RESOLUTION NO. R-2019-32

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS
ADOPTING A STANDARDIZED WHOLESALE WASTEWATER AGREEMENT;
ATTACHED IN EXHIBIT A; PROVIDING FOR A REPEALING CLAUSE; AND
ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, the City of Bastrop City Council understands the importance of fiscal sustainability; and

WHEREAS, the City of Bastrop City Council understands the value in managing growth for future generations; and

WHEREAS, the City of Bastrop understands the importance of focusing on the standardization of wastewater wholesales and providing a fairness and consistency; and

WHEREAS, the City of Bastrop has chosen to adopt a standardized wholesale wastewater agreement; and

WHEREAS, the City of Bastrop City Council has unequivocally committed to fiscal sustainability, responsibly managing growth, and take definitive action towards lasting solutions.

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

Section 1. That the City Council has found a wholesale wastewater agreement to be in the best interest of the City of Bastrop, Texas.

Section 2. The City Council adopts a standardized wholesale wastewater agreement, as attached in Exhibit A, for use with future wholesale customers.

Section 3. 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resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.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 4. This resolution shall take effect immediately from and after its passage, and it is duly resolved.
DULY RESOLVED AND ADOPTED by the City Council of the City of Bastrop, Texas this 23rd day of April 2019.

APPROVED:

Connie B. Schroeder, Mayor

ATTEST:

Ann Franklin, City Secretary

APPROVED AS TO FORM:

Alan Bojorquez, City Attorney
WHOLESALE WASTEWATER AGREEMENT

BETWEEN CITY OF BASTROP, ___________________________ DISTRICT AND
____________________________ , a ____________________

This WHOLESALE WATER and WASTEWATER AGREEMENT ("Agreement") is made and entered into by and between the CITY OF BASTROP, a home rule city located in Bastrop County ("Bastrop" or "City") and the ___________________________, a __________________, operating under the designation of ("Developer") (collectively referred to herein as the "Parties"). The Parties hereby mutually agree as follows:

RECITALS

WHEREAS, the City and the Developer entered into a Planned Development Agreement, to be known in this Agreement as "the PDA" on ___________, requiring a wholesale utility agreement; and

WHEREAS, by Resolution R _______, on __________, 20 _______, the City granted consent for creation of _______________________________ District; and

WHEREAS, by Order signed on __________, 20 _______, the Texas Commission on Environmental Quality granted the Petition for Creation of _______________________________ District; and

WHEREAS, by Resolution R ______ the City confirmed its consent for creation of the _______________________________ District, on __________, 20 _______,; and

WHEREAS, the District encompasses approximately _______ acres of land within the extraterritorial jurisdiction ("ETJ") of the City (the "Tract"). The Tract is more particularly described in Exhibit "A"; and

WHEREAS, Developer intends to develop the Tract as a ____________________________ community, initially to be referred to as "____________________", projected to consist primarily of ____________________________ uses, expected at the time of execution of this Agreement to include approximately ____________ homes, and also will include other limited nonresidential uses (the "Development"); and

WHEREAS, Bastrop, District and Developer wish to enter into this Agreement, to provide the terms of wholesale wastewater service for the benefit of the present and future residents of City and the District; and

WHEREAS, the Tract is within Bastrop's sewer CCN (20466), from which the City will provide wastewater services to the District; and

WHEREAS, Bastrop has the capacity to treat ____________ gallons per day of wastewater from the District through City's Existing Wastewater Treatment Plant (Permit No. WQ0011076001). Upon completion of Bastrop's WWTP#3 (Permit No. WQ0011076002),
the City will have the capacity to treat __________ gallons per day of wastewater from
the District.

NOW, THEREFORE, for and in consideration of the agreements set forth below, the City, District and
Developer agree as follows:

ARTICLE 1. DEFINITIONS

Section 1.01 Definitions of Terms.

In addition to the terms otherwise defined in the above recitals; in the City’s ordinances; or the provisions
of this Agreement, the terms used in this Agreement will have the meanings set forth below.

Active Connection: means a connection for which there is an open utility account with the District during
any portion of a monthly billing period. Each connection is the equivalent of one SUE, provided that the
property served by the connection is a single-family residence.

Agreement: means this Wholesale Wastewater Agreement by and among the City of Bastrop, Texas,
District, and Developer.

AWWA: means the American Water Works Association.

Bastrop Service Area: means the certificated service area for the City of Bastrop as maintained by the
Public Utility Commission.

Bastrop Wastewater System or City Wastewater System: means all of the Wastewater equipment, lines,
components and facilities of Bastrop that are used for the collection, transportation, treatment, monitoring,
regulation and disposal of Wastewater received from the District, including the Existing Wastewater
Treatment Plant, WWTP#3, and ________________.

CCN: means a certificate of convenience and necessity or similar permit authorizing a specified entity to
be the retail water or sewer service provider in a specified area.

City: The City of Bastrop, Texas, a home rule municipality, organized and operating pursuant to the
applicable laws of the State of Texas

City Manager: means the City of Bastrop’s City Manager.

Commercial Customers: means all non-residential retail wastewater customers of District in the Wholesale
Wastewater Service Area.

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

Connecting Facilities: means facilities connecting any Internal Facilities to a Point of Entry (excluding
any Interceptors).

Contract Amount: means the agreed upon amount in the Infrastructure and Capacity Contract.

Costs of the System: means all of Bastrop’s costs of acquiring, constructing, developing, permitting,
implementing, expanding, improving, enlarging, bettering, extending, replacing, repairing, maintaining,
and operating the Bastrop 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 System in accordance with policies of Bastrop’s City Council.

**County:** means Bastrop County, Texas.

**Daily BOD loading:** means the daily biochemical oxygen demand loading as measured based on the arithmetic average of all samples, grab or composite, within a calendar month, consisting of at least four separate representative samples taken in accordance with the Permit.

**Developer:** means ____________, a _________________, its successors or assigns.

**Development:** means the mixed-use development of the Tract, including residential and non-residential land uses, together with parkland, open space, recreational amenities and related facilities, intended to produce developed lots.

**District:** means the municipal utility district organized and operating in accordance with Section 54.016, Texas Water Code and Section 42.042, Texas Local Government Code, encompassing the Tract, known as _________________ District.

**District’s Wastewater System:** means the Wastewater facilities of the District for collection and transportation of Wastewater from its retail customers to the Points of Entry into the Bastrop System.

**District Service Area:** means the retail wastewater service territory of _________________ District, as amended from time to time.

**Effective Date:** means the last date of execution by all of the Parties.

**ETJ:** means extraterritorial jurisdiction.

**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 Bastrop. The term includes Force Majeure and acts of third parties that cause the Bastrop System to be unable to provide the Wholesale Water Services agreed to be provided herein.

**EPA:** means United States Environmental Protection Agency.

**Excess Wastewater Treatment Capacity Reservation Fees:** means the product of the Wastewater Treatment Capacity Reservation Fee and: (i) the difference between the number of SUE's shown on a phase of a preliminary plat and the final plat for that phase, if the subdivision is developed in phases; or (ii) the number of SUE's shown on a preliminary plat and the final plat, if the property is not developed in phases.

**Existing Wastewater Treatment Plant:** means the City-owned 1.4 MGD wastewater treatment plant operating pursuant to TPDES Permit No. WQ001107600, a copy of which is attached as Exhibit “B”.

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**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 Bastrop 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.

**Impact Fee:** means a charge imposed on each service unit on new development pursuant to Chapter 395 of the Local Government Code to generate revenue for funding or recouping the costs of capital improvements or facility expansions.

**Infiltration:** means water that enters Bastrop’s System through defects such as cracks or breaks in the piping, manholes or other appurtenances.

**Inflow:** means water that enters the Bastrop System through direct sources such as drain spouts, manholes, clean-outs, or other appurtenances.

**Infrastructure and Capacity Contract:** means the Contract by and between the City and District that includes the amount to be collected from the District for all infrastructure, facilities and capacity needed to serve the development.

