CITY OF BASTROP

RESOLUTION NO. R-2024 - 34

RESOLUTION APPROVING AND RATIFYING THE EXECUTION OF CERTAIN WASTEWATER-RELATED AGREEMENTS WITH CORIX UTILITIES INC.

A RESOLUTION OF THE CITY OF BASTROP, TEXAS, APPROVING AND RATIFYING THE EXECUTION OF A WHOLESALE WASTEWATER SERVICES AGREEMENT AND A WASTEWATER FACILITY PAYMENT CONTRIBUTION AGREEMENT WITH CORIX UTILITIES INC., AS ATTACHED AS EXHIBITS "A" AND "B" RESPECTIVELY; PROVIDING FOR A REPEALING CLAUSE; AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City Council of the City of Bastrop ("City") desires that the City enter into a certain Wholesale Wastewater Services Agreement with Corix Utilities, Inc. ("Corix"), as attached as Exhibit "A", which sets forth the terms and conditions pursuant to which the City has agreed to provide wholesale wastewater services to Corix, so that Corix may provide retail wastewater services to certain lands located within its certificated service territory; and

WHEREAS, the City Council desires that the City enter into a certain Wastewater Facility Payment Contribution Agreement with Corix, as attached as Exhibit "B," setting forth the terms and conditions pursuant to which the City has agreed to advance funds to Corix as a contribution to the costs of the wastewater line improvements required to be constructed under the Wholesale Wastewater Services Agreement necessary to extend the City's wastewater system and to receive wastewater from Corix's retail customers; and

WHEREAS, the City Council, by motion during its January 9, 2024, meeting, authorized the City Manager to prepare the documentation for financing of the infrastructure extensions; and

WHEREAS, the City Council desires to approve, authorize, and ratify the execution of the Wholesale Wastewater Services Agreement and the Wastewater Facility Payment Contribution Agreement with Corix.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Bastrop:

Section 1: The City Council hereby approves, authorizes, and ratifies the execution of the Wholesale Wastewater Services Agreement (attached and incorporated herein as Exhibit "A") and the Wastewater Facility Payment

Contribution Agreement (attached and incorporated herein as Exhibit "B").

Section 2: All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 3: The meeting at which this Resolution was passed was open to the public, and that public notice of the time, place, and purpose of said meeting was given as required by the Texas Open Meetings Act.

Section 4: This Resolution shall take effect immediately upon its passage.

DULY RESOLVED & ADOPTED by the City Council of the City of Bastrop, Texas, on this, the 26th day of March 2024.

APPROVED:

Lyle Nelson, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney

WHOLESALE WASTEWATER SERVICES AGREEMENT
BETWEEN
CITY OF BASTROP
AND
CORIX UTILITIES (TEXAS) INC.

This WHOLESALE WASTEWATER SERVICES AGREEMENT (this "*Agreement*") is made and entered into by and between CITY OF BASTROP, a Texas home rule municipality ("*City*") and CORIX UTILITIES (TEXAS) INC., a Delaware corporation ("*Corix*"). In this Agreement, Bastrop and Corix are individually referred to as a "*Party*" and collectively referred to as the "*Parties*."

RECITALS

1. City is the owner and operator of municipal water and wastewater systems that it operates to provide retail and wholesale water and wastewater services.

2. Corix is the owner and operator of multiple water and wastewater systems that it operates to provide retail water and wastewater services to its customers.

3. Corix desires to obtain wholesale wastewater treatment and disposal services from the City so that Corix may provide retail wastewater services to certain lands located within its certificated service territory (the "*Wholesale Service Area*," as hereinafter defined), and City desires to provide such services to Corix.

4. Corix will be responsible for construction of the wastewater line improvements necessary to collect wastewater from Corix's customers within the Wholesale Service Area, as defined herein, and to deliver such wastewater to the Point of Entry, as defined herein.

5. Subject to Corix's compliance with the provisions of this Agreement, City represents that the City System (as hereinafter defined) will be capable of providing Wholesale Wastewater Services (as hereinafter defined) to Corix, and City agrees to expand and improve the City System as necessary in order to provide adequate Wholesale Wastewater Services to Corix under this Agreement and to the other customers of the City System under other agreements, with all costs of the City System, as more fully defined herein, to be recovered in a fair and equitable manner through the rates and charges of City.

6. City and Corix now desire to execute this Agreement to evidence the agreement of City to provide Wholesale Wastewater Services, as more fully defined herein, to Corix under the terms and conditions described in this Agreement.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, City and Corix agree as follows.

ARTICLE I
DEFINITIONS

Section 1.01 Definition of Terms. In addition to the terms otherwise defined in the above recitals or the provisions of this Agreement, the terms used in this Agreement will have the meanings set forth below:

"Agreement" means this Wholesale Wastewater Services Agreement.

"City" means the City of Bastrop.

"City Connection Facilities" means the Metering Facility and/or that portion of the Interceptor located on the City's side of the Point of Entry.

"City Service Ordinances" means the City ordinances and rules governing wholesale wastewater service, as amended by the City Council from time to time, and applicable to Corix under the express provisions of this Agreement.

"City System" means all of the Wastewater equipment and facilities of City that are used for the collection, transportation, treatment, or disposal of Wastewater received from Corix System and any expansions thereof required to make service available at the levels established in this Agreement. The City System shall include the Connection Facilities upon completion of construction and conveyance to the City but shall not include any of the internal wastewater collection and pumping facilities, and associated connection facilities that are owned by Corix in its retail wastewater service areas.

"Connection Facilities" means the wastewater facilities to be constructed by or on behalf of Corix and conveyed to City in accordance with the terms of this Agreement. The Connection Facilities generally consist of the Interceptor and Metering Facility, together with all related facilities, equipment and appurtenances.

"Connection Facilities' Costs" means the costs incurred by or on behalf of Corix relating to the design, permitting and construction of the Connection Facilities including acquisition of easements for the Connection Facilities, as more particularly described in Section 4.05.

"Conveyance Date" means the date on which the City Connection Facilities are conveyed by Corix to City in accordance with Section 3.11 below.

"Costs of the System" means all of City's costs of acquiring, constructing, developing, permitting, implementing, expanding, improving, enlarging, bettering, extending, replacing, repairing, maintaining, and operating the City System, including, without limiting the generality of the foregoing, the costs of property, interests in property, capitalized interest, land, easements and rights-of-way, damages to land and property, leases, facilities, equipment, machinery, pumps, pipes, tanks, valves, fittings, mechanical devices, office equipment, assets, contract rights, wages and salaries, employee benefits, chemicals, stores, material, supplies, power, supervision, engineering, testing, auditing, franchises, charges, assessments, claims, insurance, engineering, financing, consultants, administrative expenses, auditing expenses, legal expenses and other similar or dissimilar expenses and costs required for the City System in accordance with policies of the City Council. Notwithstanding the foregoing, because City is providing Wholesale Wastewater Services to Corix and retail wastewater service to other customers from City's System, the term "Costs of the System" shall not include retail billing and customer service costs or any costs properly attributed to the provision of retail wastewater service for facilities not used by and useful by to City for the provision of wastewater service to the Wholesale Service Area from the City System, such as costs of retail collection lines, and individual retail customer service lines.

"Corix" means Corix Utilities (Texas) Inc. and its successors and permitted assigns.

"Corix System" means the facilities of Corix to be constructed for collection and transportation of Wastewater from Corix's retail customers to the Point of Entry into the City System. Corix System shall be owned, operated, and maintained by Corix and shall not include any portion of the Connection Facilities.

"Effective Date" means the date this Agreement has been executed by both Corix and City.

"Emergency" means: a sudden unexpected happening; an unforeseen occurrence or condition; exigency; pressing necessity; or, a relatively permanent condition or insufficiency of service or of facilities resulting from causes outside of the reasonable control of City. The term includes Force Majeure and acts of third

parties that cause the City System to be unable to provide the Wholesale Wastewater Services agreed to be provided herein.

"Environmental Protection Agency" or "EPA" means the United States Environmental Protection Agency.

"Force Majeure" means acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, orders of any kind of any governmental entity other than City or any civil or military authority, acts, orders or delays of any regulatory authorities with jurisdiction over the parties, insurrections, riots, acts of terrorism, epidemics, landslides, lightning, earthquakes, fires, hurricanes, floods, washouts, droughts, arrests, restraint of government and people, civil disturbances, explosions, breakage or accidents to machinery, pipelines or canals, or any other conditions which are not within the control of a party.

"Infiltration" means water that enters Corix System through defects such as cracks or breaks in the piping, manholes or other appurtenances.

"Inflow" means water that enters Corix System through direct sources such as drain spouts, manholes, clean-outs, or other appurtenances.

"Interceptor" means the wastewater line and related appurtenances that will be constructed by Corix as a condition of Wholesale Wastewater Services. That portion of the Interceptor located on the City's side of the Point of Entry shall be conveyed to the City and shall be owned by the City as part of the City System. That portion of the Interceptor located on Corix's side of the Point of Entry shall be retained by Corix as part of the Corix System.

"LUE" or "Living Unit Equivalent" means an amount of Wholesale Wastewater Service sufficient for one single family residential connection or its equivalent. The number of LUEs for each retail connection in the Wholesale Service Area shall be calculated based on American Water Works Association ("AWWA") water meter size equivalents in accordance with City Rules and Policies.

"Metering Facility" means the Wastewater flow meter, meter vault and all metering and telemetering equipment required to measure Wholesale Wastewater Service provided by City pursuant to this Agreement to be located at the Point of Entry.

"Minimum Monthly Charge" means the monthly charge by the City to Corix for the provision of Wholesale Wastewater Service by the City to the Wholesale Service Area as described in Sections 4.01 and 4.03 below.

"Peak Hour Flow Rate" means the highest metered and/or calculated flow rate delivered cumulatively from the Wholesale Service Area to the City System under any operational condition, including Inflow and Infiltration.

"Permit" means TPDES Permit No. WQ0011076002 issued by TCEQ and any future permit issued by TCEQ to City authorizing the treatment and disposal of treated wastewater effluent generated at the Plant.

"Plant" means the wastewater treatment plant or plants that is or are a part of the City System and as described in the Permit.

"Point of Entry" means the location at which all Wastewater will pass from Corix System into City's System, which shall be the location generally identified in **Exhibit "B."**

"Prohibited Wastes" means those substances and waste prohibited from being discharged into the City System as described in the City Service Ordinances and/or in the Permit.

"TCEQ" means the Texas Commission on Environmental Quality, or its successor agency.

"Volume Charges" means the monthly charge assessed by the City to Corix for the provision of Wholesale Wastewater Service to the Wholesale Service Area determined by the volume of wastewater delivered as measured by the Metering Facility and as described in Sections 4.01 and 4.03 herein.

"Waste or Wastewater" means liquid or water-borne pollutants, contaminants, solid and hazardous waste, hazardous substances, including, without limitation, sewage, domestic and industrial waste,, whether separate or commingled.

"Wastewater Impact Fee" means a charge imposed per wastewater LUE in the Wholesale Service Area pursuant to Chapter 395 of the Local Government Code for funding the City's costs of wastewater capital improvements or facility expansions necessary to serve the Wholesale Service Area. The Wastewater Impact Fee shall include only those capital improvements that are used or useful for the provision of Wholesale Wastewater Services to Corix under this Agreement in accordance with the methodology set forth in **Exhibit "C."** The Wastewater Impact Fee may be updated from time to time by the City based on capital improvement costs incurred by the City for capital improvements that are used and useful for the provision of Wholesale Wastewater Service to Corix.

"Wastewater Impact Fee Credit" means the credit against Wastewater Impact Fees granted by City to Corix under this Agreement for the Connection Facilities Costs, as more particularly described in Section 4.05.

"Wholesale Service Area" means the territory more particularly described or depicted in **Exhibit "A"** attached hereto.

"Wholesale Service Commitment" means the agreed upon minimum of 1 million gallons per day of Wholesale Wastewater Service to be made available by City to Corix under this Agreement for the Wholesale Service Area.

"Wholesale Wastewater Service" means the reception, transportation, treatment, and disposal of Wastewater to be provided by City to Corix under this Agreement and in accordance with applicable provisions of the City Service Ordinances.

Section 1.02 Captions. The captions appearing at the first of each numbered section or paragraph in this Agreement are inserted and included solely for convenience and shall never be considered or given any effect in construing this Agreement.

ARTICLE II
PROVISION OF WHOLESALE WASTEWATER SERVICE

Section 2.01 Wholesale Wastewater Service; Levels.

(a) Subject to the terms and conditions of this Agreement and the requirements of applicable law, City agrees to provide Wholesale Wastewater Service to Corix for the Wholesale Service Area in a quantity not to exceed the Wholesale Service Commitment. City agrees to expand and improve the City System as necessary in order to provide adequate Wholesale Wastewater Service to Corix to meet retail service demands within the Wholesale Service Area in a quantity equal to the Wholesale Service Commitment.

(b) Corix may amend the quantity of Wholesale Wastewater Service from time to time by no less than twelve (12) months' prior written notice to City. In the event of a reduction of the Wholesale Service Commitment, City shall revise the Minimum Monthly Charge and Volume Charge effective the first month after the expiration of 12 months, at which time the Wholesale Service Commitment shall be reduced according to Corix's notice. In the event of a requested increase in the Service Commitment, the Parties shall negotiate in good faith the terms for additional Wholesale Wastewater Service, but City shall be under no obligation to furnish the additional Wholesale Wastewater Service except as it otherwise agrees in its sole

discretion. City may obligate Corix to fund the costs of expansion of the City System as a condition of additional Wholesale Wastewater Service.

(c) In the event the provision of Wholesale Wastewater Service in a quantity equal to the Wholesale Service Commitment requires City to expand its Plant, City agrees to commence construction of the expansion when the average daily or annual average flow of wastewater into the wastewater treatment plant reaches 90% of the permitted average daily flow for three consecutive months (in accordance with current TCEQ rules at 30 Tex. Admin. Code Sec. 305.126) or as otherwise necessary to make service available as development progresses within the Wholesale Service Area in a quantity not to exceed the Wholesale Service Commitment.

(d) The Wholesale Service Commitment shall be subject to the following additional limitations:

1. The Peak Hour Flow Rate shall not exceed A TO BE DETERMINED gallons per minute during dry conditions and A TO BE DETERMINED gallons per minute during wet weather conditions. (To be determined no later than March 15, 2024.)

2. The quality of Wastewater delivered to the City System shall comply with applicable provisions of the City Service Ordinances. Wastewater delivered to the City System shall not include Prohibited Wastes.

(e) The Parties agree that any increase in the agreed Peak Hour Flow Rate of Wholesale Wastewater Service that City provides to Corix under this Agreement will require a written amendment of this Agreement duly authorized by the governing bodies of the Parties. The Parties agree that the foregoing Peak Hour Flow Rate of Wholesale Wastewater Service shall apply only to Wastewater generated within the Wholesale Service Area. Under no circumstances shall Wastewater generated from other City customers that tie into the Connection Facilities be included in the calculation of the Peak Hour Flow Rate and the daily permitted biochemical oxygen demand ("BOD") of Wholesale Wastewater Service provided to the Wholesale Service Area.

