volumes, 5) physical modification of the irrigation areas to include topsoil additions and planting of high-yield grass and forb cover, and 6) enhanced pond evaporation, and other mitigative measures.

EXHIBIT D

PAGE 2 OF 5

DESCRIPTIONS OF MONITORING PROGRAMS

PURPOSE AND OBJECTIVES

This monitoring approach should be used to identify the major contaminant pools, fluxes and pathways in the soil-water continuum. It will be valuable in making future management recommendations for operation of the irrigation system.

This monitoring strategy should be required under the MUD's consent agreement in order to provide information on pollutant loading effects on the irrigated lands and potential impacts to the underlying groundwater aquifer and surface waters. The monitoring strategy should be related to the specific trigger mechanisms referenced in the consent agreement.

SURFACE WATER MONITORING PROGRAM

A. SAMPLING SITES

A permanent control section should be established at an appropriate downslope location on Tract 8. The site will be agreed to by the District and DEP Water Quality Division.

B. SAMPLING METHODOLOGY

At the permanent control section, flowrate shall be monitored with a recording flowmeter at a frequency sufficient to adequately depict a hydrograph (as determined during the baseline data collection period). Recalibration of the flowmeter will be conducted quarterly. Samples will be flow proportional as controlled by the flowmeter. Samples may be either discrete or composite, but there must be at least four discrete or four composite subsamples per storm. EPA approved sample containers, preservation techniques, and laboratory methods must be used.

GROUNDWATER DISCHARGE MONITORING PROGRAM

A. SAMPLING SITES

At least one natural spring or seepage zone will be monitored in each of the three major ravines on the project. One of these sites will be the spring in the Barton Creek tributary on Tract 9.

B. SAMPLING METHODOLOGY

The groundwater discharge areas will be grab sampled. The sampling will be from natural discharge points where possible. Where necessary or preferable, a flume or other controlled flow section will be constructed for the purposes of discharge sampling. EPA-approved containers and methods will be used.

UNSATURATED ZONE MONITORING PROGRAM

A. SAMPLING SITE

Soil samples shall be collected in order to monitor the unsaturated (soil-water percolate) zone in the vicinity of the permanent surface water runoff station and in conjunction with soil samples collected for the soil monitoring program.

B. SAMPLING METHODOLOGY

Duplicate soil samples shall be collected, one set for the soil monitoring program, and one set to collect soil water percolate for the unsaturated zone monitoring program. The sampling methodology shall be the same as and in conjunction with the soil monitoring program methodology, as follows. An acid/water leach procedure shall be performed on the soil sample in order to determine the parameters previously enumerated for the soil water percolate.

SOIL MONITORING PROGRAM

A. SAMPLING SITE

A soil sampling area of sufficient size and soil depth shall be selected in the vicinity of the surface water monitoring station and the groundwater seep/spring monitoring area. The soil sampling area should be representative of average soil conditions throughout the irrigation fields. The sampling location will be subject to the review and approval of the DEP.

B. SAMPLING METHODOLOGY

Stratified soil sampling will be conducted at the approved site. Soil analyses should be completed on a composite basis, with soils collected from 4 representative sites, and mixed thoroughly. The first composite sample is for shallow soils: the samples should be representative of the upper 6 inches of the area to be monitored. Two composite samples are to be taken for deeper soils: the first sample should be representative of the upper 6 inches for the surficial composite sample and the second sample should be representative of the 6 to 12 inch interval for the deeper composite sample. Sampling should occur in mid-August and mid-March. Duplicate soil samples should be taken, one set for the soil monitoring program and one set to collect soil water percolate for the unsaturated zone monitoring program. A total digestion procedure shall be performed on the soil sample in order to determine the parameters previously enumerated for the soil monitoring program.

EXHIBIT D

PAGE 4 OF 5

C. ESTIMATES ON NITROGEN CYCLING

After two years of system operation and monitoring and every two years thereafter, a report should be submitted, indicating an estimation of: nitrogen inputs to the system from irrigation water and soil nitrogen mineralization; soil nitrogen losses to the atmosphere from volatilization and denitrification; and nitrogen pools and fluxes found in the various species of soil nitrogen and the surface organic matter, if any.