**Initial Wholesale Wastewater Service:** means the reception, transportation, treatment, and disposal of no less than _______ GPD Wastewater to be provided by Bastrop to District, during the period before WWTP#3 is capable of providing service to the District.

**Interceptors:** any wastewater mains, including, _________, or other wastewater facilities constructed by on behalf of Bastrop after the Effective Date of this Agreement that connect the City's Existing Wastewater Treatment Plant or WWTP#3 to a Point of Entry.

**Internal Facilities:** means the internal Wastewater collection and lift station facilities and related equipment, facilities, and appurtenances to be constructed by or on behalf of District for the District System.

**Lift Stations:** The lift stations and force main located in the District, which are more particularly described in Exhibit “C”.

**Maximum Wastewater SUE Capacity:** Use of wastewater treatment capacity up to ____________ GPD.

**Metering Facility:** means the Wastewater flow meter, meter vault, and all metering and telemetering equipment located at a Point of Entry to measure Wholesale Wastewater Service to District. The Bastrop System shall include each Metering Facility.

**Parties:** means the City, the District, and the Developer.

**Peak Hour Flow Rate:** means the highest metered and calculated flow rate delivered from District to Bastrop’s System at a Point of Entry under any operational condition, including inflow and infiltration.

**Planned Development Agreement or PDA:** means the agreement was entered into by the City and the Developer on ____________, 20____.
Points of Entry: means the locations, to be approved by Bastrop, District and Developer, in Bastrop’s System at which all Wastewater will pass from District’s Connecting Facilities to Bastrop’s System generally shown on Exhibit “D”. The initial Point of Entry shall be located at __________ (“Initial Point of Entry”). Future Points of Entry shall be agreed upon by Bastrop and District in connection with the acquisition or construction and commencement of operation of new Connecting Facilities after the Effective Date that connect to Bastrop’s System.

Prohibited Waste: means those substances and wastes prohibited from being discharged into Bastrop’s System as identified in Bastrop’s Code of Ordinances.

Residential Customers: means retail residential Wastewater customers of District in the Wholesale Wastewater Service Area.

Single Family Residence: means the use of a site for only one dwelling unit, where a dwelling unit is a building, or portion thereof, designed or used exclusively for residential occupancy (not including hotels and motels).

SUE: means Service unit equivalent which is the basis for establishing equivalency among and within various customer classes, based upon the relationship of the continuous duty flow rate in gallons per minute for a water meter of a given size and type compared to the continuous duty maximum flow rate in gallons per minute for a 3/4” diameter simple water meter, using American Water Works Association C700-C703 standards. For purposes of this Agreement and as reflected in Bastrop Code of Ordinances Section 10.02.004, 3/4” water meters are considered to equal one SUE; except that for multifamily development, each living unit is equivalent to 0.5 SUE.

SU multiplier: means the number of SUEs be multiplied by the Impact Fee for each new connection served that is not a single-family residence in accordance with the SU Equivalency Chart in Bastrop Code of Ordinances Section 10.02.004.

Tract: means the approximately 347.9 acres of land within the District’s boundaries to be served under the terms of this Agreement.

: means the wastewater interceptor that will connect the District to the City’s Existing Wastewater Treatment Plant and WWTP#3.

Waste or Wastewater: means liquid or water borne waster, including without limitation, sewage

WWTP #3: The planned wastewater treatment plant to be built by the City in which the District’s ultimate capacity needs will be reserved. Its planned location is shown on Exhibit “D”.

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 Commitment.

a. Subject to the terms and conditions of this Agreement and the requirements of applicable law, Bastrop agrees to provide Wholesale Wastewater Service to District for the Wholesale Wastewater Service Area in a quantity not to exceed the Wholesale Service Commitment.

b. District or Developer may request that Bastrop increase the Wholesale Wastewater Service Area and/or the Wastewater Service Commitment. In such event, Bastrop District and Developer will enter into good faith negotiations to amend this Agreement to increase the Wholesale Service Commitment and/or the Wholesale Wastewater Service Area, as appropriate.

Section 2.02   Phasing of Wholesale Wastewater Service.

Subject to the provisions of the foregoing paragraph 2.01, Bastrop shall make Wholesale Wastewater Service available within the Wholesale Wastewater Service Area on a phased basis as follows:

a. Phase 1: _______ GPD of Wholesale Wastewater Service shall be made available from the City’s Existing Wastewater Treatment Plant to the Wholesale Wastewater Service Area upon acceptance of Connecting Facilities to a Point of Entry.

b. City will provide District new data on available capacity in Existing Wastewater Treatment Plant within thirty (30) days of the date the District is consuming _________ GPD.

c. City commits to have WWTP#3 online before District utilizes _________ GPD.

d. Subsequent Phases: District shall give Bastrop written notice at such time that District determines that additional Wholesale Wastewater Service is needed in the Wholesale Wastewater Service Area. Such notice will include the number of SUE’s that will require Wholesale Wastewater Service. Such notice shall be given at the time of preliminary plat approval in accordance with Section 5.07, provided that District may give written notice that additional Wholesale Wastewater Service is needed at other times as determined appropriate in District’s discretion.

e. Bastrop shall make Wholesale Wastewater Service available for the number of SUE’s requested within eighteen (18) months of the date of the request, up to the Wholesale Wastewater Commitment, and payment of the Wastewater Treatment Capacity Reservation Fee for the number of SUE’s stated in the notice. Payment of the Wastewater Treatment Capacity Reservation Fee shall guarantee capacity within the WWTP#3 and other parts of the Bastrop System, as applicable, for the number of SUEs for which the Wastewater Treatment Capacity Reservation Fee is paid.

Section 2.03   Peak Hour Flow Rate Limitations.

a. The Peak Hour Flow Rate at a Point of Entry shall not exceed an average of 0.65 gallons per minute (gpm) for each SUE allocated to all Phases served by such Point of Entry.

b. The Peak Hour Flow Rate for Phase 1 shall not exceed 117 gpm.

c. The Peak Hour Flow Rate for all subsequent phases shall be calculated in accordance with this subsection.

Peak Hour Flow Rate (gpm) = (0.65 gpm) x (number of SUEs requested per phase)
d. The Parties agree that any increase in the agreed Peak Hour Flow Rate or the daily BOD of Wholesale Wastewater Service that Bastrop provides to District under this Agreement will require a written amendment of this Agreement duly authorized by the governing bodies of the Parties.

Section 2.04 Wastewater Strength Limitations.

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

The daily BOD Loading, as measured based on the arithmetic average of all samples, grab or composite, within a calendar month, consisting of at least four (4) separate representative samples taken in accordance with the Permit -- shall not exceed an average of 0.425 pounds (BOD-5) per SUE allocated to a Phase. The daily BOD Loading for Phase I shall not exceed 76.5 pounds (BOD-5). The daily BOD loading for all subsequent phases shall be calculated in accordance with this subsection.

Daily BOD Loading (BOD-5) = (0.425 pounds) x (number of SUEs requested per phase).

Section 2.05 Sole Provider; Waste Disposal Permit Application.

a. For so long as Bastrop meets its obligations under this Agreement, Bastrop will be the sole source of Wholesale Wastewater Service to District for the Wholesale Wastewater Service Area unless: i) Bastrop consents in writing to District's conversion to another wholesale provider; or, ii) Bastrop refuses or fails to provide Wholesale Wastewater Service in accordance with the terms of this Agreement, in which event District shall be free to find an alternative Wholesale Wastewater Service provider.

b. Under the terms and conditions set forth herein, Bastrop shall be entitled to provide Wholesale Wastewater Service to District for the Wholesale Wastewater Service Area from any source of treatment capacity available to Bastrop.

Section 2.06 Wholesale Service Commitment Not Transferable.

a. Bastrop’s commitment to provide Wholesale Wastewater Service under this Agreement is solely to District and solely for the Wholesale Wastewater Service Area. District may not assign or transfer in whole or in part Bastrop’s service commitment to any person or entity without Bastrop’s approval, and any assignment will be subject to the terms and conditions of this Agreement.

b. Bastrop may not assign or transfer in whole or in part its obligations under this Agreement to any other person or entity, with District’s prior written consent, which consent shall not be unreasonably withheld.