(f) Discharges by Corix into the City System shall consist only of Wastewater that the City System is capable of handling:

1) so that the effluent and sludge from the City System meets the current legal regulatory standards of the EPA, the TCEQ, or any governmental body having legal authority to set standards for such effluent and sludge, as amended from time to time; and

2) that meets any applicable requirements of the EPA Pretreatment Regulations, 40 CFR Part 403.

(g) Corix agrees that it shall adopt and enforce any pretreatment requirements for its retail customers as may be necessary to ensure the quality of Wastewater Corix delivers to the City pursuant to this Agreement meets the requirements of this Section.

Section 2.02 Conditions Precedent for Wholesale Wastewater Service. The provision of Wholesale Wastewater Service to Corix is subject to the prior completion of construction by or on behalf of Corix, and acceptance by City, of the Connection Facilities.

Section 2.03 Sole Provider.

(a) For so long as the City meets its obligations under this Agreement, City will be the sole source of Wholesale Wastewater Service to Corix for the Wholesale Service Area unless City consents in writing to Corix's conversion to another wholesale provider. Under the terms and conditions set forth herein, City shall be entitled to provide Wholesale Wastewater Service to Corix for the Wholesale Service Area from any source of treatment capacity available to City.

(b) Notwithstanding the foregoing, the Parties recognize that the provision of retail wastewater service to new connections within the Wholesale Service Area may not be economically viable in all cases due to the costs of extension of improvements required to connect the property to the Interceptor. The City agrees that interim service may be furnished by Corix to individual properties when it is economically infeasible to provide service to an applicant by connection of the applicant's property to the Interceptor but the Parties shall cooperate in good faith to cause connection of such areas to the Interceptor when economically viable.

Section 2.04 Wholesale Service Commitment Not Transferable. City's commitment to provide Wholesale Wastewater Service is solely to Corix (and its successors and permitted assigns) and solely for the Wholesale Service Area. Corix may not assign or transfer in whole or in part its right to receive Wholesale Wastewater Service without City's prior written approval.

Section 2.05 Corix Responsible for Retail Connections. Corix will be solely responsible for providing retail wastewater service within the Wholesale Service Area. Corix shall not provide wastewater services received under this Agreement to any entity, private or public, other than Corix's retail customers located within the Wholesale Service Area. Corix will be solely responsible for ensuring compliance by its retail customers with the applicable terms of this Agreement, for the applicable provisions of the City Service Ordinances, of State and federal laws and regulations, and for the proper and lawful application of Corix's policies and regulations governing connection to the Corix System.

Section 2.06 Curtailment of Service. The Parties agree that, if Wastewater Service is curtailed by City when necessary for good cause to other similarly-situated customers of the City System, City may impose a like curtailment, with notice to Corix, on Wholesale Wastewater Service delivered to Corix under this Agreement. City will impose such curtailments in a nondiscriminatory fashion. The Parties agree that they will not construe this Agreement to prohibit City from curtailing service completely in the event of a maintenance operation or Emergency for a reasonable period necessary to complete such maintenance operations or repairs or respond to an Emergency circumstance.

Section 2.07 Cooperation During Maintenance or Emergency. Corix will reasonably cooperate with City during periods of Emergency or required maintenance. If necessary, upon prior notice, Corix will operate and maintain Corix System at its expense in a manner reasonably necessary for the safe and efficient completion of repairs or the replacement of facilities, the restoration of service, and the protection of the public health, safety, and welfare.

Section 2.08 Corix Prevention of Infiltration and Inflow. It will be Corix's responsibility to undertake such measures as are reasonably necessary or prudent to minimize Infiltration and Inflow to the Corix System. Without limitation, Corix will prohibit the discharge of drainage water and stormwater run-off into the Corix System.

Section 2.09 Construction and Testing Criteria for Corix Sewer Connections.

(a) All tests required by the design criteria and specifications of the State of Texas will be at Corix's or its customer's expense.

(b) Corix agrees that the physical connection of each service line to the local Wastewater facility will be the responsibility of Corix, will be inspected, and will not be left to the discretion of the plumber or contractor. Corix may inspect the connections with its own personnel or may retain a third party inspector for such purposes. All inspection results shall be furnished to City upon request.

(c) Corix agrees that it will maintain strict supervision and maintenance of its local Wastewater facilities to prohibit unpermitted connections such as roof drains or any other means by which surface drainage, *i.e.* stormwater run-off, can enter local Wastewater facilities and then discharge to the City System.

(d) Connections made to the Corix System after the date of execution of this Agreement will be made using only materials permitted by applicable codes and development criteria manuals of the State of Texas.

Section 2.10 Liability of Corix. As between the Parties, liability for damages to third persons arising from the reception, transportation, delivery, treatment and disposal of all Wastewater will remain with Corix to Point of Entry. As between the Parties, liability for damages to third persons will pass to City at the Point of Entry to City's System.

Section 2.11 Liability of City. Subject to the foregoing, City will bear the responsibility as between the Parties for the proper reception, transportation, treatment, and disposal of such Wastewater received by it at Point of Entry in accordance with the Agreement. However, the Parties agree that they will not construe this Agreement to cause City to have liability for damages to the City System or to third persons arising from the delivery by Corix of Prohibited Wastes. Similarly, this Agreement shall not be construed as a waiver of any governmental immunity that the City or Corix may enjoy with respect to any claims brought by third party persons or entities.

Section 2.12 City Treatment and Use of Wastewater. City may treat the Wastewater delivered by Corix pursuant to this Agreement and dispose of the effluent generated thereby in such manner as may be provided in the Permit or other applicable TCEQ authorization in its sole discretion.

Section 2.13 Right of Entry. Corix agrees to provide City the right of entry and access to the Corix System at all reasonable times upon prior notice in order to inspect those facilities, to investigate the source of operational or maintenance problems or for preventive purposes intended to detect, minimize, or avert operational or maintenance problems, or for any other purpose reasonably related to the provision of Wholesale Wastewater Service.

Section 2.14 Confirmation of Service Availability. When requested by Corix, the City shall issue letters of service availability or other evidence of service commitment consistent with Corix's obligations under this Agreement, to a developer in the Wholesale Service Area, such developer's lenders, prospective purchasers, the applicable governing municipal jurisdiction, or any other governmental entity having jurisdiction over development in the Wholesale Service Area. The City Manager and Public Works Director of the City are each authorized to issue such letters of service availability, and shall do so within ten (10) days of receipt of a written request by Corix.

ARTICLE III
DESIGN AND CONSTRUCTION OF CONNECTION FACILITIES

Section 3.01 General. Corix shall construct and install, or cause the construction and installation of, the Connection Facilities at its sole cost and expense in accordance with the terms and conditions of this Agreement. The Parties contemplate installation of the Connection Facilities generally at the location depicted in **Exhibit "B."** Notwithstanding the foregoing, in the event that Corix is unable to secure any of the Required Easements after utilizing good faith efforts, including eminent domain proceedings, then the Connection Facilities may be relocated into public rights-of-way at locations approved by the City.

Section 3.02 Design and Engineering of Connection Facilities.

(a) The Connection Facilities must be designed by a Texas Licensed Professional Engineer in accordance with the requirements of the Texas Commission on Environmental Quality.

(b) Corix shall submit to the City for review and approval prior to the commencement of construction of the Connection Facilities: (i) preliminary engineering report including facility layout and budgets itemized by facility ownership; (ii) final engineering report including plans, specifications, contract

documents and detailed itemized budgets by facility ownership; and (iii) documentation that all required easements, rights of way, and local, state and federal permits (if applicable) for the Connection Facilities construction have been secured.

(c) Corix shall submit all final plans and specifications for construction of the Connection Facilities to City for review and approval prior to commencement of construction of the Connection Facilities. City approval shall not be unreasonably withheld, delayed or denied provided the plans and specifications comply with all applicable requirements of TCEQ. The City agrees to review all plans and specifications and either approve the plans and specifications, or provide written comments specifically identifying the required changes, within twenty one (21) days after the submittal.

Section 3.03 Corix Payment for Construction and Installation of the Connection Facilities.

(a) Corix agrees to pay for, or cause to be paid, the costs of design and construction of the Connection Facilities. In addition, Corix agrees to pay for, or cause to be paid, the costs incurred in connection with obtaining governmental approvals, certificates, permits, easements, rights-of-way, and sites required as part of the Connection Facilities as those costs become due.

(b) City will not be liable to any contractor, engineer, attorney, materialman or other party employed or contracted with by Corix in connection with the construction of the Connection Facilities.

Section 3.04 Easement Acquisition.

(a) At Corix's sole discretion, the Connection Facilities may be located in private easements dedicated to Corix, or may be located within public rights-of-way.

(b) Notwithstanding the foregoing, the City shall determine whether the City Connection Facilities shall be located in easements or public rights -of-way. In the event the City elects for such facilities to be located in easements, the City shall be solely responsible for securing the easements at its sole cost and expense.

Section 3.05 Construction of Facilities.

(a) Corix agrees to provide not less than ten (10) days' prior written notice to City of the date on which construction is scheduled to begin on the Connection Facilities.

(b) Corix agrees to use its reasonable and good faith efforts to ensure that the Connection Facilities shall be constructed in a good and workmanlike manner and that all material used in such construction shall be free from defects and fit for its intended purpose.

(c) Corix shall construct the Connection Facilities in compliance with any and all applicable local, state, and federal regulations.

(d) Any variance to the requirements within this Agreement must be submitted in writing to City and is subject to City's sole discretion and approval. If the City or its designees determine that Connection Facilities as constructed by Corix are not in compliance with any specifications as approved by City, then City may pursue any remedy provided in this Agreement.

Section 3.06 Inspection of Facilities.

(a) City will have the right to inspect the construction of the City Connection Facilities at the City's sole cost and expense. Corix will, at its sole cost, provide City with documentation of third party inspections, testing and reports relating to the construction of the Connection Facilities.

(b) Upon completion of the Connection Facilities, Corix shall provide City with a certificate of completion from the project engineers certifying that the Connection Facilities have been completed substantially in accordance with the approved specifications or otherwise approved by City in response to Corix's variance request. Corix will respond to and repair any outstanding items identified in writing by City. The City shall provide written confirmation of satisfactory completion of the Connection Facilities. City's letter to Corix confirming that all outstanding project items have been completed shall be the "*Completion Date.*"

Section 3.07 Corix Warranties, and Bonds

(a) Duty to Repair and Warranty. Except as otherwise specified, Corix agrees to repair all defects in materials, equipment or workmanship appearing within two (2) years from the Completion Date to comply with the approved specifications for the City Connection Facilities. Upon receipt of written notice from City of the discovery of any defects, Corix shall promptly and at its own cost remedy the defects and replace any property damaged therefrom, or may cause the contractor to do so. In case of Emergency where delay would cause serious risk of loss or damage to City or its customers, or if Corix, after notice, fails to proceed promptly toward such remedy within 30 days or within another period of time which has been agreed to in writing, City may have defects in the Connection Facilities corrected in compliance with the terms of this warranty and guarantee, and Corix shall be liable for all expenses incurred by City in so doing.

(b) Assignment of Warranty Obligations. In addition to Corix's duty to repair, as set forth above, Corix expressly assumes all warranty obligations under the approved plans and specifications for specific components, materials, equipment or workmanship of the Connection Facilities. Corix may satisfy its duty to repair and warranty by obtaining and assigning to City, by written instrument in a form approved by counsel for the City, a complying warranty from a manufacturer, supplier, or contractor providing the warranty for one year from the Completion Date. Where an assigned warranty is tendered and accepted by City that does not fully comply with the requirements of the approved specifications, Corix agrees that it shall remain liable to City on all elements of the required warranty that are not provided by the assigned warranty.

(c) General Requirements for Performance and Payment Bonds.

1) The Cost of the Facilities (herein "*Cost of the Facilities*") shall be based on the construction contract(s) issued by (or on behalf of) Corix to its contractor for the Connection Facilities (in addition to permitting and easement acquisition costs funded by Corix).

2) When Performance Bonds and/or Payment Bonds are required, each shall be issued as security for the faithful performance and/or payment of all Corix's obligations under this Agreement. Performance Bonds and Payment Bonds shall be issued by a solvent U.S. corporate surety that is authorized to do business in the State of Texas, and shall meet any other requirements established by State of Texas or Federal law. The bonds shall be executed or countersigned by a Texas resident agent.

3) If the surety on any Bond furnished by Corix is declared bankrupt or becomes insolvent or its right to do business in the State of Texas is terminated or it ceases to meet the requirements of this Agreement, Corix shall within ten (10) days thereafter substitute another Bond and surety, both of which shall comply with the requirements of this Agreement.

(d) Maintenance Bond. Corix agrees to arrange for its general contractor to provide to City not later than the Completion Date a maintenance bond in a form approved by counsel for City, for an amount not less than 25% for the cost of the City Connection Facilities for the repair of all defects in materials, equipment or workmanship appearing in the Connection Facilities within two (2) years from the Completion Date.

Section 3.08 Insurance.

(a) The contract for construction of the Connection Facilities shall require the construction contractor ("*Contractor*") to provide and maintain the types and minimum coverages of insurance specified below from the time Corix issues a notice to proceed for construction of the Connection Facilities and extending until the Completion Date.

(b) The Contractor shall be required to present Corix with a current insurance certificate showing the required coverages before any workers or materials are brought to the construction site for the Connection Facilities. City, its employees, officers, and its professional consultants, legal representatives and agents will be named as an additional insured on such insurance certificate. The insurance coverages shall include, and the certificates shall reflect, carrier's written endorsement that the coverage afforded will not be canceled, materially changed or renewal refused until at least thirty days prior written notice has been given to Corix.

(c) If the Contractor engages subcontractors for construction, the Contractor shall either provide coverage for subcontractors in the Contractor's insurance policies or require each subcontractor to secure insurance of the same types and with the same coverage limits as Contractor's.

(d) The Contractor's insurance coverage must be written by companies licensed to do business in the State of Texas at the time the policies are issued. Such insurance shall include, at a minimum, coverage for the following types of claims that might arise out of the construction of the Facilities:

1) claims under workers' compensation, disability benefits, and other similar employee benefit laws;

2) claims for damages because of bodily injury, occupational sickness or disease, or death of any person;

3) claims for damages, other than to the work itself, because of injury to or destruction of tangible property, wherever located, including loss of use resulting therefrom;

4) claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance, or use of any motor vehicle; and

5) the policies of insurance so required by this section to be purchased and maintained shall include at least the specific coverages for, and shall be written for not less than, the Cost of the Connection Facilities, or as required by law, whichever is greater.

Section 3.09 Conveyance of Facilities and Associated Property

(a) Upon the Completion Date, all facilities located on the City's side of the Point of Entry shall be deemed owned by the City. Notwithstanding the foregoing, Corix agrees to provide a bill of sale or other conveyance instrument reasonably satisfactory to the City to evidence such conveyance upon request of the City.