Due to the relative inaccuracy of quantifying nitrogen cycles or a nitrogen mass balance in the field, all the above monitoring studies are required in order to make a rough attempt at estimating nitrogen cycling's inputs, outputs, pools and fluxes.

BASELINE MONITORING

SURFACE WATER MONITORING PROGRAM

In order to determine baseline conditions, surface water samples will be collected for 8 storm events, using the above mentioned surface water monitoring site and methodologies.

GROUNDWATER DISCHARGE MONITORING PROGRAM

Groundwater discharge samples, for collecting data on baseline conditions, will occur 8 separate times at various springs and seeps.

UNSATURATED ZONE MONITORING PROGRAM

Soil water percolate will be sampled 4 times, in conjunction with the soil baseline data sampling.

SOIL MONITORING PROGRAM

Baseline conditions data will be collected 4 times, using the sampling sites and methodologies to be used in the regular soil monitoring program.

EXHIBIT D

PAGE 5 OF 5

EXHIBIT E

**MUNICIPAL UTILITY DISTRICT
SURCHARGE CALCULATION**

The post-annexation surcharge shall be calculated such that the present value of the surcharges collected, through a uniform surcharge per LUE, shall equal the present value of the debt service on outstanding district bonds (issued for internals) less applicable credits as provided in ARTICLE VI, E. of the Consent Agreement.

The calculation of such a levelized monthly surcharge is made using the following formula:

$$\frac{\text{Present Value of} \\ \text{(District Debt Service - Annual Credit Amortization)}}{\text{Adjusted Living Unit Equivalents}} \times 12 = \text{Monthly Surcharge}$$

where:

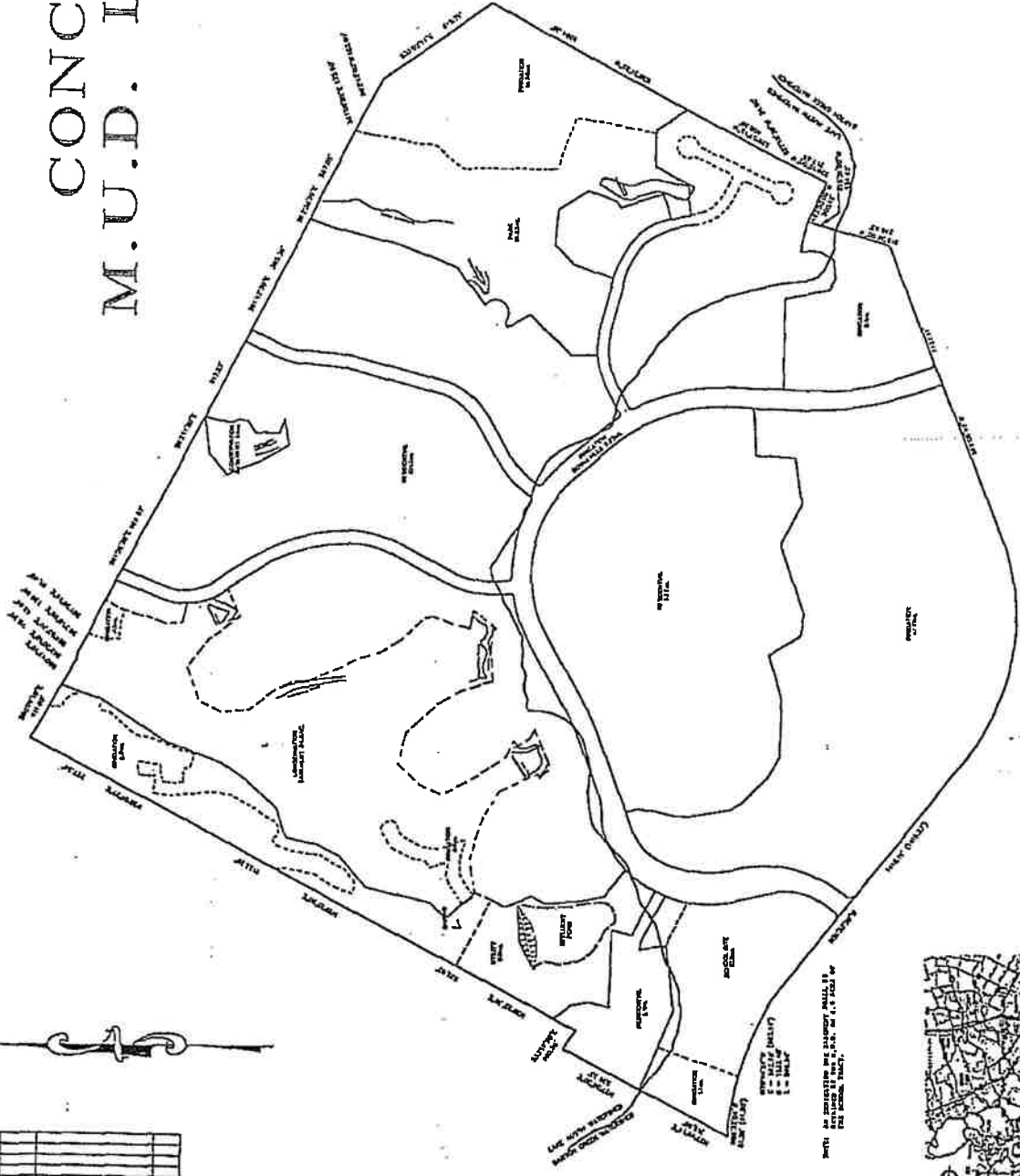
1. The present value of district debt service is calculated using a discount rate equal to the average effective interest rate on the last three (3) City of Austin Combined Utility System revenue bond issues.
2. Credits, as provided for in Article VI, E. are amortized such that credits against debt service are applied in equal amounts. The credits that are provided over the debt service period equal the total credit granted under Article VI, E. plus interest earned on unamortized credit balances.
3. Adjusted Living Unit Equivalents is the number of Living Unit Equivalents such that the calculated levelized surcharge, when multiplied by cumulative LUEs connected to the District's water and wastewater system in each year of the remaining District debt service period, will yield a surcharge revenue stream whose present value equals the present value of applicable District debt.