Section 2.07 District Responsible for Retail Connections.

District will be solely responsible for ensuring compliance by its retail customers with the applicable terms of this Agreement and for the proper and lawful application of District’s policies and regulations governing connection to the District System.
Section 2.08 Retail Billing and Collection.

District agrees that it will be solely responsible for retail billings to and collections from its customers within the Wholesale Wastewater Service Area.

Section 2.09 Curtailment of Service.

The Parties agree that, if Wastewater Service is curtailed by Bastrop to other customers of the Bastrop System due to the need to conduct maintenance operations or due to an emergency, Bastrop may impose a like curtailment, with notice to District, on Wholesale Wastewater Service delivered to District under this Agreement. Bastrop will impose such curtailments in a nondiscriminatory fashion. The Parties agree that they will not construe this Agreement to prohibit Bastrop 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 2.10 Cooperation during Maintenance or Emergency.

District will reasonably cooperate with Bastrop during periods of emergency or required maintenance. If necessary, upon prior notice, District will operate and maintain its 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 2.11 Retail Service and CCN.

The Parties acknowledge and agree that District shall be the retail provider of sewer service to lands within the Wholesale Wastewater Service Area. Bastrop agrees that it will not oppose or protest an application by District to obtain a sewer CCN for the Wholesale Wastewater Service Area within the District boundaries. Bastrop will not provide retail sewer service within the Wholesale Wastewater Service Area and shall amend any agreements providing for Bastrop to provide retail wastewater service within the Wholesale Wastewater Service Area to be consistent with the retail sewer service area boundaries and the agreements regarding inspection of Internal Facilities set forth in this Agreement.

ARTICLE III. DESIGN AND CONSTRUCTION OF FACILITIES

Section 3.01 Design and Construction of the Internal Facilities.

a. District will be responsible for design and construction of, or for causing one or more third parties to design and construct, the Internal Facilities within the District System.

b. District agrees to be responsible for and pay for all costs of rights-of-way, easements, design, engineering, contracting, construction and inspection of the Internal Facilities; provided that District may require Developer to be responsible and pay for all or a portion of the costs of right-of-way, easements, design, engineering, contracting, construction, and inspection of the Internal Facilities.

c. The Internal Facilities will be designed and constructed in accordance with applicable regulations and specifications of Bastrop, the State of Texas and United States, and with the terms and conditions of this Agreement.
Section 3.02  Design and Construction of the Connecting Facilities.

a. District shall be responsible for design and construction of, or for causing one or more third parties to design and construct, any Connecting Facilities, or modification to the existing Connecting Facilities, required for the transmission of Wastewater to the Bastrop System.

b. Subject to the terms and conditions of this Agreement, District agrees to engage or cause to be engaged the services of a professional engineer registered in Texas to produce the engineering design, including detailed plans and specifications for Connecting Facilities in conformance with Bastrop’s design criteria and construction standards in effect at the time the plans and specifications are submitted to Bastrop for approval, or in accordance with District’s design criteria and construction standards if such are more stringent; provided that the parties shall reasonably cooperate to determine the design standards that will control. The plans and specifications will address the sizing, routing, material selection, service method, cost estimates, proposed construction schedule, easements, and such other and further information as Bastrop deems necessary or advisable for proper review and assessment of the plans and specifications. The design for the Connecting Facilities shall be procured at District’s sole expense; provided that District may cause Developer to be responsible for designing the Connecting Facilities, and the cost thereof. The plans and specifications for the Connecting Facilities will be submitted to Bastrop for review and comment before District approves said plans and specifications. Bastrop shall provide written comments within thirty (30) days of the date of the receipt of the plans unless a longer period is specified by City Staff. District shall cause any comments provided by Bastrop to be addressed. If Bastrop does not provide comments within the greater of thirty (30) days or the time specified by City Staff, District may approve the plan and specifications, subject to compliance with District’s regulations.

c. The Parties agree that the Connecting Facilities shall be designed and constructed so that they will not deliver Wastewater to the Bastrop System at a Peak Hour Flow Rate in excess of the Peak Flow Rate limitations set forth in this Agreement. District agrees to design and construct, or cause the design and construction of, the Connecting Facilities so that any wastewater flows to a Metering Facility can be accurately measured, in the event the Wholesale Wastewater Rate is calculated based on volumetric charges.

d. District solely shall be responsible for the construction of the Connecting Facilities, or for causing Developer to be responsible for the construction of the Connecting Facilities. District solely shall be responsible for funding construction, and all costs related thereto, of the Connecting Facilities, or for causing one or more third party developers or owners of land within the Wholesale Wastewater Service Area to be responsible for funding construction, and all costs related thereto, of the Connecting Facilities.

e. District agrees to be responsible for, and pay for all costs of rights-of-way, easements, design, engineering, contracting, construction and inspection of the Connecting Facilities required to be constructed for the connection to the Bastrop System, or for causing Developer to be responsible for and to pay all costs of rights-of-way, easements, design, engineering, contracting, construction and inspection of the Connecting Facilities required to be constructed for the connection to the Bastrop System.

f. The parties will cooperate in good faith to determine the location of Connecting Facilities that are located in Bastrop’s city limits or ETJ. Bastrop agrees to make good faith efforts to cause the dedication of easements or right-of-way that may be necessary for the location and installation of
Connecting Facilities within the city limits and ETJ of Bastrop. Pursuant to separate written instruments, Bastrop will further allow District to access and use rights-of-way and easements owned or controlled by City for the purpose of installing, constructing, repairing, replacing, maintaining, and operating or causing to be installed, constructed, repaired, replaced, maintained and operated, Connecting Facilities.

Section 3.03 Notification of Commencement of Construction on Connecting Facilities.

After all required approvals for construction of the Connecting Facilities are obtained but prior to commencement of construction, District will provide, or cause to be provided, written notice to Bastrop of the date on which construction of the Connecting Facilities is scheduled to commence. Bastrop must receive this written notice at least five (5) days before the scheduled construction date.

Section 3.04 Inspection and Acceptance of a Portion or All of the Connecting Facilities.

The Parties agree that Bastrop has the right to make periodic inspections during the construction phase of the Connecting Facilities. Acceptance of the Connecting Facilities by District is subject to final inspection by Bastrop.

Section 3.05 Agreement to Submit As-Built or Record Drawings and Final Plats.

District agrees to provide, or cause to be provided, to Bastrop: a) as-built or record drawings of all Internal Facilities and Connecting Facilities that contribute directly to the Bastrop System; and b) final plats for property located within the Wholesale Wastewater Service Area; within thirty (30) days of District receiving them, not to exceed sixty (60) days following completion and acceptance of the construction of such facilities or recording of the final plat, as appropriate.

Section 3.06 Ownership and Operation of Connecting Facilities.

Except as set forth below or otherwise agreed, District shall own and operate all Connecting Facilities located on its side of a Point of Entry after completion of construction by District or the Developer, and acceptance of the Connecting Facilities by Bastrop.

Section 3.07 Design and Construction of Interceptors.

a. The District will pay the full design and construction costs of __________. The City will own, operate and maintain _______ upon its completion, acceptance and conveyance by the District to the City. The District shall have the right to the percentage of the line's capacity necessary to transport sewage at a flow rate of _______ GPD to serve the District at full buildout.

b. Except as described in Subsection 3.07(a) or as otherwise agreed by the Parties, Bastrop shall be responsible for design and construction of the Interceptors, including the acquisition of all easements required for the construction, ownership and operation of the Interceptors.

c. Bastrop agrees that the Interceptors shall be designed and constructed with sufficient capacity to make wholesale service available to District in an amount not less than required for Bastrop to fulfill its obligations under this Agreement.

d. Under no circumstances shall District construct any Interceptors that would connect to— or contribute Wastewater into the Bastrop System without Bastrop's prior written approval.
Section 3.08 Design and Construction of Improvements to the Bastrop System and WWTP#3

a. Bastrop shall be responsible for the design and construction of WWTP#3 (Permit No. WQ0011076002) and the portions of the Bastrop System that serve the Wholesale Wastewater Service Area.

b. For the term of this Agreement, Bastrop agrees that it will provide Wholesale Wastewater Service to District up to the Wholesale Wastewater Commitment under the terms and conditions of this Agreement and payment of the Wastewater Treatment Capacity Reservation Fee shall guarantee capacity in the WWTP#3 and the Bastrop System for the number of SUE’s for which the Wastewater Treatment Capacity Reservation Fee is paid.