(b) Upon the Completion Date, Corix will be responsible for ownership, operation and maintenance of the Interceptor located on its side of the Point of Entry, and City shall be responsible for ownership, operation, and maintenance of the City Connection Facilities.

ARTICLE IV
RATES AND CHARGES

(a) Wholesale Wastewater Rates, Fees and Charges. Corix will pay City for the Wholesale Wastewater Service provided under this Agreement based on rates, charges and fees for the Wholesale

Wastewater Service set by the City Council for its wholesale wastewater customers and amended from time to time. The rates, charges and fees for Wholesale Wastewater Service shall consist of the following:

1) Minimum Monthly Charge, which is equal to $1.75 per wholesale service meter as of the Effective Date;

2) Volume Charges, which is equal to $5.18 per 1,000 gallons as of the Effective Date; and

3) Wastewater Impact Fees, as adjusted by this Agreement.

(b) The Minimum Monthly and Volume Charges shall be calculated by City in accordance with standard ratemaking principles for wholesale service; shall be just, reasonable, and non-discriminatory; and shall be based on the Costs of the System at the time of adoption. Wastewater Impact Fees shall be calculated by City in accordance with the applicable provisions of Chapter 395, Texas Local Government Code, and modified in accordance with the methodology set forth in this Agreement.

(c) Corix's obligation to commence payment of the Minimum Monthly Charge, Volume Charges and Wastewater Impact Fees shall commence the first month subsequent to the Completion Date and delivery of Wastewater to the City System. The City shall have no obligation to provide Wholesale Wastewater Services prior to the Completion Date.

Section 4.02 Amendment of Wholesale Rates, Fees and Charges, Notices to and Review by Corix.

(a) City may amend the Minimum Monthly Charge, Volume Charges and Wastewater Impact Fees from time to time as approved by the City Council.

(b) City will provide Corix with at least ninety (90) days prior written notice of any increases to the Minimum Monthly and Volume Charges. Written notice shall include the proposed new rates, and a cost of service study. Notice of changes to the Wastewater Impact Fee is governed by the provisions of Section 4.04(a) below.

(c) Corix will have the right to inspect and copy, at its expense, City's books, and records to verify any statement, billing, charge, computation, or demand made to Corix by City. City agrees to make all such information available to Corix for inspection and copying with reasonable promptness during normal business hours.

Section 4.03 Volume and Minimum Monthly Charges.

(a) City will measure Wastewater flows monthly based on monthly readings of the Metering Facility. The total of these amounts multiplied by the Volume Charge will be used by City to compute the monthly bill for the Volume Charges as provided in Section 5.02 below.

(b) Upon the commencement of delivery of Wastewater to the City System, Corix will pay to the City the Minimum Monthly Charge.

Section 4.04 Wastewater Impact Fees.

(a) Except for those Wastewater Impact Fees that are credited in accordance with the terms of Section 4.05 below, Corix shall be obligated to pay City a Wastewater Impact Fee that is based upon City's most recently-approved fee for each new retail wastewater customer that connects to the Corix System and receives wastewater service provided under this Agreement. For the term of this Agreement, the Wastewater Impact Fee will be the amount established from time to time in the City Service Ordinances, provided that no increase in the Wastewater Impact Fee will become effective for Corix until the City has given at least ninety days prior written notice of the change to Corix, and any such increases shall be applied to connections

made in the Wholesale Service Area in accordance with Chapter 395, Texas Local Government Code, in order to allow Corix adequate time to make corresponding changes to its Tariff. The Wastewater Impact Fee paid for each new retail wastewater connection to the Corix System shall be due and payable to City within thirty (30) days after the end of each calendar quarterly period in which the new retail wastewater connection is made.

(b) Within thirty (30) days after the end of each calendar quarter after the Completion Date, Corix shall submit a monthly report to City, reflecting the new customer(s), service address(es), meter size(s) and number of LUE(s) for which payment of a Wastewater Impact Fee is being made and/or a credit being applied for the calendar quarter in question. The City reserves the right to audit all Corix submitted data and modify Corix's claimed LUE calculations in accordance with the City Service Ordinances. If no new connections have been made, the monthly report will still be required, but will reflect that there have been no changes from the prior reporting period. Unless changed by written notice in accordance with Section 9.09, the Wastewater Impact Fees and monthly reports required by Section 5.07 and this subsection will be submitted to the following address:

City of Bastrop
1311 Chestnut Street
Bastrop, Texas 78602
Attn: City Manager

(c) The Wastewater Impact Fee will be designed to fund or recover all or a part of the Costs of the City System for capital improvements or facility expansions used or useful to provide Wholesale Wastewater Services in accordance with the methodology set forth in **Exhibit "C"**. Upon payment (or credit), Corix will have a guaranteed reservation of capacity in the City System for the number of LUEs for which a Wastewater Impact Fee has been paid or credited. The Wastewater Impact Fee will be reasonable and just and established in accordance with the provisions of this Agreement.

Section 4.05 Wastewater Impact Fee Credit. As consideration for the design, construction and conveyance of the Connection Facilities, City shall credit Corix with the payment of Wastewater Impact Fees (the "*Wastewater Impact Fee Credit*") in an amount equal to all costs and expenses incurred by or on behalf of Corix relating to the design, construction, inspection and permitting of the Connection Facilities and acquisition of easements related thereto, including all surveying, appraisal, legal, condemnation and other costs related thereto (collectively, the "*Connection Facilities Costs*"), including, without limitation, all costs of design, engineering, materials, labor, construction, inspection, and testing arising in connection with the Connection Facilities; all payments arising under any contracts entered into for the construction of the Connection Facilities; all costs incurred by or on behalf of Corix in connection with obtaining governmental approvals, certificates, or permits required for the Connection Facilities; all costs and expenses incurred by or on behalf of Corix in connection with obtaining the easements, rights-of-way, or sites required as a part of the construction of the Connection Facilities. At City's request, Corix shall agree to furnish documentation in reasonable detail evidencing and supporting the Connection Facilities Costs. Commencing on the Completion Date, Corix will be credited with the payment of Wastewater Impact Fees for each new retail wastewater connection to the Corix System, and each then existing wastewater connection to the Corix System that connects to the Connection Facilities, until the Wastewater Impact Fee Credit is exhausted.

Section 4.06 Corix Wastewater Rates and Charges. Corix will determine and charge its retail Wastewater customers such rates in accordance with its tariff. During the term of this Agreement, Corix will fix and collect rates and charges for retail Wastewater service that are, in the opinion of its governing body, sufficient, together with any other revenues available to Corix, to produce the amount necessary to operate, repair, and maintain Corix System, and to pay the cost of Wholesale Wastewater Service from City. Corix will establish retail rates consistent with AWWA ratemaking principles. Corix will be solely responsible for ensuring that its retail rates and charges are determined and collected in accordance with applicable law.

Section 4.07 Corix Fees. The Parties acknowledge that Corix has the right to the extent allowed under applicable law to assess, charge, and collect contributions in aid of construction, or other service fees, rates, taxes, or other charges. This Agreement will not be construed to require, limit, or restrict the authority of

Corix to implement the same. Corix will be solely responsible for the assessment and collection of such fees and charges and for ensuring that all fees, rates, and charges Corix elects to charge are in compliance with applicable law.

Section 4.08 Verification of Corix Connections. For verification of the Wastewater Impact Fees paid to City and for any other purpose, Corix shall make available for inspection and copying during regular business hours, at City's expense, all records for retail connections to the Corix System. In addition, City shall have the right to inspect Corix System at any time, at City's sole expense, after giving Corix written notice of its intention to inspect and allowing the opportunity for Corix to be present, to verify the type and amount of retail connections made or the condition of Corix System and Corix will provide lawful access to City for this purpose.

ARTICLE V
WHOLESALE BILLING METHODOLOGY, REPORTS AND OTHER RELATED MATTERS

Section 5.01 Monthly Statement. For each monthly billing period, City will forward to Corix a bill providing a statement of the total Minimum Monthly Charge and Volume Charges owed by Corix for Wholesale Wastewater Service provided to Corix during the previous monthly billing period. Corix will pay City for each bill submitted by City to Corix by check or bank-wire on or before thirty (30) days from the date of the invoice. Payments shall be mailed to the address indicated on the invoice, or can be hand-delivered to City Hall in Bastrop County, Texas, upon prior arrangement. If payments will be made by bankwire, Corix shall verify wiring instructions. Payment must be received at City Hall or bank by the due date in order not to be considered past due or late. In the event Corix or an assignee responsible for payment in accordance with this Agreement fails to make payment of a bill within said thirty (30) day period, Corix shall pay in addition City's then-current, Council-approved wholesale wastewater contract late payment charges on the unpaid balance of the invoice.

Section 5.02 Monthly Billing Calculations. City will compute the Minimum Monthly Charge and Volume Charges included in the monthly billing for Wholesale Wastewater Service on the basis of monthly readings of the Metering Facility. The total of these amounts multiplied by the wholesale Wastewater rate, set from time to time by the City Council, will be used to compute the monthly bill for the Volume Charge.

Section 5.03 Infiltration and Inflow; Winter Averaging. Corix acknowledges that water entering the City System from Corix System emanating from any source whatsoever must be given treatment and handling whether or not its source is revenue-producing for Corix. Therefore, Corix agrees to pay, as part of the Minimum Monthly Charge and Volume Charge, for Infiltration and Inflow originating within the Wholesale Service Area without abatement in the same manner and cost as other Wastewater entering City's System from Corix's System.

Section 5.04 Effect of Nonpayment. With respect to monthly billings, if City has not received payment from Corix by the due date, the bill will be considered delinquent, unless contested in good faith. In such event, City will notify Corix, or its assignee responsible for payment in accordance with this Agreement, of such delinquency in writing, if Corix or its assignee fails to make payment of the delinquent billing within 30 calendar days from the date of transmittal of such written notice of delinquency from City, then City may, at its discretion, terminate or reduce the level of Wholesale Wastewater Service to Corix until Corix or its assignee makes payment is made.

Section 5.05 Protests, Disputes or Appeals. Nothing in this Agreement is intended to limit, impair or prevent any right of Corix to protest, dispute or appeal with respect to rate making, the establishment of fees and charges or any other related legal or administrative proceedings affecting services or charges to Corix under this Agreement.

Section 5.06 Metering Facility Accuracy; Calibration.

(a) The City shall own the Metering Facility, which Corix shall pay for, and it shall be calibrated each calendar year by the City at City's sole cost and expense (and such costs may be included in the Costs of the System). The City shall provide not less than 48 hours' prior written notice of each such calibration, and a representative of Corix may be present to observe each calibration.

(b) The Metering Facility may be calibrated at any reasonable time, and shall be tested at least annually, by either Party to this Agreement, provided that the party making the calibration notifies the other party in writing at least five days in advance and allows the other Party to witness the calibration. In the event any question arises at any time, but not more than a frequency of once per consecutive 12-month period without mutual consent of both Parties, as to the accuracy of the Metering Facility, then the Metering Facility shall be tested by City promptly upon demand of Corix. The expense of such test shall be borne by Corix if the Metering Facility is found to be within AWWA and manufacturer's standards of accuracy for the type and size of meter and by City if the Metering Facility is found not to be within AWWA and manufacturer's standards for the type and size of meter.

(c) If, as a result of any test, the Metering Facility is found to be registering inaccurately (in excess of or below AWWA and manufacturer's standards for the type and size of meter), the readings of the Metering Facility shall be corrected at the rate of its inaccuracy for any period which is definitively known or agreed upon and City shall pay for the testing or, if no such period is known or agreed upon, the shorter of:

1) a period extending back either 60 days from the date of demand for the test or, if no demand for the test was made, 60 days from the date of the test; or

2) a period extending back one-half of the time elapsed since the last previous test;

and the records of the readings, and all payments which have been made on the basis of such readings, shall be adjusted accordingly.

Section 5.07 Additional Required Notices. In addition to the monthly reports required by Section 4.04(b) above, Corix shall:

(a) Provide to City a copy of each final subdivision plat of property within the Wholesale Service Area.

(b) Provide to City by June 1 of every year during the term of this Agreement a report setting forth: (i) the total number of retail wastewater service connections within the Wholesale Service Area as of April 1 of the same year; and, (ii) the total number of new retail wastewater service connections to the Corix System during the prior annual period ending April 1 of the same year, which connections shall be set forth in LUES as determined by City's Service Ordinance.

ARTICLE VI
REGULATORY COMPLIANCE

Section 6.01 Agreement Subject to Applicable Law. The Agreement will be subject to all valid rules, regulations, legal interpretations, policies and applicable laws of the United States of America, the State of Texas and/or any other governmental body or agency having lawful jurisdiction or any authorized representative or agency of any of them.

Section 6.02 Cooperation to Assure Regulatory Compliance. Since the Parties must comply with all federal, state, and local requirements to obtain permits, grants, and assistance for system construction, studies, and any other applicable and/or relevant legal or regulatory requirements, each party will cooperate in good faith with the other Party at all times to assure compliance with any such governmental requirements where

noncompliance or non-cooperation may subject the parties to penalties, loss of grants or other funds, or other adverse regulatory action in the performance of this Agreement.

Section 6.03 Sewer System Overflows. Each Party shall cooperate with the other and initiate immediate response measures to abate and remediate sewer system overflows in its System in compliance with its internal directives and policies and as directed by state, federal, or other officials, and immediately notify the other Party of the sewer system overflows affecting the Wholesale Service Area. Each Party is responsible for timely providing all required equipment and personnel to remediate the sewer system overflow, and for providing any required notice to the United States Environmental Protection Agency (EPA),the TCEQ, and affected members of the publicregarding any threatened or actual overflows.

ARTICLE VII
TERM, TERMINATION, DEFAULT, REMEDIES

Section 7.01 Term and Termination. This Agreement shall become effective upon the Effective Date and shall extend for a term of forty (40) years unless terminated earlier as provided herein. So long as Corix provides at least 12 months' written notice to the City, it may renew this Agreement for one additional term of forty (40) years.

Section 7.02 Default.

(a) In the event Corix shall default in the payment of any amounts due to City under this Agreement, or in the performance of any material obligation to be performed by Corix under this Agreement, then City shall give Corix at least 30 days' written notice of such default and the opportunity to cure same. Thereafter, in the event such default remains uncured, Corix shall have the right to pursue any remedy available at law or in equity.

(b) In the event City shall default in the performance of any material obligation to be performed by City under this Agreement, then Corix shall give City at least 30 days' written notice of such default and the opportunity to cure same. Thereafter, in the event such default remains uncured, Corix shall have the right to pursue any remedy available at law or in equity, pending cure of such default by City. In the event such default remains uncured for an additional 180 days, then Corix shall, in addition to and not in lieu of any other remedies available to Corix, have the right to notify City that Corix intends to take a more limited amount of Wholesale Wastewater Services from City (which shall be at least the amount City is then able to provide to Corix) and Corix may then obtain other wastewater services from another provider or may take appropriate action to supply itself with additional wastewater services upon giving City written notice of its intent to do so. City acknowledges that the replacement of the Wholesale Wastewater Services which City has agreed to provide under this Agreement would be difficult and expensive for Corix, and agrees to use diligent good faith efforts to perform its obligations under this Agreement.