(This value may be approximated by calculating "discounted" LUEs through a procedure similar to calculation of present values but applied to build-out.)

EXHIBIT F

CONCEPTUAL M.U.D. LAND PLAN

NO.	DATE	BY	REVISION



GENERAL NOTES:

1. THIS PLAN IS A CONCEPTUAL PLAN AND IS NOT A FINAL DESIGN.
2. THE DESIGNER HAS CONDUCTED VISUAL AND PHOTOGRAPHIC SURVEYS OF THE SITE AND HAS OBSERVED THE SURROUNDING AREA.
3. THE DESIGNER HAS CONDUCTED VISUAL AND PHOTOGRAPHIC SURVEYS OF THE SITE AND HAS OBSERVED THE SURROUNDING AREA.
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10. THE DESIGNER HAS CONDUCTED VISUAL AND PHOTOGRAPHIC SURVEYS OF THE SITE AND HAS OBSERVED THE SURROUNDING AREA.



Semra Hills
 HUFFCUT & ASSOCIATES, INC.
 1000 W. 10TH STREET, SUITE 100
 DENVER, COLORADO 80202



DATE: _____
 DRAWN BY: _____



NOT TO SCALE
 1" = 100'

EXHIBIT G

11879

EXHIBIT **G-1**

1.00 Acres of Land
Tract A

DESCRIPTION

DESCRIPTION OF 1.00 ACRES OF LAND OUT OF THE J.M. TEAGUE SURVEY NO. 40, SAME BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS 322.68 ACRES OF LAND IN A DEED TO CUNNINGHAM & ASSOCIATES NO. 111, OF RECORD IN VOLUME 8467, PAGE 4, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.00 ACRE OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at the northwest corner of this tract, same being the northwest corner of said 322.68 acre tract;

THENCE, with the north line of this tract, same being the north line of said 322.68 acre tract, S57°19'43"E 200.00 feet to the northeast corner of this tract;

THENCE, with the east and south lines of this tract and crossing said 322.68 acre tract, the following two (2) courses:

- 1) S30°50'35"W 217.91 feet to the southeast corner of this tract; and
- 2) N57°19'43"W 200.00 feet to the southwest corner of this tract, said point being in the west line of said 322.68 acre tract;

THENCE, with the west line of this tract same being the west line of said 322.68 acre tract, N30°50'35"E 217.91 feet to the POINT OF BEGINNING and containing 1.00 acres of land within these metes and bounds.