ARTICLE IV. DESIGN AND CONSTRUCTION OF WASTEWATER FACILITIES

Section 4.01 Wastewater Flow Meters.

All Wastewater Flows from the Wholesale Wastewater Service Area must be metered through Metering Facilities that are designed and constructed by District and are subject to Bastrop’s review and approval. Upon completion of installation, the Metering Facilities shall be dedicated to Bastrop. The parties acknowledge and agree that the initial Wholesale Wastewater Rate is a flat rate charge as set forth in Article V. This Article shall also govern metering of Wastewater flows for the purpose of calculating the Volumetric Rate in the event that the Wholesale Wastewater Rate is a volume-based rate. The Metering Facilities shall be tested and calibrated to ensure said facilities are operative and measuring accurately prior to instituting and charging District a volume-based Wholesale Wastewater Rate.

Section 4.02 Wastewater Flow Meter Calibration and Testing.

a. Bastrop agrees to calibrate and routinely service the Wastewater flow meter no less than once during each twelve (12) month period as a Cost of the System. Calibration will be accomplished according to Bastrop’s standard methods.

b. Bastrop will notify District in writing of proposed calibrations in advance of such occurrences so that District may observe if desired.

c. It will be the duty of the Parties to this Agreement to notify the other Party in the event any Party becomes aware that a Wastewater flow meter is registering inaccurately or malfunctioning. Any Party will have the right to test a flow meter at any time. Notification of a proposed test will be provided at least forty (48) hours before conducting the test except in the case of emergencies. Any Party will have the right to witness Wastewater flow meter tests. Payment for meter calibration and testing under this Section will be the responsibility of the Party requesting the meter calibration and testing.

Section 4.03 Ownership, Operating and Maintenance of the Wastewater Flow Meters.

Following completion and final acceptance of the Metering Facilities by District, Bastrop will own, operate and maintain the Metering Facilities.
Section 4.04 Billing Adjustments.

If, for any reason, a Wastewater flow meter is out of service or inoperative, or if, upon any test, any meter is found to be inaccurate (variance of five percent (5%) or more), Bastrop will calibrate the meter to measure within five percent (5%) accuracy. In addition, Bastrop will adjust billings by an amount that corresponds to the percentage that the meter varies from accurate measurement for one-half of the months since the most recent calibration of the same meter but not to exceed six (6) months. If adjustment results in credit to District, Bastrop may provide such credit against future billings to District. If adjustment results in additional amounts due to Bastrop, District will pay such amounts to Bastrop in accordance with the billing terms provided in this Agreement.

Section 4.05 Wastewater Flow Monitoring.

If Bastrop discovers a wastewater flow problem, as determined in its reasonable discretion, associated with a Point of Entry, Bastrop may, at any time, with notice to District, conduct smoke testing, television of lines, or other methods to determine the cause of the problem. The Parties agree to fully cooperate in this investigation. If the cause of the problem is determined to be solely in Bastrop’s System, then Bastrop will solely pay for all investigation costs. If the cause of the problem is determined to be solely in District’s System, then District will solely pay for all investigation costs. If the cause of the problem is determined to be in both District and Bastrop Systems, then investigation costs will be proportionally distributed based upon the number of connections investigated for each Party. District agrees to reimburse Bastrop for District’s portion of this investigation costs within thirty (30) days of receipt of invoice, which invoice shall include supporting data in reasonable detail. District agrees to correct any problems identified in the investigation with reasonable promptness, depending on the nature of the problem.

ARTICLE V. WASTEWATER RATES AND CHARGES

Section 5.01 Wholesale Wastewater Rate Fees and Charges.

a. In accordance with the terms and conditions of this Agreement, District, through its Board of Directors, will establish and District (as set forth below) will pay Bastrop rates, charges and fees for the Wholesale Wastewater Service provided under this Agreement. The rates, charges and fees for Wholesale Wastewater Service shall consist of:

1. the Wholesale Wastewater Rate, which shall consist of either: (i) a Flat Rate as set forth in Section 5.02; or (ii) a Volume Charge and Monthly Minimum Charges as set forth in Section 5.04; and

2. Impact Fees: The agreed upon Contract Amount for infrastructure, facilities and capacity, or portions thereof constructed to serve the District.

b. Bastrop may charge either a metered Volume Charge and Monthly Minimum Charges or a Flat Rate Charge for Wholesale Wastewater Service at the discretion of its governing body and after thirty (30) days prior notice to District. Bastrop specifically agrees that the Volume Charge and Minimum Monthly Charges or Flat Rate Charges will be calculated so that all Costs of the System on which the charges are based are properly allocated between District, any other wholesale customers of the System, and Bastrop’s retail customers in a just, reasonable and nondiscriminatory manner and in accordance with this Agreement.

c. Any subsequent changes in rates shall be shall be set in accordance with the following principles:
Bastrop agrees that it will review the Costs of the System that form the basis for the Wholesale Wastewater Rate not less than once every three (3) years; provided, however, that Bastrop shall not be required to employ persons other than Bastrop employees for purposes of doing so unless Bastrop wishes to increase the Wholesale Wastewater Rate, or unless the Bastrop employee is qualified to conduct a wastewater rate study.

Section 5.02 Flat Rate.

Bastrop agrees that the initial Wholesale Wastewater Rate will be a Flat Rate in the amount of $_______ per month, per Active Connection multiplied by the SUE Multiplier, if applicable, billed monthly. The Flat Rate is calculated by subtracting an amount that represents the portion of Bastrop’s cost of retail customer service, billing, and line maintenance (the "Retail-Only Service Costs") from Bastrop’s retail flat rate. The current flat rate is based on the following calculation: ________ (Bastrop’s retail flat rate) - ________ (the "Retail-Only Service Costs").

Section 5.03 Notice to and Review by District.

a. Bastrop will provide District with at least thirty (30) days prior written notice of any changes to the Wholesale Wastewater Rate or Impact Fees. Written notice shall include the proposed new rates and/or fees, and an updated cost of service study with reasonable detail that allows District to identify the methodology used to revise the rates (including enough detail to allow District to evaluate the exclusion of retail-only service costs from the Wholesale Wastewater Rate), the Costs of the System that necessitate the change, along with the allocation of Costs of the System between District, and all other customers of the Bastrop System (wholesale and retail). Bastrop will not be required to provide notice related to setting of Impact Fees beyond those notices required by the Texas Impact Fee Law (Texas Local Government Code, Chapter 395, as amended); other than the notice described in this Section 5.02(a).