Section 7.03 Additional Remedies Upon Default. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by any party and shall be cumulative of the remedies provided. Recognizing however, that City's undertaking to provide and maintain the services of the City System is an obligation, to the extent that City's failure in the performance of which cannot be adequately compensated in money damages alone, City agrees, in the event of any default on its part, that Corix shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination of this Agreement) that may also be available. In recognition that failure in the performance of Corix's obligations could not be adequately compensated in money damages alone, Corix agrees in the event of any default on its part that City shall have available to it the equitable remedies of specific performance in addition to any other legal or equitable remedies that may also be available to City. If either party institutes legal proceedings to seek adjudication of an alleged default under this Agreement, the prevailing party in the adjudication shall be entitled to its reasonable and necessary attorneys' fees. THE PARTIES ACKNOWLEDGE AND AGREE THAT THIS AGREEMENT IS SUBJECT TO SUBCHAPTER I, CHAPTER 271, TEXAS LOCAL GOVERNMENT CODE.

Notwithstanding any provision herein to the contrary, neither Party shall be responsible for consequential damages in the of a breach.

ARTICLE VIII
GENERAL PROVISIONS

Section 8.01 Assignability. Assignment of this Agreement by either party is prohibited without the prior written consent of the other party, which consent shall not be unreasonably withheld, delayed or conditioned; provided however that City hereby consents to the assignment of this Agreement to any affiliate of Corix, to and successor entity created by merger or consolidation with Corix, or to any entity that acquires all or substantially all of the assets of Corix. Other than assignment by Corix to an affiliate, or successor entity created by merger or consolidation, any assignment of this Agreement by Corix requires prior consent of the City evidenced by adoption of a resolution, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 8.02 Amendment. This Agreement may be amended or modified only by written agreement duly authorized by the respective governing bodies of Corix and City and executed by duly authorized representatives of each.

Section 8.03 Necessary Documents and Actions. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Agreement.

Section 8.04 Entire Agreement. This Agreement constitutes the entire agreement of the Parties and this Agreement supersedes any prior or contemporaneous oral or written understandings or representations of the Parties regarding Wholesale Wastewater Service by City to Corix for the Wholesale Service Area.

Section 8.05 Applicable Law. This Agreement will be construed under and in accordance with the laws of the State of Texas.

Section 8.06 Venue. All obligations of the Parties created in this Agreement are performable in Bastrop County, Texas, and venue for any action arising under this Agreement will be in Bastrop County, Texas.

Section 8.07 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than to the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

Section 8.08 Duplicate Originals. This Agreement may be executed in duplicate originals each of equal dignity.

Section 8.09 Notices. Any notice required under this Agreement may be given to the respective Parties by deposit in regular first-class mail or by hand-delivery to the address of the other Party shown below:

Corix:

Corix Utilities (Texas) Inc.
1812 Centre Creek Dr., Suite 100
Austin, TX 78754
Attn: Darrin Barker

City:

City of Bastrop
1311 Chestnut Street
Bastrop, Texas 78602
Attn: City Manager

Notices shall be deemed received on the date of hand delivery or within three days of deposit in first-class mail.

Section 8.10 Consents and Approvals. Wherever this Agreement requires any Party, or its agents or employees to provide a consent, approval or similar action, the parties agree that such consent, approval or similar action will not be unreasonably withheld or delayed.

Section 8.11 Severability. Should any court declare or determine that any provisions of this Agreement is invalid or unenforceable under present or future laws, that provision shall be fully severable; this Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in place of each such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. Texas law shall govern the validity and interpretation of this Agreement.

Section 8.12 Records. City and Corix each agree to preserve, for a period of at least three years from their respective dates of origin, all books, records, test data, charts and other records pertaining to this Agreement. City and Corix shall each, respectively, have the right during reasonable business hours to inspect such records to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to any provisions of this Agreement.

Section 8.13 Force Majeure. If any party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the affected party, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the affected party.

Section 8.14 Good Faith. Each party agrees that, notwithstanding any provision herein to the contrary (i) it will not unreasonably withhold or condition or unduly delay any consent, approval, decision, determination or other action which is required or permitted under the terms of this Agreement, and (ii) it will act in good faith and shall at all times deal fairly with the other party.

Section 8.15 Authority of Parties Executing Agreement, Validity. By their execution, each of the individuals executing this Agreement on behalf of a party represents and warrants to the other party that he or she has the authority to execute the document in the capacity shown on this document. Each of the parties further represent and warrant that this Agreement constitutes a valid and binding contract, enforceable against it in accordance with its terms.

Section 8.16 Exhibits. The following exhibits, attached to this Agreement, are incorporated into this Agreement as if fully set forth:

Exhibit A: Wholesale Service Area
Exhibit B: Point of Entry
Exhibit C: Wastewater Impact Fee Calculation Methodology

Section 8.17 Effective Date. This Agreement will be effective from and after the last date of due execution by all Parties.

CORIX UTILITIES (TEXAS) INC., a Delaware corporation

By: _____

Name: R. Darrin Barker

Title: President

Date: February 23, 2024

CITY OF BASTROP:

By: _____

Name: Sylvia Carrillo

Title: City Manager

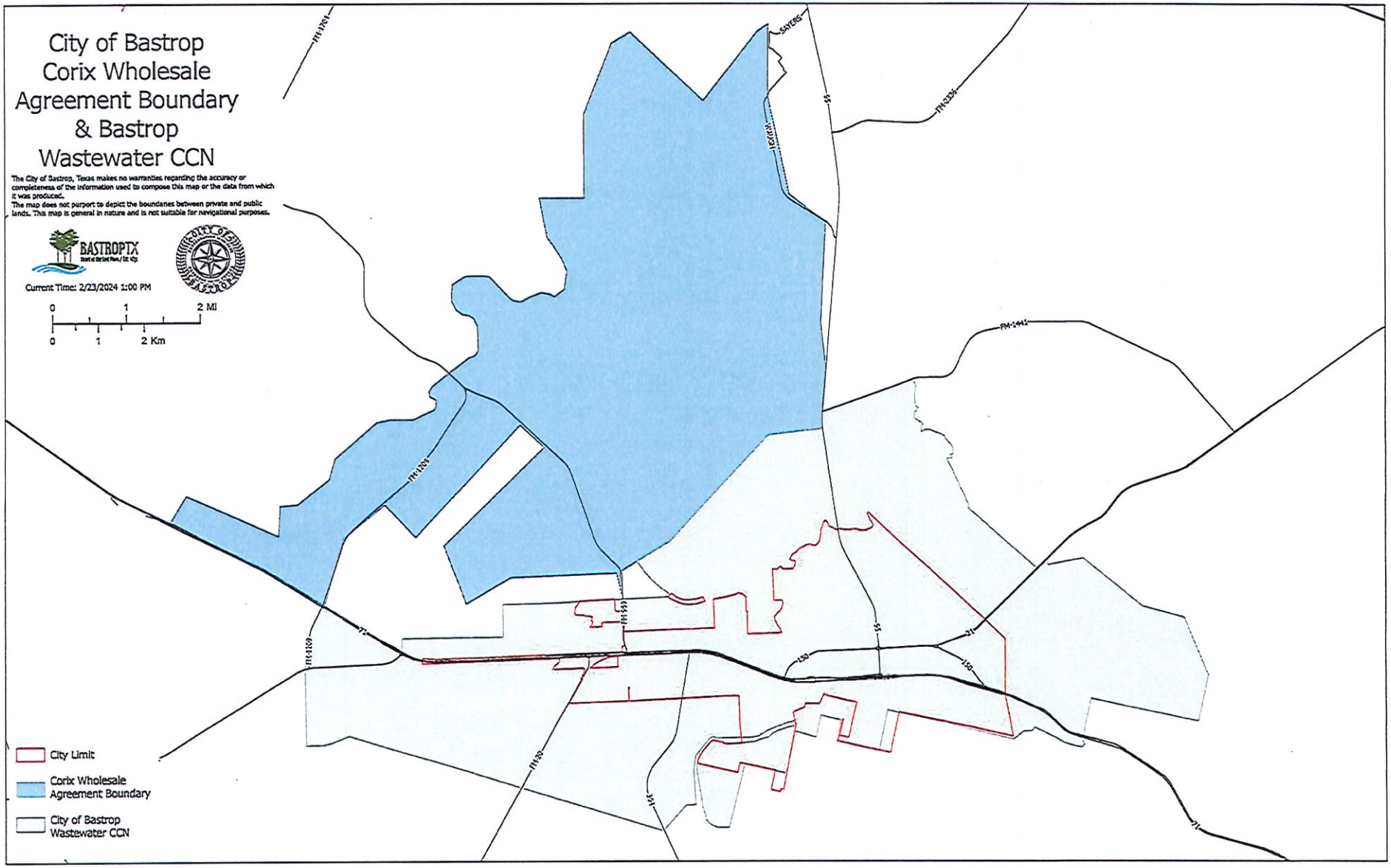
Date: 02/23/2024

Attest: _____
City Secretary

MICHELLE DIANE LIMAS
NOTARY PUBLIC
STATE OF TEXAS
ID 134036623
EXP. 10-26-2026

Exhibit "A"
Wholesale Service Area

Exhibit A


City of Bastrop
Corix Wholesale
Agreement Boundary
& Bastrop
Wastewater CCN
The City of Bastrop, Texas makes no warranties regarding the accuracy or completeness of the information used to compose this map or the data from which it was produced.
The map does not purport to depict the boundaries between private and public lands. This map is general in nature and is not suitable for navigational purposes.
BASTROPTX
Current Time: 2/23/2024 1:00 PM
0 1 2 Mi
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City Limit
Corix Wholesale Agreement Boundary
City of Bastrop Wastewater CCN
SAYERS
FM-1441
FM-2336
FM-1703
FM-1209
FM-1209
FM-1441
FM-20
71
21
150
55
304

LEGEND

- EX. WATER LINE
- EX. 4-INCH FORCE MAIN
- EX. OVERHEAD ELECTRIC (BLUEBONNET)
- EX. UNDERGROUND COMMUNICATION (AT&T)
- EX. 13" PETROLEUM PIPELINE
- EX. OVERHEAD TELECOM (AT&T)
- EX. GAS LINE (CENTERPOINT)
- 100 YR FP — 100 YEAR FLOODPLAIN
- 500 YR FP — 500 YEAR FLOODPLAIN
- RIVER CENTERLINE
- EX. ASPHALT DRIVE
- EX. GRAVEL DRIVE
- PROPOSED ALIGNMENT A
- PROPOSED ALIGNMENT B

GRAPHIC SCALE IN FEET

Kimley»Horn

GAPPED BASS WASTEWATER CONNECTION

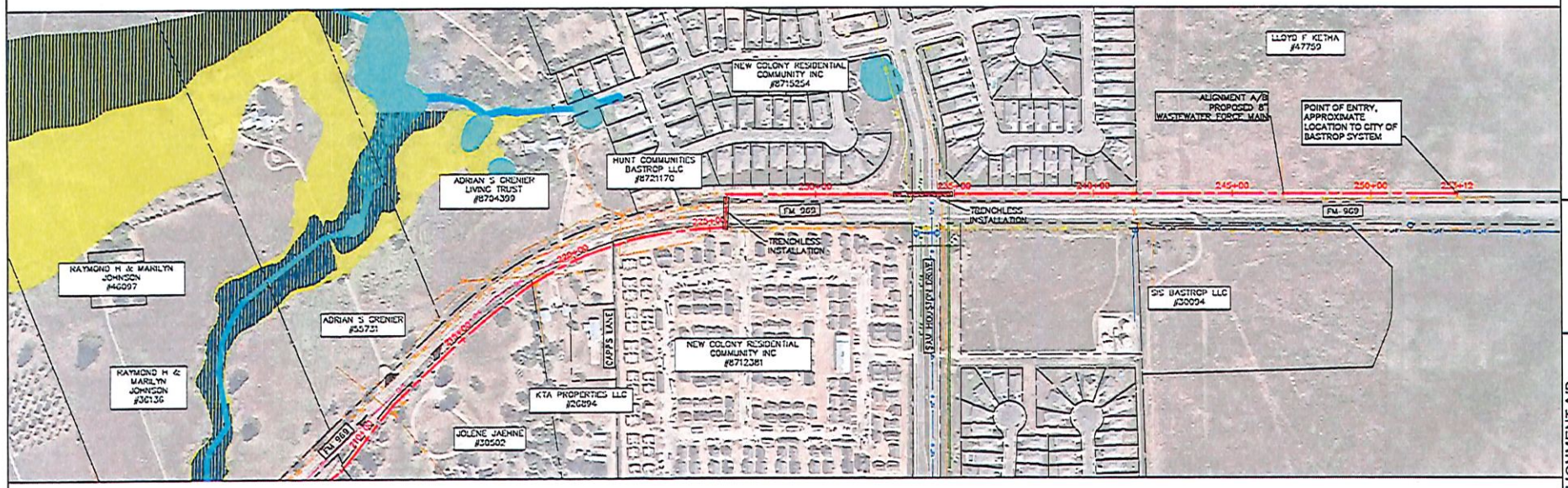
COPIX Utilities

OVERIVEW

EXHIBIT A

Exhibit B

ALIGNMENT A/B – 210+00 – END



LEGEND

- EX. WATER LINE
- EX. 4-INCH FORCE MAIN
- EX. OVERHEAD ELECTRIC (BLUEBONNET)
- EX. UNDERGROUND COMMUNICATION (AT&T)
- EX. 18" PETROLEUM PIPELINE
- EX. OVERHEAD TELECOM (AT&T)
- EX. GAS LINE (CENTERPOINT)
- 500 YEAR FLOODPLAIN
- 100 YEAR FLOODPLAIN
- RIVER CENTERLINE
- EX. ASPHALT DRIVE
- EX. GRAVEL DRIVE
- PROPOSED ALIGNMENT A/B

Kimley»Horn

GAPPED BASS WASTEWATER CONNECTION

corix Utilities

ALIGNMENT A/B FORCE MAIN 210+00 - END

EXHIBIT G

Exhibit "C"
Wastewater Impact Fee Calculation Methodology

Chapter 395 of the Local Government Code

Impact Fee means a charge or assessment imposed by a political subdivision against new development in order to generate revenue for funding or recouping the costs of capital improvements or facility expansions necessitated by and attributable to the new development" Texas Local Government Code §395.00

Impact fees may only be used to pay certain costs for: (1) constructing capital improvements or facility expansions for water supply, treatment, and distribution facilities; (2) wastewater collection and treatment facilities; (3) stormwater, drainage and flood control facilities; and (4) roadways. Id. § 395.001(1). Not all costs associated with infrastructure expansion qualify –only costs authorized under Chapter 395 are allowable. Allowable costs include the costs of facility expansion or new facility construction such as: (1) construction contract price; (2) surveying and engineering fees; and (3) land acquisition costs. Id. § 395.012(a). Fees paid to an non-city engineer or financial consultant related to preparing or updating the capital improvement plan can also be paid by impact fees. Id. § 395.012(a)(4). Additionally, certain financing charges related to permissible facilities improvements or expansions may be funded by impact fees, and impact fees may also be pledged to as security for bonds under certain circumstances. Id. § 395.012(d).