PREPARED FROM RECORD INFORMATION BY:

McGRAY & McGRAY LAND SURVEYORS, INC.
3301 Hancock Drive, Suite 6
Austin, Texas 78731 512-451-8591
November 2, 1987

870526AT

LITED

~~FILED~~
1987 NOV 17 PM 2:51

~~CLERK OF COURTS
TRAVIS COUNTY, TEXAS~~

COUNTY OF TRAVIS
FILED
NOV 17 1987

NOV 17 1987



[Signature]
COUNTY CLERK
TRAVIS COUNTY, TEXAS

~~REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS~~

~~11666 1797~~

EXHIBIT ~~==~~ G-2

1.00 Acres of Land
Tract B

DESCRIPTION

DESCRIPTION OF 1.00 ACRES OF LAND OUT OF THE J.M. TEAGUE SURVEY NO. 40, SAME BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS 322.68 ACRES OF LAND IN A DEED TO CUNNINGHAM & ASSOCIATE NO. 111, OF RECORD IN VOLUME 8467, PAGE 4, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.00 ACRE OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at the northwest corner of this tract, said point being in the west line of said 322.68 acre tract, and from which point, for reference, the northwest corner of said 322.68 acre tract bears N30°50'35"E 217.91 feet;

THENCE, with the north, east and south lines of this tract and crossing said 322.68 acre tract, the following three (3) courses:

- 1) S57°19'43"E 200.00 feet to the northeast corner of this tract;
- 2) S30°50'35"W 217.91 feet to the southeast corner of this tract; and
- 3) N57°19'43"W 200.00 feet to the southwest corner of this tract, said point being in the west line of said 322.68 acre tract;

THENCE, with the west line of this tract, same being the west line of said 322.68 acre tract, N30°50'35"E 217.91 feet to the POINT OF BEGINNING and containing 1.00 acres of land within these metes and bounds.

PREPARED FROM RECORD INFORMATION BY:

McGRAY & McGRAY LAND SURVEYORS, INC.
3301 Hancock Drive, Suite 6
Austin, Texas 78731 512-451-8591
November 12, 1987

870526BT

EDITED

~~FILED
NOV 17 1987
CLERK OF COUNTY CLERK
TRAVIS COUNTY, TEXAS~~

STATE OF TEXAS
COUNTY OF TRAVIS
I, _____, County Clerk, do hereby certify that the foregoing was filed in the public records of this county on the 17th day of November, 1987, and that it is a true and correct copy of the original as recorded in the records of this county.

NOV 17 1987



[Signature]
COUNTY CLERK
TRAVIS COUNTY, TEXAS

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

~~11666 1792~~

EXHIBIT = G-3

1.00 Acres of Land
Tract C

DESCRIPTION

DESCRIPTION OF 1.00 ACRES OF LAND OUT OF THE J.M. TEAGUE SURVEY NO. 40, SAME BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS 322.68 ACRES OF LAND IN A DEED TO CUNNINGHAM & ASSOCIATES NO. 111, OF RECORD IN VOLUME 8467, PAGE 4, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.00 ACRE OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at the northwest corner of this tract, said point being in the west line of said 322.68 acre tract, and from which point, for reference, the northwest corner of said 322.68 acre tract bears N30°50'35"E 435.82 feet;

THENCE, with the north, east and south lines of this tract and crossing said 322.68 acre tract, the following three (3) courses:

- 1) S57°19'43"E 200.00 feet to the northeast corner of this tract;
- 2) S30°50'35"W 217.91 feet to the southeast corner of this tract; and
- 3) N57°19'43"W 200.00 feet to the southwest corner of this tract, said point being in the west line of said 322.68 acre tract;

THENCE, with the west line of this tract, same being the west line of said 322.68 acre tract, N30°50'35"E 217.91 feet to the POINT OF BEGINNING and containing 1.00 acres of land within these metes and bounds.