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

Section 5.04 Volume Charges and Monthly Minimum Charges.

a. This Section shall govern and be in effect in the event that Bastrop establishes a Wholesale Wastewater Rate based on volume charges.

b. Bastrop will measure Wastewater flows at the Meter(s) monthly and will bill District as provided in Article VI this Agreement for the Volume Charges based on the Wastewater flows measured.

c. In addition to the Volume Charges, Bastrop’s City Council may establish Minimum Monthly Charges to recover that portion of the capital-related Costs of the System incurred by Bastrop related to that portion of the Bastrop System that is used or useful for the provision of Wholesale Wastewater Service hereunder and that are not otherwise financed through the collection of Impact Fees or Wastewater Treatment Capacity Reservation Fee or the Contract Amount. Bastrop specifically agrees that the Minimum Monthly Charge will be calculated so that all capital-related Costs of the System not collected as part of the Contract Amount are allocated between District, any other wholesale customers of the System, and Bastrop’s retail customers in a fair, equitable, nondiscriminatory and impartial manner and in accordance with this Agreement. Without limitation
to the generality of the foregoing, the Monthly Minimum Charge will be calculated such that the
Minimum Monthly Charges shall not pay any capital-related costs associated with capacity in the
System that is being constructed to provide Wastewater treatment and disposal service in excess of
the Wholesale Service Commitment.

d. Prior to revision of the Monthly Minimum Charge, Bastrop shall provide written notice thereof to
District, and provide a reasonable period for review and comment. A period of thirty (30) days shall
be deemed a reasonable period for review and comment. The notice shall specify the lands within
the Wholesale Wastewater Service Area for which Bastrop has received or credited payment of
Impact Fees.

e. Each updated cost of service study shall identify the capital related costs previously paid by
payment of the Monthly Minimum Charge and Impact Fees to Bastrop.

f. Bastrop agrees that any subsequent agreements that it enters into with any other person or entity
for Wholesale Wastewater Treatment and Disposal Services from the System will also require such
person or entity to pay a minimum monthly fee to be calculated in a just, reasonable, and
nondiscriminatory manner based on the wholesale service commitments made to such other
customers and the most recent rate study conducted by Bastrop.

g. District agrees to provide payment to Bastrop for the Minimum Monthly Charges associated with
the provision of Wholesale Wastewater Service.

Section 5.05 — Bastrop Wastewater Impact Fees.

a. The provision of Wholesale Wastewater Service to District under this Agreement is subject to
payment to Bastrop of Impact Fees as adopted by Bastrop’s City Council for customers in the
same service area under Chapter 395, Texas Local Government Code. The Impact Fee as of the
Effective Date of this Agreement for the Wholesale Wastewater Service Area is $____ per SUI. For those properties served that are not a single-family residence, the SUI Multiplier
that corresponds to the type of property as described in Exhibit “F.” The Parties acknowledge that the Impact Fees may be subject to the procedures and requirements of the Texas Impact Fee
Law.

b. The Impact Fee less the Wastewater Treatment Capacity Reservation Fee (if a Wastewater
Treatment Capacity Reservation Fee was paid and remitted to Bastrop as provided in Section 5.07)
(the “Impact Fee Balance”) or the Impact Fee (if a Wastewater Treatment Capacity Reservation
Fee was not paid and remitted to Bastrop as provided in Section 5.07) shall be collected by District
at the time of application for a building permit or, if no building permit is required, at the time of a
request to connect to District’s System for each lot within the Wholesale Wastewater Service Area.
District shall pay the Impact Fee Balance or Impact Fee, as appropriate, to Bastrop within thirty
(30) days of receipt. District agrees that it will not approve a request for connection to District’s
System, as appropriate, for a lot until the Impact Fee or Impact Fee Balance, as appropriate, is paid.
In the event Bastrop amends the Impact Fee, the amended Impact Fee will apply for purposes of
this Agreement only to lands within the Wholesale Wastewater Service Area that receive final plat
approval after the amendment of the Impact Fees, or for properties that develop without platting,
at the time of an application for building permit or plumbing permit as applicable, or for properties
which have not otherwise been given Impact Fee credits; provided that in the case of such properties
for which a Wastewater Treatment Capacity Reservation Fee was paid prior to amendment of the
Impact Fee, the Impact Fee will be fixed at the Impact Fee in effect at the time the Wastewater
Treatment Capacity Reservation Fee was paid and will not be subject to adjustment if the Impact Fee is increased, but will be subject to adjustment if the Impact Fee is decreased. The Impact Fees or Impact Fee Balance, as appropriate, shall be calculated for each subdivision plat based on the number of lots and the uses within that plat, as required by Bastrop’s ordinance establishing Impact Fees. Bastrop shall maintain a current copy of Bastrop’s Impact Fee Ordinance, with Bastrop. If Impact Fees are paid prior to the time of connection, Bastrop will provide District with certificates for the number of wastewater connections, i.e., SUEs, for which District paid Impact Fees. Said certificates shall be based on credits available and credited at time of platting, limited to specific platted lots within the Wholesale Wastewater Service Area. Certificates shall be issued for one SUE per lot, unless Bastrop receives payment for a larger number of SUEs per lot. Assuming that Bastrop has received Impact Fees for one SUE per lot within a platted subdivision, in the event service to a platted lot requires service at a level in excess of one SUE, District shall, within forty-five (45) days of provision of retail wastewater service to the platted lot, pay or cause to be paid to Bastrop Impact Fees for the remaining SUEs of service.

Section 5.06 Wholesale Wastewater Rates.

The City shall invoice the District for wholesale wastewater delivery and treatment service at the same rate that the City charges its other wholesale customers per GPD of use. The District shall pay the City monthly, one month in arrears, as more fully described in Section 6 of this Agreement.

Section 5.07 Wastewater Treatment Capacity Reservation Fees.

a. Initial Wastewater Treatment Capacity Reservation Fee. The District, or the Developer if the District does not have sufficient funds, will pay to the City the Initial Wastewater Treatment Capacity Reservation Fee. The payment to be made to the City within ninety (90) days of the Effective Date to reserve wastewater treatment capacity equivalent to _______ Wastewater SUEs for the District, in the amount of _______ of the City Wastewater Impact Fees at the City’s then current rates per Wastewater SUE.

b. Incremental Wastewater Treatment Capacity Reservation Fee. The District, or the Developer if the District does not have sufficient funds, will pay to the City Incremental Wastewater Treatment Capacity Reservation Fees in increments of not less than 100 Wastewater SUES as needed by the Development. The payment to be made to the City at the point in time that is three (3) years in advance of absorption or need to reserve successive tranches of wastewater treatment capacity for the District, in the amount of _______ of the City Wastewater Impact Fees at the City’s then current rates per Wastewater SUE, multiplied by no fewer than 100 Wastewater SUEs. The District and Developer intend to continue making incremental Wastewater Treatment Capacity Reservation Fee payments until the District is built out, in incremental payments for capacity of no fewer than 100 Wastewater SUEs of capacity per increment, unless otherwise agreed by City staff, the District and the Developer.

c. District shall pay, or cause to be paid, a portion of the Contract Amount Impact Fee to Bastrop to guarantee capacity in the Bastrop System, which portion shall be _______ per SUE (the "Wastewater Treatment Capacity Reservation Fee") for land that is platted in the Wholesale
Wastewater Service Area. Owners of property that develop without platting shall not be charged a Wastewater Treatment Capacity Reservation Fee; provided that such Owners will be required to pay an Impact Fee as provided in Section 5.05. Owners of property in the Wholesale Wastewater Service Area that do not pay a Wastewater Treatment Capacity Reservation Fee shall not have capacity reserved in the Bastrop System, until such time that the Impact Fee is paid. Payment of the Wastewater Treatment Capacity Reservation Fee will secure the right to capacity in the Bastrop System for the number of SUEs for which fees are paid. Upon payment of the Wastewater Treatment Capacity Reservation Fee, a credit shall be applied to the Impact Fee for each SUE for which the Wastewater Treatment Capacity Reservation Fee was paid. District will pay, or cause to be paid, to Bastrop a Wastewater Treatment Capacity Reservation Fee for each SUE shown in a preliminary plat approved by City within thirty (30) days after approval of the preliminary plat. The payment of the Wastewater Treatment Capacity Reservation Fee shall be accompanied by a copy of the preliminary plat, and, if not clearly apparent on the preliminary plat, written notice of the number of SUE's on the property subject to the preliminary plat. If District has paid the Wastewater Treatment Capacity Reservation Fee at a time other than in connection with a preliminary plat, then District may apply all or a portion of said fees towards the Wastewater Treatment Capacity Reservation Fee owed for a preliminary plat and shall notify Bastrop of such application at the time that a Wastewater Treatment Capacity Reservation Fee is owed.