Capital Improvements Advisory Committee convened in 2021-22 and then adopted a : (1) a Capital Improvements Plan; and (2) Land Use Assumptions on July 26, 2022.

The attached ordinance and land use assumptions are in place at the time of this document execution; however, the fees are under review and subject to change each year. (see attached Ordinance 2022-18)

For simplicity,

- Financing Costs
- Revenue Credit Calculation or 50% Credit
  - Revenue Credit Calculation – a credit for the portion of ad valorem tax and/or utility service revenues generated by new service units during the program period (10-years) that is used for payment of projects included in the Impact Fee CIP
- Maximum Assessable Impact Fee

$$\text{Impact Fee} = \frac{\text{Cost of Impact Fee CIP} - \text{Credit}}{\text{New Service Units}}$$

ORDINANCE NO. 2022-18

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS UPDATING AND AMENDING THE BASTROP CODE OF ORDINANCES, CHAPTER 13, ARTICLE 13.12, ENTITLED "IMPACT FEES", UPDATING THE LAND USE ASSUMPTIONS, CAPITAL IMPROVEMENT PLAN AND AMENDING IMPACT FEES FOR WATER AND WASTEWATER UTILITIES, AS ATTACHED IN EXHIBITS A-E, AND PROVIDING FOR FINDINGS OF FACT, ENACTMENT, ENFORCEMENT, A REPEALER, AND SEVERABILITY; ESTABLISHING AN EFFECTIVE DATE; AND PROPER NOTICE AND MEETING.

WHEREAS, new residential and nonresidential development causes and imposes increased demands upon Bastrop public facilities and services, including water and wastewater facilities, that would not otherwise occur; and

WHEREAS, planning projections indicate that such development will continue and will place ever-increasing demands on the City to provide necessary public facilities; and

WHEREAS, the development potential and value of properties is strongly influenced and encouraged by City policy as expressed in the City's 2036 Comprehensive Plan and as implemented via the City zoning ordinance and map; and

WHEREAS, to the extent that such new development places demand upon the public facility infrastructure, those demands should be satisfied by more equitably assigning responsibility for financing the provision of such facilities from the public at large to the developments actually creating the demands for them; and

WHEREAS, the amount of the impact fee to be imposed shall be determined by the cost of the additional public facilities needed to support such development, which public facilities shall be identified in a capital improvements program; and

WHEREAS, the City Council, after careful consideration of the matter, hereby finds and declares that impact fees imposed upon residential and nonresidential development to finance specified major public facilities, the demand for which is created by such development, is in the best interests of the general welfare of the City and its residents, is equitable, and does not impose an unfair burden on such development;

WHEREAS, in 1987 the Texas Legislature adopted Senate Bill 336, now Chapter 395 of the Texas Local Government Code, and subsequently amended said Chapter from time to time; and

WHEREAS, the City Council finds that in all things the City has complied with said statute in the notice, adoption, promulgation and methodology necessary to adopt Impact Fees;

NOW THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS:

SECTION 1. FINDINGS OF FACT

The foregoing recitals are incorporated into this Ordinance by reference as findings of fact as if

expressly set forth herein.

SECTION 2. ENACTMENT

Article 13.12, "Impact Fees", of Chapter 13, "Utilities," of the Code of Ordinances of the City of Bastrop are amended to read as described and attached hereto as Exhibit "A."

SECTION 3. REPEALER

In the case of any conflict between other provisions of this Ordinance and any existing Ordinance of the City, the provisions of this Ordinance will control.

SECTION 4. SEVERABILITY

If any provision of this Ordinance or the application thereof to any person or circumstance is held invalid, that invalidity or the unenforceability will not affect any other provisions or applications of this Ordinance that can be given effect without the invalid provision.

SECTION 5. ENFORCEMENT

The City shall have the power to administer and enforce the provisions of this ordinance as may be required by governing law. Any person violating any provision of this ordinance is subject to suit for injunctive relief as well as prosecution for criminal violations, and such violation is hereby declared to be a nuisance.

Nothing in this ordinance shall be construed as a waiver of the City's right to bring a civil action to enforce the provisions of this ordinance and to seek remedies as allowed by law and/or equity.

SECTION 6. EFFECTIVE DATE

This Ordinance shall be effective immediately upon passage and publication.

SECTION 7. OPEN MEETINGS

It is hereby officially found and determined that the meeting at which this Ordinance was passed was open to the public, and that public notice of the time, place and purpose of said meeting was given as required by the Open Meetings Act, Texas Government Code, Chapter 551.

READ & ACKNOWLEDGED on First Reading on the 12th day of July 2022.

READ & APPROVED on the Second Reading on the 26th day of July 2022.

APPROVED:

by _____
Connie B. Schroeder, Mayor

ATTEST:

_____
Ann Franklin, City Secretary

APPROVED AS TO FORM:

_____
Alan Bojorquez, City Attorney

Exhibit A

City of Bastrop Code of Ordinances

Chapter 13 – UTILITIES

Article 13.12 – Impact Fees

DIVISION 1. - GENERALLY

Sec. 13.12.001 - Short Title.

No changes.

Sec. 13.12.002 - Intent.

No changes.

Sec. 13.12.003 - Authority.

No changes.

Sec. 13.12.004 - Definitions.

No changes.

Sec. 13.12.005 - Applicability.

No changes.

Sec. 13.12.006 - Impact Fees as Conditions of Development Approval.

No changes.

Sec. 13.12.007 - Establishment of Water and Wastewater Service Areas.

No changes.

Sec. 13.12.008 - Land Use Assumptions.

Land use assumptions used in the development of the impact fees are contained in Exhibit B to Ordinance -2022-18. These assumptions may be revised by the City Council according to the procedure set forth in V.T.C.A. Local Government Code, Chapter 395 and its successors.

Sec. 13.12.009 - Service Units.

No changes.

Sec. 13.12.010 - Impact Fees Per Service Unit.

(a) The maximum impact fee per service unit for each service area shall be computed by dividing the growth-related capital construction cost of service in the service area identified in the capital improvements plan for that category of capital improvements, by the total number of projected service units anticipated within the service area which are necessitated by and attributable to new development, based on the land use assumptions for that service area, and adjusted by subtracting credits in the form of future rate or tax contributions to water and/or wastewater CIP funding and adding any additional amount as may be yielded in the inflation-escalator portion of the fee assessment formula set forth in Sec. 13.12.011. Maximum impact fees per service unit for each service area shall be established by category of capital improvements and shall be set forth in Exhibit C to Ordinance 2022-18.

(b) Exhibit C to Ordinance 2022-18 may be amended by the City Council according to the procedure set forth in Chapter 395 of the Texas Local Government Code and its successors.

(c) The effective impact fees per service unit may be amended from time to time by the City Council through ordinance amendment to any amount less than that set forth in Exhibit C to Ordinance 2022-18.

Sec. 13.12.011 - Assessment.

(a) *No changes.*

(b) Assessment of the impact fee for any new development shall be made as follows:

(1) *No changes.*

(2) For new development, which has received final plat approval prior to the effective date of this article and for which no re-platting is necessary prior to the issuance of a building permit, assessment shall be upon the issuance of a building permit, and shall be the value of the effective impact fee per service unit set forth in Exhibit C to Ordinance 2022-18.

(3) For new development, which occurs or is proposed to occur without platting, assessment shall be upon the issuance of a building permit and shall be the value of the effective impact fee per service unit set forth in Exhibit C to Ordinance 2022-18.

(4) *No changes.*

(5) *No changes.*

(c) *No changes.*

(d) *No changes.*

Sec. 13.12.012 - Calculation of Impact Fees.

No changes

Sec. 13.12.013 - Collection of Impact Fees.

No changes.

Sec. 13.12.014 - Offsets Against Impact Fees.

No changes.

Sec. 13.12.015 - Establishment of Accounts and Records.

No changes.

Sec. 13.12.016 - Use of Proceeds of Impact Fee Accounts.

No changes.

Sec. 13.12.017 – Appeals.

No changes.

Sec. 13.12.018 – Refunds.

No changes.

Sec. 13.12.019 - Updates to Plan and Revision of Fees.

No changes.

Sec. 13.12.020 - Functions of Advisory Committee.

No Changes.

Sec. 13.12.021 - Agreement for Capital Improvements.

No changes.

Sec. 13.12.022 - Use of Other Financing Mechanisms.

No changes.

Sec. 13.12.023 - Impact Fees as Additional and Supplemental Regulation.

No changes.

Sec. 13.12.024 - Relief Procedures.

No changes.

Sec. 13.12.025 - Exemptions.

No changes.

Sec. 13.12.026 - Certification of Compliance Required.

No changes.

Secs. 13.12.027 – 13.12.060 Reserved.

DIVISION 2. – WATER FACILITIES
Sec. 13.12.061 - Service Area.

No changes.

Sec. 13.12.062 - Improvements Plan.

(a) The Water Improvements Plan for the City is hereby adopted as Exhibit D to Ordinance 2022-18 and incorporated by reference herein.

(b) *No changes.*

Sec. 13.12.063 - Impact Fees.

(a) The maximum impact fee values per service unit for water facilities are hereby adopted and incorporated in Exhibit C to Ordinance 2022-18 and made a part hereof by reference.

(b) *No changes.*

Secs. 13.12.064-13.12.090 – Reserved.

DIVISION 3. - WASTEWATER FACILITIES

Sec. 13.12.091 - Service Area.

No changes.

Sec. 13.12.092 - Improvements Plan.

(a) The Wastewater Improvements Plan for the City is hereby adopted as Exhibit E to Ordinance 2022-18 hereto and incorporated by reference herein.

(b) *No changes.*

Sec. 13.12.093 - Impact Fees.

(a) The maximum impact fee values per service unit for wastewater facilities are hereby adopted and incorporated in Exhibit C to Ordinance 2022-18 and made a part hereof by reference.

(b) *No changes.*

Exhibit B
Future Land Use Assumptions

Future Land Use Assumptions (Acres Developed)			
Land Use (Acres)	**2022**	**2032**	**Build Out**
Single Family Residential	2,129	2,678	3,616
Retail / Office	120	152	211
Commercial	1,481	1,825	2,274
Industrial	218	287	459
Parks and Open Space and Agriculture	748	748	748
Total Developed Acreage	4,697	5,690	7,308

Future Land Use Assumptions (Service Unit Equivalents and Population)			
	2022	**2032**	**2055**
Population	12,299	14,359	17,700
Water Service Population	9,860	14,596	35,975
Sewer Service Population	9,671	14,315	35,283
Water SUEs	6,455	11,142	27,461
Sewer SUEs	6,455	10,208	25,159

Exhibit C
Maximum and Effective Impact Fee

			Maximum Impact Fee				Effective Impact Fee			
Meter Type	Meter Size	Multiplier	Water - Production	Water - Distribution	Sewer	All	Water - Production	Water - Distribution	Sewer	All
Simple	5/8" x 3/4"	1.0	$ 1,347.00	$ 6,835.00	$ 5,089.00	$ 13,271.00	$ 1,347.00	$ 6,835.00	$ 5,089.00	$ 13,271.00
Simple	3/4"	1.0	1,347.00	6,835.00	5,089.00	13,271.00	1,347.00	6,835.00	5,089.00	13,271.00
Simple	1"	2.5	3,367.50	17,087.50	12,722.50	33,177.50	3,367.50	17,087.50	12,722.50	33,177.50
Simple	1 1/2"	5.0	6,735.00	34,175.00	25,445.00	66,355.00	6,735.00	34,175.00	25,445.00	66,355.00
Simple	2"	8.0	10,776.00	54,680.00	40,712.00	106,168.00	10,776.00	54,680.00	40,712.00	106,168.00
Compound	2"	8.0	10,776.00	54,680.00	40,712.00	106,168.00	10,776.00	54,680.00	40,712.00	106,168.00
Turbine	2"	10.0	13,470.00	68,350.00	50,890.00	132,710.00	13,470.00	68,350.00	50,890.00	132,710.00
Compound	3"	16.0	21,552.00	109,360.00	81,424.00	212,336.00	21,552.00	109,360.00	81,424.00	212,336.00
Turbine	3"	24.0	32,328.00	164,040.00	122,136.00	318,504.00	32,328.00	164,040.00	122,136.00	318,504.00
Compound	4"	25.0	33,675.00	170,875.00	127,225.00	331,775.00	33,675.00	170,875.00	127,225.00	331,775.00
Turbine	4"	42.0	56,574.00	287,070.00	213,738.00	557,382.00	56,574.00	287,070.00	213,738.00	557,382.00
Compound	6"	50.0	67,350.00	341,750.00	254,450.00	663,550.00	67,350.00	341,750.00	254,450.00	663,550.00
Turbine	6"	92.0	123,924.00	628,820.00	468,188.00	1,220,932.00	123,924.00	628,820.00	468,188.00	1,220,932.00
Compound	8"	80.0	107,760.00	546,800.00	407,120.00	1,061,680.00	107,760.00	546,800.00	407,120.00	1,061,680.00
Turbine	8"	160.0	215,520.00	1,093,600.00	814,240.00	2,123,360.00	215,520.00	1,093,600.00	814,240.00	2,123,360.00
Compound	10"	115.0	154,905.00	786,025.00	585,235.00	1,526,165.00	154,905.00	786,025.00	585,235.00	1,526,165.00
Turbine	10"	250.0	336,750.00	1,708,750.00	1,272,250.00	3,317,750.00	336,750.00	1,708,750.00	1,272,250.00	3,317,750.00
Turbine	12"	330.0	444,510.00	2,255,550.00	1,679,370.00	4,379,430.00	444,510.00	2,255,550.00	1,679,370.00	4,379,430.00