PREPARED FROM RECORD INFORMATION BY:

McGRAY & McGRAY LAND SURVEYORS, INC.
3301 Hancock Drive, Suite 610
Austin, Texas 78731, 512-451-8591
November 2, 1987

870526CT

FILED

NOV 17 1987
TRAVIS COUNTY, TEXAS

STATE OF TEXAS
COUNTY OF TRAVIS
NOV 17 1987



COUNTY CLERK
TRAVIS COUNTY, TEXAS

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

11666 1802

11888 1787

EXHIBIT **G-4**

1.00 Acres of Land
Tract D

DESCRIPTION

DESCRIPTION OF 1.00 ACRES OF LAND OUT OF THE J.M. TEAGUE SURVEY NO. 40, SAME BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS 322.68 ACRES OF LAND IN A DEED TO CUNNINGHAM & ASSOCIATES NO. 111, OF RECORD IN VOLUME 8467, PAGE 4, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.00 ACRE OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at the northwest corner of this tract, said point being in the west line of 322.68 acre tract, and from which point, for reference, the northwest corner of said 322.68 acre tract bears N30°50'35"E 653.73 feet;

THENCE, with the north, east and south lines of this tract and crossing said 322.68 acre tract, the following four (4) courses:

- 1) S57°19'43"E 200.00 feet to the northeast corner of this tract;
- 2) S30°50'35"W 103.79 feet to an angle point in the east line of this tract;
- 3) S31°11'54"W 114.10 feet to the southeast corner of this tract; and
- 4) N57°19'43"W 200.00 feet to the southwest corner of this tract, said point being in the west line of said 322.68 acre tract;

THENCE, with the west line of this tract, same being the west line of said 322.68 acre tract, the following two (2) courses:

- 1) N31°11'54"E 114.10 feet to an angle point; and
- 2) N30°50'35"E 103.79 feet to the POINT OF BEGINNING and containing 1.00 acres of land within these metes and bounds.

PREPARED FROM RECORD INFORMATION BY:

McGRAY & McGRAY LAND SURVEYORS, INC.
3301 Hancock Drive, Suite 16
Austin, Texas 78731 512-451-8591
November 2, 1987

870526DT

CITED

STATE OF TEXAS COUNTY OF TRAVIS
I hereby certify that this instrument was FILED on
the 17th day of NOVEMBER 1987 at the Public Records Office, and
that my duties as County Clerk of the County, Texas, on

NOV 17 1987

[Signature]
COUNTY CLERK
TRAVIS COUNTY, TEXAS

~~NOV 17 PM 2 50
TRAVIS COUNTY, TEXAS~~

~~REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS
11888 1787~~

EXHIBIT # **G-5**

1.00 Acres of Land
Tract E

DESCRIPTION

DESCRIPTION OF 1.00 ACRES OF LAND OUT OF THE J.M. TEAGUE SURVEY NO. 40, SAME BEING A PORTION OF THAT CERTAIN TRACT OF LAND DESCRIBED AS 322.68 ACRES OF LAND IN A DEED TO CUNNINGHAM & ASSOCIATES NO. 111, OF RECORD IN VOLUME 8467, PAGE 4, DEED RECORDS OF WILLIAMSON COUNTY, TEXAS; SAID 1.00 ACRE OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at the northwest corner of this tract, said point being in the west line of said 322.68 acre tract, and from which point, for reference, the northwest corner of said 322.68 acre tract bears N31°11'54"E 114.10 feet and N30°50'35"E 757.52 feet;

THENCE, with the north, east and south lines of this tract and crossing said 322.68 acre tract, the following three (3) courses:

- 1) S57°19'43"E 200.00 feet to the northeast corner of this tract;
- 2) S31°11'54"W 217.87 feet to the southeast corner of this tract; and
- 3) N57°19'43"W 200.00 feet to the southwest corner of this tract, said point being in the west line of said 322.68 acre tract;

THENCE, with the west line of this tract, same being the west line of said 322.68 acre tract, N31°11'54"E 217.87 feet to the POINT OF BEGINNING and containing 1.00 acres of land within these metes and bounds.

PREPARED FROM RECORD INFORMATION BY:

McGRAY & McGRAY LAND SURVEYORS, INC.
3301 Hancock Drive, Suite 6
Austin, Texas 78731 512-451-8591
November 20, 1987

FILED
870526ET

NOV 17 1987 PM 2 45

TRAVIS COUNTY, TEXAS



COUNTY CLERK
TRAVIS COUNTY, TEXAS

REAL PROPERTY RECORDS
TRAVIS COUNTY, TEXAS

11686 1807