d. The District and Developer shall to continue making incremental reservation fee payments until the District is built out, in incremental payments for capacity of no Wastewater Treatment Capacity Reservation Fee fewer than 100 Wastewater SUEs of capacity per increment, unless otherwise agreed by City, the District, and the Developer.

e. Upon the Effective Date of this Agreement, an initial Wastewater Treatment Capacity Reservation Fee of $ is owed from District to Bastrop for the reservation of Phase I SUEs of the Wholesale Wastewater Service Commitment (the "Initial Wastewater Treatment Capacity Reservation Fee "). The Initial Wastewater Treatment Capacity Reservation Fee shall be a payment in the amount of $ , which District shall pay to Bastrop on or before the nineteenth (90th) day from the Effective Date. District may require Developer to pay for or to reimburse District for the Initial Wastewater Treatment Capacity Reservation Fee and the Wastewater Treatment Capacity Reservation Fee.

f. If a preliminary plat is amended to reduce the number of SUE's, or if a final plat is approved that contains fewer SUE's than shown in a preliminary plan or a phase thereof, Bastrop shall refund to District the Excess Wastewater Treatment Capacity Reservation Fees within thirty (30) days of request by District, unless District requests in writing that Bastrop apply the Excess Wastewater Treatment Capacity Reservation Fee to another preliminary plat, another phase of the preliminary plat, or another property. Such request shall identify the preliminary plat, preliminary plat phase, or property to which the Excess Wastewater Treatment Capacity Reservation Fees will be applied. A refund for an Excess Wastewater Treatment Capacity Reservation Fee is not applicable for the payment of the Initial Wastewater Treatment Capacity Reservation Fee as required in Section 5.07(a).

g. In the event that a preliminary plat expires, District may apply the Wastewater Treatment Capacity Reservation Fees paid in related to said preliminary plat to another preliminary plat or property. District shall notify Bastrop in writing if a preliminary plat has expired and the preliminary plat, preliminary plat phase, or property to which the Wastewater Treatment Capacity Reservation Fees will be applied.
h. In the event that a building permit is not issued or an application for connection to District’s System is not approved within three (3) years of payment of a Wastewater Treatment Capacity Reservation Fee for an SUE, District shall pay, or cause to be paid, an additional $ _____________ for said SUE. The additional payment shall be credited against the Impact Fee for said SUE.

i. Bastrop and District shall each keep accurate records of the Wastewater Treatment Capacity Reservation Fees paid. For each payment of Wastewater Treatment Capacity Reservation Fees made by District, Bastrop shall give District a certificate stating the total Wastewater Treatment Capacity Reservation Fees paid and the number of SUE's guaranteed by such payment. The parties may inspect each other’s records during normal business hours.

Section 5.08 Reasonableness of Rates and Right of Appeal.

District agrees that the Rates initially charged by City and the policies defined in this Agreement are just and reasonable, and do not adversely affect the public interest. The Rates charged by City are subject to modification as provided herein. District agrees that it is reasonable for City to adjust the Rates periodically as provided herein and understands that any adjustments made in accordance with this Agreement are part of the consideration for this Agreement. Notwithstanding any provision to the contrary, District does not waive the right to file and pursue an appeal of any increase in Rates proposed or adopted by City that is not in conformance with the terms of this Agreement.

Section 5.09 Other Service Fees.

District acknowledges and agrees that Bastrop, through its City Council, may adopt charges and fees for Wholesale Wastewater Service in addition to the Impact Fees, Monthly Minimum Charge, and Volume Charge. These additional charges and fees are limited to review fees and inspection fees related to review and inspection of plans for the Connecting Facilities, and these charges or fees shall be just and reasonable, and nondiscriminatory and are not to exceed the lower of the actual costs of review and inspection fees or $ _____________ per Connecting Facility. Plan review, inspection, and similar fees or charges relating to the design and/or construction of the Connecting Facilities shall be charged to and paid by the constructing party.

Section 5.10 District Wastewater Rates and Charges.

District will determine and charge its retail Wastewater customers such rates as are determined by its governing body. During the term of this Agreement, District 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 District, to produce the amount necessary to operate, repair, and maintain the District System, and to pay the cost of Wholesale Wastewater Service from Bastrop. District will establish retail rates consistent with industry standards. District will be solely responsible for ensuring that its retail rates and charges are determined and collected in accordance with applicable Law.

Section 5.11 District Wastewater Fees.

The Parties acknowledge that District has the right to the extent allowed under applicable law to assess, charge, and collect such impact fees, capital recovery fees, connection fees, meter fees, or other service fees, rates, truces, or other charges as its governing body will deem appropriate in excess of the Bastrop Impact Fee. This Agreement will not be construed to require, limit, or restrict the governmental power of District to implement the same. District will be solely responsible for the proper exercise of its
governmental power to assess and collect such fees and charges and for ensuring that all fees, rates, and charges District elects to charge are in compliance with applicable law.

Section 5.12 Verification of District Wastewater Connections.

For verification of the Wholesale Wastewater Rate and Impact Fees paid to Bastrop and for any other purpose, District will make available for inspection and copying during regular business hours, all records for retail connections to the District System. In addition, Bastrop will have the right to inspect the District System at any reasonable time, at Bastrop’s sole expense, after giving District written notice of its intention to inspect and allowing the opportunity for District to be present, to verify the type and amount of retail connections made or the condition of the District System (related to contractual compliance issues) and District will provide lawful access to Bastrop for this purpose.

ARTICLE VI. WASTEWATER WHOLESALE BILLING METHODOLOGY

Section 6.01 Monthly Statement.

a. For each monthly billing period, Bastrop will forward to District a bill providing a statement of the total Wholesale Wastewater Rate owed by District for Wholesale Wastewater Service provided to District during the previous monthly billing period. The invoice shall contain sufficient detail to allow District to verify the charges. District shall not be charged for Wholesale Wastewater Services until such services commence. District will pay Bastrop for each bill submitted by Bastrop to District by check or bank-wire on or before thirty (30) days from the date of the invoice.

b. Payments by District shall be mailed to the address indicated on the invoice or can be hand-delivered to Bastrop’s City Hall in Bastrop, Bastrop County, Texas, upon prior arrangement. If payments will be made by bank-wire, District shall verify wiring instructions with Bastrop’s Finance Department. Payment must be received at Bastrop’s bank by the due date in order not to be considered past due or late, unless District timely contests a bill, or a portion thereof, in accordance with Section 6.05. In the event District fails to make payment of an uncontested bill within said thirty (30) day period, District shall pay a one-time late payment charge of five percent (5%) of the unpaid balance of the invoice. In addition, District shall pay interest on the unpaid uncontested balance at a rate equal to one and one-half percent (1.5%) per month.

Section 6.02 Monthly Billing Calculations.

a. This subsection 6.02(a) shall govern and be in effect in the event that Bastrop establishes a Wholesale Wastewater Rate based on volume charges. Bastrop will compute the Volume Charge included in the monthly billing for Wholesale Wastewater Service on the basis of monthly readings of metered Wastewater flows of the Metering Facilities. The total of these amounts multiplied by the Wholesale Wastewater rate, set from time to time by the Bastrop City Council, will be used to compute the monthly bill for the Volume Charge.

b. This subsection 6.02(b) shall govern and be in effect when the Wholesale Wastewater Rate is a Flat Rate. Bastrop will calculate the Wholesale Wastewater Rate by multiplying the Flat Rate set forth in this Agreement, as amended by the Bastrop City Council, by the number of SUEs per Active Connection set forth in the monthly report provided by District under Section 6.02(c).
c. Each calendar month, District shall deliver to Bastrop the number of Active Connections within the Wholesale Wastewater Service Area, and the number of SUEs associated with each Active Connection. Bastrop shall use the number of Active Connections and the associated SUEs stated in the report to calculate the Wholesale Wastewater Rate for the billing period in which the report was filed.

Section 6.03 Infiltration and Inflow.