Exhibit D
Water Capital Improvements Plan

Facility Type	Impact Fee Project Name	Total Construction Cost	Capacity	2022-2032 Demand	Recoverable Cost
Water Supply	Willow Street Plant (Wells C-G)	$ 781,865	3,319,200	14.20%	$ 110,987
Water Supply	Bob Bryan Park Site Phase I (Wells H and I)	424,853	1,224,000	14.20%	60,309
Water Supply	Bob Bryan Park Side Phase 2	1,462,720	1,152,000	14.20%	207,635
Water Supply	Initial Water Supply XS Ranch	2,000,000	2,677,808	14.20%	283,903
Water Supply	Well J & Monitoring Well	1,449,450	2,160,000	14.20%	205,752
Water Supply	Addt'l Wtr Supply (16" River Crossing Wtr Line)	1,000,000	1,058,400	14.20%	141,952
Water Supply	Water Plant (XS Ranch)	31,000,000	3,600,000	14.20%	4,400,499
Water Supply	XS Ranch groundwater well construction (3 add'l wells)	6,400,000	3,600,000	14.20%	908,490
Water Pumping	Willow High Service 1	9,962	720,000	25.47%	2,538
Water Pumping	Willow High Service 2	9,962	720,000	25.47%	2,538
Water Pumping	Willow High Service 3	9,962	720,000	25.47%	2,538
Water Pumping	Willow High Service 4	19,638	768,000	25.47%	5,002
Water Pumping	Willow High Service 5	19,638	768,000	25.47%	5,002
Water Pumping	Willow High Service 6	19,638	768,000	25.47%	5,002
Water Pumping	Bob Bryant High Service 1	74,815	1,344,000	25.47%	19,057
Water Pumping	Bob Bryant High Service 2	74,815	1,344,000	25.47%	19,057
Water Pumping	Bob Bryant Transfer Pump 1	20,000	384,000	25.47%	5,094
Water Pumping	Bob Bryant Transfer Pump 2	20,000	384,000	25.47%	5,094
Water Pumping	Loop 150 Tank Yard Pump 1	4,862	384,000	25.47%	1,238
Water Pumping	Loop 150 Tank Yard Pump 2	4,862	384,000	25.47%	1,238
Water Pumping	XS Ranch Groundwater Well Construction (4 pumps)	6,400,000	6,480,000	25.47%	1,630,210
Water Pumping	XS Ranch Transmission Pump Station	6,601,000	11,282	25.47%	1,681,409
Water Pumping	Willow WTP Zone 1 Pump Station	4,900,000	720,000	25.47%	1,248,130
Ground Storage	Bob Bryant (Tank 4)	263,080	285,000	13.00%	34,207
Ground Storage	GST Re-Use at WWTP	128,762	40,000	13.00%	16,742
Ground Storage	Tank 1 at Willow Street	350,000	500,000	13.00%	45,508
Ground Storage	Tank 2 at Willow Street	350,000	500,000	13.00%	45,508
Ground Storage	Hwy 20 (along with Elev Tank)	1,142,100	280,000	13.00%	148,500
Ground Storage	Tank 1 at Willow Street (replace concrete tank)	4,000,000	750,000	13.00%	520,094
Ground Storage	Tank 2 at Willow Street (replace steel tank)	4,000,000	750,000	13.00%	520,094
Ground Storage	XS Ranch GST part of the WTP	2,200,000	500,000	13.00%	286,052
Elevated Storage	Est at Loop 150	375,000	250,000	17.20%	64,505
Elevated Storage	Standpipe at Loop 150	700,000	1,000,000	17.20%	120,409
Elevated Storage	GST at Loop 150	140,000	225,000	17.20%	24,082
Elevated Storage	Elevated tower west at Hwy 20 (supply)	1,490,800	250,000	17.20%	256,437
Elevated Storage	1 MG Elevated Storage Tank (east of FM969)	9,500,000	1,000,000	17.20%	1,634,122
Transmission Lines	8-inch line on Old Austin Hwy	146,590	1,000	65.69%	96,296
Transmission Lines	12-inch line on Perkins/Higgins	96,491	1,000	65.69%	63,386
Transmission Lines	12-inch line on Eskew/Loop 150	48,904	1,000	65.69%	32,125
Transmission Lines	Hunters Crossing Blvd (16-inch)	100,160	1,200	65.69%	65,796
Transmission Lines	Downtown Feeder (8-inch)	148,500	450	65.69%	97,551
Transmission Lines	Willow/Wilson Connection (6-inch)	-	250	65.69%	-
Transmission Lines	Loop 150 Standpipe Feeder (10, 12 inch)	1,058,750	1,000	65.69%	695,502
Transmission Lines	SH 95 North (12-inch)	437,600	1,000	65.69%	287,463
Transmission Lines	Hoffman Road (8-inch)	77,000	450	65.69%	50,582
Transmission Lines	Loop 150 West Feeder (12-inch)	438,510	1,000	65.69%	288,061
Transmission Lines	Eskew St. (12-inch)	102,900	2,600	65.69%	67,596
Transmission Lines	Higgins St. (12-inch)	73,500	2,600	65.69%	48,283
Transmission Lines	SH 71 (North Line) (12-inch)	280,000	1,000	65.69%	183,934
Transmission Lines	SH 71 (South Line) (12-inch)	444,500	1,000	65.69%	291,996
Transmission Lines	Hasler Blvd (12-inch)	119,000	1,000	65.69%	78,172
Transmission Lines	Agnes Street (12-inch)	41,300	1,000	65.69%	27,130
Transmission Lines	Old Austin Hwy (8,12 inch)	647,700	1,000	65.69%	425,479
Transmission Lines	SH 71 (West Line) (12-inch)	13,050	1,000	65.69%	8,573
Transmission Lines	Hunters Point Drive (12, 16-inch)	57,750	1,200	65.69%	37,936
Transmission Lines	Elevated Tank Feeder (12, 16-inch)	852,500	1,200	65.69%	560,014
Transmission Lines	Hasler Shores Feeder (8 inch)	166,000	450	65.69%	109,047
Transmission Lines	SH 71 East / Buc-ee's (12-inch)	-	1,000	65.69%	-

Exhibit D
Water Capital Improvements Plan

Facility Type	Impact Fee Project Name	Total Construction Cost	Capacity	2022-2032 Demand	Recoverable Cost
Transmission Lines	Ground Storage Tank Feeder (12-Inch)	375,900	1,000	65.69%	246,932
Transmission Lines	Bob Bryant Feeder (12-Inch)	66,750	1,000	65.69%	43,849
Transmission Lines	Blair Avenue (12-Inch)	19,500	1,000	65.69%	12,810
Transmission Lines	16" watermain crossing under river	2,235,000	1,500	65.69%	1,468,190
Transmission Lines	Riverwood Waterline Improvements (Size Ir...)	1,000,000	250	65.69%	656,908
Transmission Lines	Water Main Ext. SH304 to WWTP 3	800,000	250	65.69%	525,527
Transmission Lines	Watermain Replacement Pine Street Size In...	250,000	100	65.69%	164,227
Transmission Lines	Water Main ext. Arena Dr. to Pitt	350,000	250	65.69%	229,918
Transmission Lines	24" line from XS Ranch Water Plant to Willow Plant	10,609,000	9,333	65.69%	6,969,139
Transmission Lines	20/16-Inch Bob Bryant Transmission Lines (20/16-Inch) (2500 LF of 20" WL, and 1100 of 16" WL)	2,400,000	4,873	65.69%	1,576,580
Distribution Lines	12-Inch line (1800LF) Agnes St Extension	800,000	1,060	78.20%	625,625
Distribution Lines	20/16/12-Inch Downtown WL (14,400LF). This WL replaces smaller lines. (100LF of 20", 3700 LF of 16", and 10,600 LF of 12")	6,300,000	5,150	78.20%	4,926,800
Distribution Lines	12/8-In WL on Chestnut (4100FL). This WL replaces existing 10/8-In (4100 FL of 12"WL, and 2400 LF of 8")	2,450,000	560	78.20%	1,915,978
Distribution Lines	12-In WL on Chambers (4000 LF). This WL replaces existing 10-In	1,700,000	552	78.20%	1,329,454
Distribution Lines	12-In WL on Driftwood Ln (5300 LF)	2,500,000	1,060	78.20%	1,955,079
Distribution Lines	12/8-In Lost Pines Ave (3100 LF of 12-In, and 900LF of 8-In)	1,300,000	1,547	78.20%	1,016,641
Distribution Lines	16-In Valverde WL (9700LF)- comes off 16" WL on SH 71 at FM20 EST and goes north crossing HWY 71 and then west through the Valverde sub-division	-	1,907	78.20%	-
Distribution Lines	16-In Valverde WL (6800LF) - comes off FM20 EST and goes south, then west through West Bastrop Village	-	1,907	78.20%	-
Distribution Lines	16-In Valverde WL (8700LF) - connects to the line proposed to go through West Bastrop Village, goes noth, crosing HWY 71, connecting to 16" WL on SH 71, continue north and connecting to the proposed line crossing Valverde	-	1,907	78.20%	-
Distribution Lines	12-In Lovers Lane (14800LF) - to serve Colorado River Bend movie studio	-	1,907	78.20%	-
Distribution Lines	16/12-In SH 304 (8900LF) - to serve Colorado River Bend movie studio and allow other connections from other developments in surrounding areas, such as development west of SH304 across Cuccina Ranch (~785 LUEs)	-	2,967	78.20%	-
Distribution Lines	16/12-Inch line and appurtenances (associated with the EST planned east of FM969) on Blakey Lane - (5100LF of 16" WL, and 2900 LF of 12" WL)	-	2,960	78.20%	-
Distribution Lines	12-In Movie Studio (7600LF) - to serve Colorado River Bend movie studio and allow other connections from other developments in surrounding areas	-	1,060	78.20%	-
Distribution Lines	12-In Mauna Loa Ln (10600FL)	4,100,000	1,060	78.20%	3,206,330
	Water Impact Fee Update	9,250		100%	9,250
	Total	$ 129,963,889	41,089,250		$ 45,063,093

Exhibit E
Wastewater Capital Improvements Plan

Facility Type	Impact Fee Project Name	Total Construction Cost	Capacity	2022-2032 Demand	Recoverable Cost
WW Treatment	WWTP No. 1 & 2 Replaced headworks	$ 451,274	1,400,000	17.38%	$ 78,415
WW Treatment	2 MGD WWTP #3 Construction / Design	29,005,900	2,000,000	17.38%	5,040,142
WW Treatment	2 MGD WWTP #3 Phase II Construction / Design	40,700,000	2,000,000	17.38%	7,072,140
WW Pumping	Home Depot LS	70,000	115,200	24.72%	17,302
WW Pumping	Riverside Grove LS	69,500	662,400	24.72%	17,179
WW Pumping	Old Austin LS	52,000	180,000	24.72%	12,853
WW Pumping	Central LS	255,730	1,339,200	24.72%	63,210
WW Pumping	Hunters Crossing LS	100,000	751,680	24.72%	24,717
WW Pumping	River LS	100,000	648,000	24.72%	24,717
WW Pumping	North Pecan LS	66,500	475,200	24.72%	16,437
WW Pumping	Lincoln LS	50,000	48,960	24.72%	12,359
WW Pumping	Wilson LS 1	15,000	72,000	24.72%	3,708
WW Pumping	Wilson LS 2	15,000	72,000	24.72%	3,708
WW Pumping	Fisherman Park LS	225,930	329,000	24.72%	55,844
WW Pumping	Main Street LS	100,000	648,000	24.72%	24,717
WW Pumping	Mauna LOA SL	284,000	432,000	24.72%	70,197
WW Pumping	WWTP	50,000	1,080,000	24.72%	12,359
WW Pumping	Gills Branch LS	250,000	648,000	24.72%	61,794
WW Pumping	XS Ranch LS	5,000,000	345	24.72%	1,235,871
Major Collection Lines	MLK Street Gravity Main	146,590	3,192,000	92.28%	135,273
Major Collection Lines	Pecan Street Gravity Main	171,255	3,192,000	92.28%	158,034
Major Collection Lines	Central LS Force Main	143,956	1,762,000	92.28%	132,843
Major Collection Lines	North Pecan LS Force Main	5,775	282,000	92.28%	5,329
Major Collection Lines	Highway 71 Pipe Bursting Project (Expansion from 10" to 15")	659,000	1,117	92.28%	608,126
Major Collection Lines	Fayettte St. Improvement (Expansion from 12" to 18")	230,837	1,502	92.28%	213,017
Major Collection Lines	Westside Collection System Gravity Sewer Improvements	8,150,866	23,564	92.28%	7,521,625
Major Collection Lines	Transfer Lift Station and Force Main	4,440,387	5,600	92.28%	4,097,592
Major Collection Lines	Sewer Line replacement (Main St. & Maple, Mesquite, Magnolia, Locust)	395,000	1,200	92.28%	364,506
Major Collection Lines	10-inch sewer line Agnes St Extension (1800LF)	500,000	860	92.28%	461,400
Major Collection Lines	24-inch sewer line from Hunter's Crossing to West Bastrop Village	539,569	4,940	92.28%	497,915
Major Collection Lines	XS Ranch 8-inch sewer force mains to be installed as part of the WTP - 22,000LF (tl	2,200,000	600	92.28%	2,030,162
	Wastewater Impact Fee Update	9,250		100.00%	9,250
	Total	$ 94,453,319	21,369,368		$ 30,082,740

EXHIBIT "B"

WASTEWATER FACILITY PAYMENT CONTRIBUTION AGREEMENT
BETWEEN
CITY OF BASTROP
AND
CORIX UTILITIES (TEXAS) INC.

This WASTEWAER FACILITY PAYMENT CONTRIBUTION AGREEMENT (this "*Agreement*") is made and entered into by and between CITY OF BASTROP, a Texas home rule municipality ("*City*") and CORIX UTILITIES (TEXAS) INC., a Delaware corporation ("*Corix*"). In this Agreement, Bastrop and Corix are individually referred to as a "*Party*" and collectively referred to as the "*Parties*."

RECITALS

1. Simultaneously herewith, Corix and the City have entered into that a "Wholesale Wastewater Services Agreement" setting forth the terms and conditions pursuant to which the City has agreed to provide wholesale wastewater services to Corix, so that Corix may provide retail wastewater services to certain lands located within its certificated service territory as it exists at the time of execution of this Agreement

4. The Wholesale Wastewater Services Agreement obligates Corix to construct wastewater line improvements (the "*Wastewater Line Improvements*") necessary to collect wastewater from Corix's customers and to deliver such wastewater to the City's municipal wastewater system for treatment and disposal.

5. The costs of the Wastewater Line Improvements are estimated to exceed $14,000,000.

6. Corix is negotiating an agreement with SpaceX Investments LLC ("*SpaceX*") pursuant to which Corix will provide retail wastewater service to real property owned by SpaceX utilizing the Wastewater Line Improvements (the "*SpaceX Service Agreement*"). Under said agreement, SpaceX is required to provide payment to Corix in an amount equal to $3,500,000 (the "*SpaceX Contribution*") to contribute to the costs of the Wastewater Line Improvements.

7. In order for the Wastewater Line Improvements to be economically feasible, Corix requires additional funding.

8. This Agreement is intended to set forth the terms and conditions pursuant to which the City shall provide payment to Corix in an amount equal to $5,000,000 to contribute to the costs of the Wastewater Line Improvements (the "*City Contribution*"), and Corix shall reimburse said contribution.

9. Nothing in this Agreement shall alter or amend Corix's obligation to pay wastewater impact fees to the City in accordance with the terms and conditions of the Wholesale Wastewater Services Agreement, and Corix's obligation to reimburse the City Contribution under this Agreement is separate from, and in addition to, the impact fee payment obligation.

10. Corix shall be responsible for payment of all costs of the Wastewater Line Improvements in excess of the SpaceX Contribution and the City Contribution.

11. City and Corix now desire to execute this Agreement to evidence the agreement of the City to provide payment of the City Contribution to Corix, and the agreement of Corix to reimburse the City Contribution.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, City and Corix agree as follows.

ARTICLE I
PAYMENT AND REIMBURSEMENT TERMS

Section 1.01 Initial Payment. Upon execution of the SpaceX Service Agreement by both parties thereto, Corix shall provide written notice thereof to the City (the "*Initial Payment Notice*"). Within thirty (30) days after receipt of the Initial Payment Notice, the City shall provide payment to Corix in the amount of $2,500,000 (the "*Initial Payment Contribution*") by wire transfer or other immediately available funds. Corix agrees to deposit the Initial Payment Contribution into a separate bank account and further agrees that such funds may only be utilized for funding costs of design and construction of the Wastewater Line Improvements (including easement acquisition and permitting costs).

Section 1.02 Final Payment. Upon final completion of the Wastewater Line Improvements and approval thereof by the City, Corix shall provide written notice thereof to the City (the "*Final Payment Notice*"). Within thirty (30) days after receipt of the Final Payment Notice, the City shall provide payment to Corix in the amount of $2,500,000 (the "*Final Payment Contribution*") by wire transfer or other immediately available funds.

Section 1.03 Credit for Payments by Bastrop Economic Development Corporation. The Parties acknowledge prior discussions with the Bastrop Economic Development Corporation (the "*Bastrop EDC*") pursuant to which the Bastrop EDC may provide payment to Corix in an amount up to $2,500,000 for costs of the Wastewater Line Improvements. In the event Corix receives any payment contribution from the Bastrop EDC for costs of the Wastewater Line Improvements (the "*Bastrop EDC Contribution*"), Corix shall provide prompt written notice thereof to the City. Further, the amount of the City Contribution shall be reduced by an amount equal to the Bastrop EDC Contribution. By way of example, if Corix receives payment from the Bastrop EDC in the amount of $2,500,000 as a contribution for the costs of the Wastewater Line Improvements, then Bastrop shall receive a credit in an equal amount. Any credit for the Bastrop EDC Contribution shall be applied to the next payment obligation of the City hereunder.

Section 1.04 Reimbursement of City Contribution.

(a) Upon completion of the construction and commencement of operation of the Wastewater Line Improvements, Corix shall remit to the City a sum equal to $500 per new retail service connection per Connection Equivalent (the "*Connection Fee Payment*") that receives retail sewer service from the Wastewater Line Extension (a "*Retail Service Connection*"). For the purposes of this Agreement, the Connection Equivalent shall be equal to the number of living unit equivalents ("*LUEs*") at a Retail Service Connection with each LUE being equal to the equivalent of a single family residential connection at 250 gallons per day. For residential service connections, the number of LUEs shall be determined according to the water meter size equivalents promulgated by the American Water Works Association (AWWA), with a standard 5/8-inch x ¾-inch meter being equal to one (1) LUE. For nonresidential connections, including customers such as SpaceX whose wastewater flows may increase over time and may not correspond to water usage, the number of LUEs shall be determined based on average daily wastewater flows over the final three month billing period during a calendar year. For such connections, Corix shall be required to pay an additional Connection Fee Payment each time the average daily flow increases by 250 gallons per day.

(b) Not later than each January 31st of each year after completion of construction and commencement of operation of the Wastewater Line Improvements, Corix shall pay to the City a sum (the "*Annual Connection Fee Payment*") equal to the product of multiplying (x) the number of cumulative new service Connection Equivalents for each Retail Service Connection that connects to Corix's wastewater system during the prior calendar year (excluding temporary construction connections), times (y) the Connection Fee Payment. For purposes of illustration, if 50 Retail Service Connections (each of which are

one (1) LUE) connect to the Corix wastewater system during a calendar year, then Corix would pay the City the sum of $25,000 for that annual period on or prior to the subsequent January 31st. By way of further example, if a large user non-residential service connection had an average daily wastewater flow of 10,000 gallons over the final three month billing period in a calendar year, then Corix will be required to pay $20,000 to the City for that service connection not later than January 31st of the subsequent calendar year. Similarly, if that same service connection had an average daily wastewater flow of 15,000 gallons over the final three month billing period of a subsequent year, then Corix will be required to provide payment of an additional payment equal to $10,000 to the City (representing $500 for each of the additional 20 LUEs of wastewater flow) by the subsequent January 31st.

(c) Corix will continue to tender the Annual Connection Fee Payments to City in accordance with this methodology until such time as the City Contribution in cumulative Connection Fee Payments has been paid by Corix to the City or expiration of the repayment obligation, as provided below.

(d) The Parties mutually agree that the Connection Fee Payments shall be paid only for new Retail Service Connections made by Corix. In the event a customer terminates service at an existing service connection and service is re-established to a new customer at the same service location, such new service shall not qualify as a new Retail Service Connection for purposes of Corix's payment obligation.

(e) Notwithstanding any provision herein to the contrary, Corix's obligation to pay the Connection Fee Payment shall expire for all purposes ten (10) years after final completion of construction of the Wastewater Line Improvements and commencement of operation thereof. After the expiration of the ten year period, City shall not be entitled to any additional Connection Fee Payments from Corix regardless of the total amount of Connection Fee Payments tendered by Corix to City prior to said date. Corix's obligation to provide payment to City for any new Retail Service Connections prior to expiration of this period shall survive expiration.

(f) In the event the Bastrop EDC tenders payment of the Bastrop EDC Contribution to Corix, said contribution shall not alter Corix's obligation to provide payment to the City hereunder, or reduce the amount of payment to be made to the City. In such an event, it shall be the City's sole responsibility to tender any portion of the Connection Fee Payments to the Bastrop EDC, as may be agreed upon by the City and the Bastrop EDC.

(g) Corix may, but is not required to, collect the Connection Fee Payment from each new retail customer that receives retail wastewater service from Corix from the Wastewater Line Improvements. If Corix does not collect the Connection Fee Payment from any individual new retail customer that receives retail wastewater service from Corix from the Wastewater Line Improvements, Corix shall remain responsible for payment of the Connection Fee Payment to the City for the retail service connection, except as provided below with respect to SpaceX.

(h) Notwithstanding any provision herein to the contrary, the City agrees that in recognition of the SpaceX Contribution under the SpaceX Service Agreement, no Connection Fee Payment shall be made to the City for wastewater service furnished to SpaceX (or its assigns) under the SpaceX Service Agreement in a quantity up to 142,500 gallons per day, as measured on an average daily flow basis over the final 3 months of a calendar year. At such time as the average daily wastewater flow of SpaceX (and its assigns) exceeds 142,500 gallons over the final three month billing period, Corix shall then remit the Connection Fee Payment to the City for each additional LUE, as measured over the final three month billing period in a calendar year, in accordance with the terms and conditions of this Agreement.

ARTICLE II
TERM, TERMINATION, DEFAULT, REMEDIES

Section 2.01 Term and Termination. This Agreement shall become effective upon the Effective Date and shall remain in effect until the Wastewater Line Improvements have been finally completed and the City Contribution paid in full.

Section 2.02 Default.

(a) In the event Corix shall default in the payment of any amounts due to City under this Agreement, or in the performance of any material obligation to be performed by Corix under this Agreement, then City shall give Corix at least 30 days' written notice of such default and the opportunity to cure same. In the event such default remains uncured, the City shall have the right to pursue any remedy available at law or in equity.

(b) In the event City shall default in the performance of any material obligation to be performed by City under this Agreement, then Corix shall give City at least 30 days' written notice of such default and the opportunity to cure same. In the event such default remains uncured, Corix shall have the right to pursue any remedy available at law or in equity, pending cure of such default by City.

Section 2.03 Additional Remedies Upon Default. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by any party and shall be cumulative of the remedies provided. Recognizing however, that City's undertaking to provide and maintain the services of the City System is an obligation, to the extent that City's failure in the performance of which cannot be adequately compensated in money damages alone, City agrees, in the event of any default on its part, that Corix shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination of this Agreement) that may also be available. In recognition that failure in the performance of Corix's obligations could not be adequately compensated in money damages alone, Corix agrees in the event of any default on its part that City shall have available to it the equitable remedies of specific performance in addition to any other legal or equitable remedies that may also be available to City. If either party institutes legal proceedings to seek adjudication of an alleged default under this Agreement, the prevailing party in the adjudication shall be entitled to its reasonable and necessary attorneys' fees. Notwithstanding any provision herein to the contrary, neither Party shall be responsible for consequential damages in the of a breach.

ARTICLE III
GENERAL PROVISIONS

Section 3.01 Assignability. Assignment of this Agreement by either party is prohibited without the prior written consent of the other party; provided however that the City hereby consents to the assignment of this Agreement to any affiliate of Corix, to and successor entity created by merger or consolidation with Corix, or to any entity that acquires all or substantially all of the assets of Corix. Other than assignment by Corix to an affiliate, or successor entity created by merger or consolidation, any assignment of this Agreement by Corix requires prior consent of the City evidenced by adoption of a resolution, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 3.02 Amendment. This Agreement may be amended or modified only by written agreement duly authorized by the respective governing bodies of Corix and City and executed by duly authorized representatives of each.

Section 3.03 Necessary Documents and Actions. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Agreement.

Section 3.04 Entire Agreement. This Agreement constitutes the entire agreement of the Parties and this Agreement supersedes any prior or contemporaneous oral or written understandings or representations of the Parties regarding Wholesale Wastewater Service by City to Corix for the Wholesale Service Area.

Section 3.05 Applicable Law. This Agreement will be construed under and in accordance with the laws of the State of Texas.

Section 3.06 Venue. All obligations of the Parties created in this Agreement are performable in Bastrop County, Texas, and venue for any action arising under this Agreement will be in Bastrop County, Texas.

Section 3.07 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than to the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

Section 3.08 Duplicate Originals. This Agreement may be executed in duplicate originals each of equal dignity.

Section 3.09 Notices. Any notice required under this Agreement may be given to the respective Parties by deposit in regular first-class mail or by hand-delivery to the address of the other Party shown below:

Corix:

Corix Utilities (Texas) Inc.
1812 Centre Creek Dr., Suite 100
Austin, TX 78754
Attn: Darrin Barker

City:

City of Bastrop, TX
1311 Chestnut Street
Bastrop, Texas 78602
Attn: City Manager

Notices shall be deemed received on the date of hand delivery or within three days of deposit in first-class mail.

Section 3.10 Consents and Approvals. Wherever this Agreement requires any Party, or its agents or employees to provide a consent, approval or similar action, the parties agree that such consent, approval or similar action will not be unreasonably withheld or delayed.

Section 3.11 Severability. Should any court declare or determine that any provisions of this Agreement is invalid or unenforceable under present or future laws, that provision shall be fully severable; this Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in place of each such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. Texas law shall govern the validity and interpretation of this Agreement.

Section 3.12 Records. City and Corix each agree to preserve, for a period of at least three years from their respective dates of origin, all books, records, test data, charts and other records pertaining to this Agreement. City and Corix shall each, respectively, have the right during reasonable business hours to inspect such records to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to any provisions of this Agreement.

Section 3.13 Force Majeure. If any party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall

be remedied with all reasonable diligence. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the affected party, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the affected party.

Section 3.14 Good Faith. Each party agrees that, notwithstanding any provision herein to the contrary (i) it will not unreasonably withhold or condition or unduly delay any consent, approval, decision, determination or other action which is required or permitted under the terms of this Agreement, and (ii) it will act in good faith and shall at all times deal fairly with the other party.

Section 3.15 Authority of Parties Executing Agreement, Validity. By their execution, each of the individuals executing this Agreement on behalf of a party represents and warrants to the other party that he or she has the authority to execute the document in the capacity shown on this document. Each of the parties further represent and warrant that this Agreement constitutes a valid and binding contract, enforceable against it in accordance with its terms.

Section 3.16 **Governmental Contract Certifications.**

a. **Boycott Israel Certification.** For purposes of Chapter 2270 of the Texas Government Code, at the time of execution and delivery of the Agreement, neither the Corix, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Corix, boycotts Israel. Corix agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Corix, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Corix will boycott Israel during the term of the Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this clause has the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code.

b. **Terrorist Organization Certification.** For purposes of Subchapter F of Chapter 2252 of the Texas Government Code, at the time of execution and delivery of the Agreement, neither the Corix, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Corix, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used herein has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

c. **Firearms Certification.** Corix hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" means: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; but does not include (a) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; or (b) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's

status as a firearm entity or firearm trade association.

d. **Disclosure of Interested Parties.** Corix acknowledges that Texas Government Code Section 2252.908 ("Section 2252.908") requires business entities entering into a contract with a local government entity such as the Owner to complete a FORM 1295 promulgated by the TEC (which is available on the TEC website at https://www.ethics.state.tx.us/forms/1295.pdf) and to file it electronically with the TEC before the time the business entity executes and submits the contract to the local governmental entity. Corix confirms that it has reviewed Section 2252.908, electronically filed a FORM 1295 with the TEC, and has provided the Owner with a completed FORM 1295 and certification of filing generated by the TEC's electronic filing application, as required by Section 2252.908.

e. **Conflict of Interest Certification.** Corix acknowledges that Texas Local Government Code Chapter 176 requires a vendor that seeks to or enters into a contract with a local governmental entity to file a conflicts of interest questionnaire if the vendor: (i) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer; (ii) has given a local government officer, or a family member of the officer, one or more gifts that exceed certain values; (iii) has a family relationship with a local government officer. Similarly, the Texas Penal Code prohibits the acceptance any benefit as consideration for a decision, opinion, recommendation, vote, or other exercise of discretion by a public servant. By execution of this Agreement, Corix certifies as follows: (i) Corix has fully complied with the applicable requirements of Chapter 176 of the Texas Local Government Code; (ii) Corix has not provided any gift, payment or other benefit to any director or employee of the Owner; and (iii) Corix has no other conflict of interest with the Owner, or any director or employee of the Owner.

Section 3.17 **Terrorist Organization Certification.** Corix represents and warrants, for purposes of Subchapter F of Chapter 2252 of the Texas Government Code, that at the time of execution and delivery of this Agreement neither the Corix, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Corix, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 806.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this clause (B) has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

Section 3.18 **Disclosure of Interested Parties.** Corix acknowledges that Government Code Section 2252.908 ("*Section 2252.908*") requires business entities entering into a contract with a local government entity such as the District to complete a FORM 1295 promulgated by the Texas Ethics Commission (TEC) (which is available on the TEC website at https://www.ethics.state.tx.us/forms/1295.pdf) and to file it electronically with the TEC before the time the business entity executes and submits the contract to the local governmental entity. Corix confirms that it has reviewed Section 2252.908, electronically filed a FORM 1295 with the TEC, and has provided the District with a completed FORM 1295 and certification of filing generated by the TEC's electronic filing application, as required by Section 2252.908.

Section 3.19 Effective Date. This Agreement will be effective from and after the last date of due execution by all Parties.

CORIX UTILITIES (TEXAS) INC., a Delaware corporation

By: _____

Name: R. Darrin Barker

Title: President

Date: February 23, 2024

CITY OF BASTROP:

By: _____

Name: Sylvia Carrillo

Title: City Manager

Date: 2/23/24

Attest: _____
City Secretary

MICHELLE DIANE LIMAS
NOTARY PUBLIC
STATE OF TEXAS
ID. 134036523
EXP. 10-26-2026

WASTEWATER EASEMENT ACQUISITION AGREEMENT
BETWEEN
CITY OF BASTROP
AND
CORIX UTILITIES (TEXAS) INC.