District acknowledges that water entering the Bastrop System from the District System emanating from any source whatsoever must be given treatment and handling whether or not its source is revenue producing for District. Therefore, District agrees to pay, as part of the Volume Charge, if the Wastewater Rate includes a Volume Charge, for infiltration and inflow originating within the District system without abatement in the same manner and cost as other Wastewater entering Bastrop’s System from the District System.

Section 6.04 Effect of Nonpayment.

With respect to monthly billings, including billings for the Wholesale Wastewater Rate and any other fees or charges applicable under this Agreement, if Bastrop has not received payment from District by the due date, the bill will be considered delinquent, unless contested in good faith. In such event, Bastrop will notify District in accordance with this Agreement, of such delinquency in writing. If District fails to make payment of the delinquent billing within thirty (30) calendar days from the date of transmittal of such written notice of delinquency from Bastrop, then Bastrop may, at its discretion, suspend or reduce the level of Wastewater service to District until payment is made. District may exercise its right to dispute its obligation to pay all or a portion of a bill during the cure period following the procedure set forth in Section 6.05.

Section 6.05 Billing Disputes.

Should District dispute its obligation to pay all or any part of the amount stated in any statement or notice, District may pay such amount along with a written notice of protest, in which event such amount shall be deposited by Bastrop in a separate interest-bearing account mutually acceptable to both Bastrop and District pending final resolution of such dispute in accordance with this Agreement. Bastrop may not terminate this contract or deny Wastewater service that is otherwise in accordance with this Agreement for failure to pay the amount stated in any statement or notice if District pays such amount under protest.

ARTICLE VII. WASTEWATER QUALITY

Section 7.01 Condition of Wastewater Delivered.

a. District shall have the right to discharge Wastewater into the Bastrop System meeting the requirements of quality as set forth in this Section and not containing wastes identified in Bastrop’s Code of Ordinances.

b. Discharges into the Bastrop System shall consist only of domestic Wastewater and Wastewater that the Bastrop System is capable of handling:

(1) So that the effluent and sludge from the Bastrop System meets the current legal standards of the EPA, the TCEQ, or any governmental body having legal authority to set standards for such effluent;
(2) Without causing damage or corrosion to the Bastrop System that would result in increased maintenance costs;

(3) Without causing excessive treatment costs; and

(4) That meets any applicable requirements of the EPA Pretreatment Regulations, 40 CFR Part 403.

c. EPA and TCEQ periodically modify standards on prohibited discharges. It is the intention of the Parties, therefore, that the Prohibited Wastes be reviewed periodically by Bastrop and that they revised by Bastrop in accordance with the latest standards of EPA, TCEQ or any federal or state agency having regulatory authority over discharges made to the Bastrop System. Any required revisions shall be made by Bastrop and upon the effective date, District shall be responsible for integrating such changes into its regulations and notifying all affected users of the change.

Section 7.02 Remedies for Delivery of Prohibited Wastes.

a. In the event Wastewater delivered from the District System to the Bastrop System fails to meet the standards specified in this Agreement, and Bastrop reasonably determines that the addition of oxidizing chemicals or another acceptable method of pretreatment of Wastewater or operation of the District System is necessary in order for Wastewater delivered to the Bastrop System to be non-corrosive and non-injurious to the Bastrop System, District agrees to install such facilities within twenty-four (24) hours of receiving notice from Bastrop or immediately implement such methods of operation and maintenance, at its sole expense, as are reasonably deemed by Bastrop to be necessary for the Wastewater delivered by District to meet the requirements of this Article.

b. In the event Wastewater delivered from the District System to the Bastrop System fails to meet the standards specified in this Agreement, District shall pay to Bastrop, in the same manner provided in this Agreement for the payment of the Volume Charges, a surcharge calculated in accordance with and subject to the requirements of this section (the "Treatment Surcharge").

(1) The Treatment Surcharge shall be based on the following formula:
\[ S = V \times 8.34 \times (A \times \text{BOD} - 200) + B \times \text{TSS} - 200) \],

where

A. "S" means the surcharge that will appear on District’s monthly bill;

B. "V" means Wastewater actually billed in millions of gallons during the billing period; "8.34" means pounds per gallon of water;

C. "A" means the unit charge in dollars per pound of BOD which unit charge shall be based on the unit charge adopted by the Bastrop City Council for wastewater service from the Bastrop System, as amended from time to time, which unit charge is $0.49 per pound as of the Effective Date; provided that increases in such charge shall not be effective as to District until notice of the increase has been given to Leander;

D. "BOD" means biological oxygen demand measured in milligrams per liter by weight; "200" means 200 mg/l;
E. "B" means the unit charge in dollars per pound of total suspended solids, which unit charge shall be based on the unit charge adopted by the Bastrop City Council for wastewater service from the District System, as amended from time to time, which unit charge is $0._____ per pound as of the Effective Date; provided that increases in such charge shall not be effective as to District until notice of the increase has been given to District; and,

F. "TSS" means total suspended solids measured in milligrams per liter by weight.

(2) The Treatment Surcharge shall be charged for each month following sampling completed in accordance with this Agreement that measures BOD in excess of 200 mg/l or TSS in excess of 200 mg/l until subsequent sampling measures both BOD and TSS below those levels. In the event any Treatment Surcharge is based on sampling performed by Bastrop, Bastrop will provide written notice of the sampling results prior to charging the Treatment Surcharge to District and shall give District an opportunity to be present during the testing.

c. In the event District delivers to Bastrop Wastewater that fails to meet the standards specified in this Agreement, District agrees to pay Bastrop for all damages and costs of repair to the Bastrop System and/or regulatory fines reasonably incurred by Bastrop that were caused by District’s delivery of Wastewater that fails to meet the standards specified in this Agreement. Bastrop may require payment of the cost of repair of damaged facilities and/or regulatory fines as a condition to the further provision of Wholesale Wastewater Service, restrict District’s flows to the extent necessary to protect Bastrop’s System, file suit to recover for any and all damages to the Bastrop System caused by such failure on the part of District, or seek such other and further relief, at law or in equity, as Bastrop will deem advisable.

Section 7.03 Sampling and Testing.

a. District will perform sampling of Wastewater at the Point(s) of Entry and provide an analysis to Bastrop due every ________ 1, (year) and ________ 1, (year) after the Connecting Facilities are completed.

(1) All samples will be Composite Samples, that is, a series of at least twelve (12) samples taken from a waste stream without regard to the flow in the waste stream and over a period of time not less than twenty-four (24) hours at intervals of not less than one (1) hour, which samples shall be averaged in accordance with standard industry practice.

(2) The analysis of the sample shall be performed by a National Environmental Laboratory Accreditation Conference (NELAC) approved laboratory. District will require a copy of the report to include at a minimum, levels of pH, BOD-5, COD TSS and oil and grease. The report also must contain the chain of custody for the sample and the Quality Assurance/Quality Control (QA-QC) report.

(3) District will be responsible for the cost of sampling and analysis.

(4) District will provide written notice to Bastrop or Bastrop’s current plant operator at least five (5) business days prior to conducting Wastewater sampling and shall allow Bastrop or Bastrop’s current plant operator representatives to observe the sampling.
(5) In the event District fails to perform sampling by the deadlines provided in this section, after notice and an opportunity to cure within thirty (30) days, District shall pay to Bastrop a sampling surcharge in the amount of _______ ($___) per event. In addition, District will pay Bastrop for Bastrop’s actual costs to perform the sampling if Bastrop does so during the next thirty (30) days after the expiration of the cure period if District does not perform the sampling within the cure period.

b. District agrees that Bastrop or Bastrop’s current operator will have the right, at its option and expense, to sample Wastewater discharges within the District System at:

(1) the site of discharge;

(2) Points of Entry to the Bastrop System; and

(3) other locations as required for the purpose of determining the source, type, and strength of discharge.

c. District will use reasonable efforts to make necessary arrangements for and provide assistance to Bastrop in obtaining lawful access to sampling points within areas served by District. Bastrop will provide written notice to District at least five (5) business days prior to conducting Wastewater sampling and shall allow one or more District representatives to observe the sampling.

d. District agrees that to the extent authorized by applicable laws, any of its individual customers found in violation of allowable discharges or any of its individual customers who refuse access for the purpose of sampling may be disconnected from District and Bastrop’s Wastewater System in accordance with applicable regulations of District or Bastrop and federal law.

e. Notwithstanding any other provision in this Agreement to the contrary, the Parties agree as follows:

(1) no Party shall be obligated to perform any sampling of Wastewater except at Points of Entry constructed with sampling ports; and

(2) all future sampling ports at Points of Entry shall be identified on plans and specifications for Connecting Facilities to be approved by Bastrop.