This WASTEWATER EASEMENT ACQUISITION AGREEMENT (this "*Agreement*") is made and entered into by and between CITY OF BASTROP, a Texas home rule municipality ("*City*") and CORIX UTILITIES (TEXAS) INC., a Delaware corporation ("*Corix*"). In this Agreement, Bastrop and Corix are individually referred to as a "*Party*" and collectively referred to as the "*Parties*."

RECITALS

1. Corix and the City have entered into that a "Wholesale Wastewater Services Agreement" setting forth the terms and conditions pursuant to which the City has agreed to provide wholesale wastewater services to Corix, so that Corix may provide retail wastewater services to certain lands located within its certificated service territory.

2. Corix and the City have also entered into that certain "Wastewater Facility Payment Contribution Agreement" setting forth the terms and conditions pursuant to which the City has agreed to advance funds to Corix as a contribution to the costs of the wastewater line improvements required to be constructed under the Wholesale Wastewater Services Agreement (the "*Wastewater Line Improvements*") necessary to extend the City's wastewater system and to receive wastewater from Corix's retail customers.

3. The construction of the Wastewater Line Improvements will require the acquisition of easements for the lands in which the Wastewater Line Improvements will be located (the "*Project Easements*").

4. The Parties desire to commence the acquisition of Project Easements as soon as practicable, and the City has agreed to acquire the Project Easements on behalf of the Parties.

5. This Agreement sets forth the terms and conditions pursuant to which the City shall acquire the Project Easements at the sole cost and expense of Corix.

AGREEMENT

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements set forth and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, City and Corix agree as follows.

ARTICLE I
PAYMENT MATTERS

Section 1.01 **Easement Deposit**. With thirty (30) days of the effective date of this Agreement and as a condition of commencement of easement acquisition by the City, Corix shall post monies with the City (the "*Easement Cost Deposit*"), to be paid by certified or cashier's check or wire transfer, in the amount of $100,000.

Section 1.02 **Subsequent Funding**.

(a) Corix will fund and pay for all third party costs and expenses incurred by the City relating to acquisition of the Project Easements, including all third party appraisal costs, right of entry costs, condemnation costs and legal fees directly related thereto (the "*Easement Acquisition Costs*"). The Easement Acquisition Costs shall not include any City staff time or overhead, and shall only include out-of-pocket

expenses paid by the City to third party consultants and landowners for acquisition of the Project Easements and purchase of rights of entry. At any time the Easement Cost Deposit is drawn down below $25,000, Corix shall replenish the Easement Cost Deposit in order to restore the balance to an amount specified by the City but not to exceed the original Easement Cost Deposit amount within 15 days after receipt of written notice from the City to do so.

(b) After final acquisition of all Project Easements: (i) if the total Easement Acquisition Costs funded by the City have exceeded the original amount of the Easement Cost Deposit plus any additional sums Corix has paid to replenish the Easement Cost Deposit, Corix will pay the shortfall to the City within thirty (30) days after a receipt of a written invoice for payment; or (ii) if there is a balance remaining in the Easement Cost Deposit after payment of all Easement Acquisition Costs, the City will refund that balance to Corix within thirty (30) days after final acquisition of all Project Easements.

(c) Upon receipt of a written request by Corix, the City will furnish to Corix from time to time a summary of all Easement Acquisition Costs funded by the City with reasonable detail and proof of payment to allow Corix to identify the specific Easement Acquisition Costs paid by the City.

ARTICLE II
EASEMENT ACQUISITION

Section 2.01 General. Except as otherwise set forth herein, the City shall be responsible for acquisition of all Project Easements and shall do so with commercial diligence to allow the Wastewater Line Improvements to be constructed as quickly as practicable.

Section 2.02 Surveying. Corix shall be responsible for engaging licensed surveyors to prepare metes and bounds descriptions and surveys for all Project Easements. The City shall have the right to approve all surveys that relate to easements for facilities to be owned by the City and located on the City's side of the Point of Entry, as defined in the Wholesale Wastewater Services Agreement. Corix shall be responsible for payment to the surveying firm for all costs of the surveys.

Section 2.03 Land Acquisition Consultant. The City shall engage Seven Arrows Land Staff to provide easement acquisition services on behalf of the Parties. The form of the contract shall be subject to Corix's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned. All payments made by the City to said consultant related to acquisition of the Project Easements shall qualify as Easement Acquisition Costs for which Corix shall be responsible for payment. The Parties may change the City's Project Easement acquisition consultant by mutual written approval.

Section 2.04 Form of Easements. The Parties shall agree upon the form of Project Easements prior to presentation of each easement to a landowner. The Parties agree that the City shall be the grantee of all Project Easements, but that the easements shall be assignable.

Section 2.05 Appraisals. The City shall retain any third party appraisal required to appraise the value of any Project Easement. The selection of the appraisal firm shall be subject to Corix's prior written approval, which approval shall not be unreasonably withheld, delayed or conditioned. All payments made by the City to the appraisal firm shall qualify as Easement Acquisition Costs for which Corix shall be responsible for payment.

Section 2.06 Condemnation. The City agrees that it shall use its power of eminent domain if necessary to acquire the Project Easements. All third party costs and expenses incurred by the City in connection therewith, including court costs, witness fees, appraisal fees and legal fees shall qualify as Easement Acquisition Costs for which Corix shall be responsible for payment.

Section 2.07 Payment to Landowners. The amount of compensation to be paid by the City to any landowner for a Project Easement shall be subject to Corix's prior approval, which approval shall not be

unreasonably withheld, delayed or conditioned. The easement purchase price shall qualify as Easement Acquisition Costs for which Corix shall be responsible for payment.

Section 2.08 Assignment to Corix. Upon final acquisition of any Project Easements for facilities to be located on Corix's side of the Point of Entry (as defined in the Wholesale Wastewater Service Agreement), the City shall assign each such Project Easement to Corix by instrument reasonably approved by the Parties. The costs of preparation and recordation of any such easement assignments shall qualify as Easement Acquisition Costs for which Corix shall be responsible for payment.

Section 2.09 Rights of Entry. To the extent that the City acquires any rights of entry on any of the lands in which the Project Easements shall be located before the final easement purchase price is determined by agreement or condemnation, the City agrees that such rights of entry shall be assignable to Corix to allow Corix to enter the property and commence construction of the Wastewater Line Improvements as quickly as practicable.

ARTICLE III
TERM, TERMINATION, DEFAULT, REMEDIES

Section 3.01 Term and Termination. This Agreement shall become effective upon the Effective Date and shall remain in effect until all Project Easements have been secured and all Easement Acquisition Costs have been paid to the City.

Section 3.02 Default.

(a) In the event Corix shall default in the payment of any amounts due to City under this Agreement, or in the performance of any material obligation to be performed by Corix under this Agreement, then City shall give Corix at least 30 days' written notice of such default and the opportunity to cure same. In the event such default remains uncured, the City shall have the right to pursue any remedy available at law or in equity.

(b) In the event City shall default in the performance of any material obligation to be performed by City under this Agreement, then Corix shall give City at least 30 days' written notice of such default and the opportunity to cure same. In the event such default remains uncured, Corix shall have the right to pursue any remedy available at law or in equity, pending cure of such default by City.

Section 3.03 Additional Remedies Upon Default. It is not intended hereby to specify (and this Agreement shall not be considered as specifying) an exclusive remedy for any default, but all such other remedies existing at law or in equity may be availed of by any party and shall be cumulative of the remedies provided. Recognizing however, that City's undertaking to provide and maintain the services of the City System is an obligation, to the extent that City's failure in the performance of which cannot be adequately compensated in money damages alone, City agrees, in the event of any default on its part, that Corix shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies (other than termination of this Agreement) that may also be available. In recognition that failure in the performance of Corix's obligations could not be adequately compensated in money damages alone, Corix agrees in the event of any default on its part that City shall have available to it the equitable remedies of specific performance in addition to any other legal or equitable remedies that may also be available to City. If either party institutes legal proceedings to seek adjudication of an alleged default under this Agreement, the prevailing party in the adjudication shall be entitled to its reasonable and necessary attorneys' fees. Notwithstanding any provision herein to the contrary, neither Party shall be responsible for consequential damages in the of a breach.

ARTICLE IV
GENERAL PROVISIONS

Section 4.01 Assignability. Assignment of this Agreement by either party is prohibited without the prior written consent of the other party; provided however that the City hereby consents to the assignment of this Agreement to any affiliate of Corix, to and successor entity created by merger or consolidation with Corix, or to any entity that acquires all or substantially all of the assets of Corix. Corix shall provide written notice to the City of any such assignment to an affiliate or successor entity. Other than assignment by Corix to an affiliate, or successor entity created by merger or consolidation, any assignment of this Agreement by Corix requires prior consent of the City evidenced by adoption of a resolution, which consent shall not be unreasonably withheld, delayed or conditioned.

Section 4.02 Amendment. This Agreement may be amended or modified only by written agreement duly authorized by the respective governing bodies of Corix and City and executed by duly authorized representatives of each.

Section 4.03 Necessary Documents and Actions. Each Party agrees to execute and deliver all such other and further instruments and undertake such actions as are or may become necessary or convenient to effectuate the purposes and intent of this Agreement.

Section 4.04 Entire Agreement. This Agreement constitutes the entire agreement of the Parties regarding the subject matter hereof and this Agreement supersedes any prior or contemporaneous oral or written understandings or representations of the Parties regarding acquisition of the Project Easements.

Section 4.05 Applicable Law. This Agreement will be construed under and in accordance with the laws of the State of Texas.

Section 4.06 Venue. All obligations of the Parties created in this Agreement are performable in Bastrop County, Texas, and venue for any action arising under this Agreement will be in Bastrop County, Texas.

Section 4.07 No Third Party Beneficiaries. Nothing in this Agreement, express or implied, is intended to confer upon any person or entity, other than to the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

Section 4.08 Duplicate Originals. This Agreement may be executed in duplicate originals each of equal dignity.

Section 4.09 Notices. Any notice required under this Agreement may be given to the respective Parties by deposit in regular first-class mail or by hand-delivery to the address of the other Party shown below:

Corix:

Corix Utilities (Texas) Inc.
1812 Centre Creek Dr., Suite 100
Austin, TX 78754
Attn: Darrin Barker

City:

City of Bastrop, TX
1311 Chestnut Street
Bastrop, Texas 78602
Attn: City Manager

Notices shall be deemed received on the date of hand delivery or within three days of deposit in first-class mail.

Section 4.10 Consents and Approvals. Wherever this Agreement requires any Party, or its agents or employees to provide a consent, approval or similar action, the parties agree that such consent, approval or similar action will not be unreasonably withheld or delayed.

Section 4.11 Severability. Should any court declare or determine that any provisions of this Agreement is invalid or unenforceable under present or future laws, that provision shall be fully severable; this Agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. Furthermore, in place of each such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable. Texas law shall govern the validity and interpretation of this Agreement.

Section 4.12 Records. City and Corix each agree to preserve, for a period of at least three years from their respective dates of origin, all books, records, test data, charts and other records pertaining to this Agreement. City and Corix shall each, respectively, have the right during reasonable business hours to inspect such records to the extent necessary to verify the accuracy of any statement, charge or computation made pursuant to any provisions of this Agreement.

Section 4.13 Force Majeure. If any party is rendered unable, wholly or in part, by Force Majeure to carry out any of its obligations under this Agreement, other than an obligation to pay or provide money, then such obligations of that party to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at the earliest practicable time shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of the affected party, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing party or parties when such settlement is unfavorable to it in the judgment of the affected party.

Section 4.14 Good Faith. Each party agrees that, notwithstanding any provision herein to the contrary (i) it will not unreasonably withhold or condition or unduly delay any consent, approval, decision, determination or other action which is required or permitted under the terms of this Agreement, and (ii) it will act in good faith and shall at all times deal fairly with the other party.

Section 4.15 Authority of Parties Executing Agreement, Validity. By their execution, each of the individuals executing this Agreement on behalf of a party represents and warrants to the other party that it has the authority to execute the document in the capacity shown on this document. Each of the parties further represent and warrant that this Agreement constitutes a valid and binding contract, enforceable against it in accordance with its terms.

Section 4.16 **Governmental Contract Certifications.**

a. **Boycott Israel Certification**. For purposes of Chapter 2270 of the Texas Government Code, at the time of execution and delivery of the Agreement, neither the Corix, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of Corix, boycotts Israel. Corix agrees that, except to the extent otherwise required by applicable federal law, including, without limitation, 50 U.S.C. Section 4607, neither the Corix, nor any wholly-owned subsidiary, majority-owned subsidiary, parent company, or affiliate of the Corix will boycott Israel during the term of the Agreement. The terms "boycotts Israel" and "boycott Israel" as used in this clause has the meaning assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code.

b. **Terrorist Organization Certification**. For purposes of Subchapter F of Chapter 2252 of the Texas Government Code, at the time of execution and delivery of the Agreement, neither the Corix, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Corix, (i) engages in business with Iran, Sudan or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller under Sections 806.051, 807.051 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as

used herein has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

c. **Firearms Certification**. Corix hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" means: (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; but does not include (a) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; or (b) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association.

d. **Disclosure of Interested Parties**. Corix acknowledges that Texas Government Code Section 2252.908 ("Section 2252.908") requires business entities entering into a contract with a local government entity such as the Owner to complete a FORM 1295 promulgated by the TEC (which is available on the TEC website at https://www.ethics.state.tx.us/forms/1295.pdf) and to file it electronically with the TEC before the time the business entity executes and submits the contract to the local governmental entity. Corix confirms that it has reviewed Section 2252.908, electronically filed a FORM 1295 with the TEC, and has provided the Owner with a completed FORM 1295 and certification of filing generated by the TEC's electronic filing application, as required by Section 2252.908.

e. **Conflict of Interest Certification**. Corix acknowledges that Texas Local Government Code Chapter 176 requires a vendor that seeks to or enters into a contract with a local governmental entity to file a conflicts of interest questionnaire if the vendor: (i) has an employment or other business relationship with a local government officer of that local governmental entity, or a family member of the officer; (ii) has given a local government officer, or a family member of the officer, one or more gifts that exceed certain values; (iii) has a family relationship with a local government officer. Similarly, the Texas Penal Code prohibits the acceptance any benefit as consideration for a decision, opinion, recommendation, vote, or other exercise of discretion by a public servant. By execution of this Agreement, Corix certifies as follows: (i) Corix has fully complied with the applicable requirements of Chapter 176 of the Texas Local Government Code; (ii) Corix has not provided any gift, payment or other benefit to any director or employee of the Owner; and (iii) Corix has no other conflict of interest with the Owner, or any director or employee of the Owner.

Section 4.17 Effective Date. This Agreement will be effective from and after the last date of due execution by all Parties.

CORIX UTILITIES (TEXAS) INC., a Delaware corporation

By: _____

Name: R. Darrin Barker

Title: President

Date: _____

CITY OF BASTROP:

By: _____

Name: Sylvia Carrillo

Title: City Manager

Date: 3/28/24

Attest: _____
City Secretary