ARTICLE VIII STANDARDS FOR WASTEWATER CONNECTIONS TO DISTRICT SYSTEM

Section 8.01 District Prevention of Infiltration and Inflow.

It will be District’s responsibility to undertake such measures as are reasonably necessary or prudent to minimize infiltration and inflow to District’s System. District will prohibit the discharge of drainage water and storm water run-off into the District System.

Section 8.02 Construction and Testing Criteria for District Sewer Connections.

a. All tests required by the design criteria and specifications of the State of Texas for connections to the District System within the Wholesale Wastewater Area will be at District’s or its customer’s expense.
b. District agrees that the physical connection of each service line to the local Wastewater facility within the Wholesale Wastewater Area will be the responsibility of District and will not be left to the discretion of the plumber or contractor unless said plumber or contractor is under the direct supervision of or whose work is inspected by District’s authorized representative.

c. Connections made to the District 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. District will inspect all connections to its System in accordance with its own rules and regulations in order to insure compliance with it.

d. A failure on the part of District to provide and enforce such regulations governing connections to the District System will, at the option of Bastrop after: (i) notice to District in writing of the specific violation, and (ii) failure within thirty (30) days to correct said violation or, if the violation is of a nature that it cannot be corrected within thirty (30) days, to begin to correct such violation and to diligently pursue such curative action, constitutes sufficient grounds for Bastrop to restrict or limit Wastewater flows, or immediately terminate this Agreement, to such extent Bastrop deems reasonably necessary in order to protect the Bastrop System from damage or excessive flows.

ARTICLE IX. LIABILITY FOR DAMAGES AND RESPONSIBILITY FOR TREATMENT AND DISPOSAL OF WASTEWATER

Section 9.01 Liability of District.

As between the Parties and except as otherwise provided herein, District shall bear responsibility for damages, if any, claimed by third persons arising from the reception, transportation, delivery, and disposal of all Wastewater discharged while it remains within the District System, and District, to the extent authorized by law, holds Bastrop harmless therefrom. Notwithstanding the foregoing, Bastrop shall bear responsibility for damages, if any, claimed by third persons because Bastrop does not accept Wastewater at a Point of Entry in a quantity that it is contractually obligated to accept under this Agreement, and Bastrop, to the extent authorized by law, agrees to hold District harmless therefrom.

Section 9.02 Liability of Bastrop.

Bastrop will bear the responsibility as between the Parties for the proper reception, transportation, treatment, and disposal of Wastewater received by it at Points of Entry in accordance with the Agreement. However, the Parties agree that they will not construe this Agreement to cause Bastrop to bear responsibility for damages to the Bastrop System or to third persons arising from: i) the delivery by District of Prohibited Wastes or Wastewater that is in violation of this Agreement and corrosive or otherwise damaging to the Bastrop System or to persons or property; or, ii) the delivery of Wastewater at a Point of Entry in excess of the Peak Hour Flow Rate.

ARTICLE X. REGULATORY COMPLIANCE

Section 10.01 Agreement Subject to Applicable Law.

The Agreement will be subject to all valid rules, regulations, 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 10.02  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, etc., 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.

ARTICLE XI. TERM, TERMINATION, DEFAULT, REMEDIES

Section 11.01  Term and Termination.

a. This Agreement shall become effective upon the Effective Date and shall extend until ____________, 20___ unless terminated earlier as provided herein.

b. District may terminate this Agreement by providing not less than sixty (60) days written notice of termination to Bastrop.

c. In the event that any agreement provided for in the definition of Bastrop System Agreements are terminated or expires, this Agreement shall be terminated and be of no further force or effect. Either party shall give thirty (30) days prior written notice of an anticipated termination or expiration of any agreement provided for in the definition of Bastrop System Agreements.

Section 11.02  Default.

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

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

Section 11.03  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 Bastrop's undertaking to provide Wholesale Wastewater Service to the District System is an obligation, failure in the performance of which cannot be adequately compensated in money damages alone, Bastrop agrees, in the event of any default on its part, that District 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 District's obligations could not be adequately compensated in money damages alone, District agrees in the event of any default on its part that Bastrop shall have available to it the equitable remedies of mandamus and specific performance in addition to any other legal or equitable remedies that may also be available to Bastrop including the right to obtain a writ of mandamus or an injunction against District requiring the District to collect rates and
charges sufficient to pay the amounts owed to Bastrop by District under this Agreement. 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.

ARTICLE XII. GENERAL PROVISIONS

Section 12.01 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.

Section 12.02 Amendment.

This Agreement may be amended or modified only by written agreement duly authorized by the respective governing bodies of District and Bastrop and executed by duly authorized representatives of each.

Section 12.03 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 12.04 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 Water Service by Bastrop to District for the District Service Area.

Section 12.05 Applicable Law.

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

Section 12.06 Venue.

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

Section 12.07 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 12.08 Duplicate Originals.

This Agreement may be executed in duplicate originals each of equal dignity.

Section 12.09 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:

**DISTRICT:**

Attn:

**DEVELOPER:**

Attn:

**CITY OF BASTROP:**

City of Bastrop  
113 E. 8th Street  
Bastrop, Texas 78626  
Attn: City Manager

**WITH REQUIRED COPY TO:**

Alan Bojorquez  
Bojorquez Law Firm, PC  
12325 Hymeadow Drive, Suite 2-100  
Austin, Texas 78750

Notices shall be deemed received on the date of hand delivery or within three (3) days of deposit in first-class mail.

**Section 12.10 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 12.11 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 12.12 Records.**

Bastrop and District each agree to preserve, for a period of at least two (2) years from their respective dates of origin, all books, records, test data, charts and other records pertaining to this Agreement. Bastrop and District 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 12.13 State Approval; Compliance with TCEQ Rules.

Anything herein to the contrary notwithstanding, it is the intention of the parties that this Agreement fully comply with the requirements of the TCEQ applicable to public drinking water systems which receive water through a sole-source water supply contract, including the requirements of 30 Texas Administrative Code, Section 290.45(f). The parties each agree to provide any information which may be requested by the other in order to respond to any inquiries or reports required by the TCEQ. If, at any time, it is determined that this Agreement does not comply with all applicable TCEQ requirements, the parties agree to cooperate to modify this Agreement in order to effect such compliance.

Section 12.14 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 12.15 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 12.16 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 12.17 Exhibits.

The following exhibits are attached to and incorporated into this Agreement for all purposes:

- **Exhibit A**: Metes and Bounds Description of the Land
- **Exhibit B**: Bastrop TPDES Permit No. WQ001107600
- **Exhibit C**: Map Showing Locations of Lift Stations and Force Main
- **Exhibit D**: Map Showing Locations of Wastewater Delivery Points, WWTP#3
- **Exhibit E**: Infrastructure and Capacity Bastrop Impact Fee Calculation Sheet, Contract
Section 12.18  Effective Date.

This Agreement will be effective from and after the last date of due execution by all Parties.
CITY OF BASTROP, TEXAS

By: ________________________________
Name: Lynda Humble
Title: City Manager
Date: ________________

ATTEST: ________________________________
City Secretary
____________________, DISTRICT

By: ____________________________________
Name: ___________________________________
Title: ____________________________________
Date: ____________________

Attest:

____________________

STATE OF TEXAS  §

§

COUNTY OF BASTROP  §

This instrument was acknowledged before me the ___ day of _____________, 20___, by
__________________________ (Name), __________________________ City of Bastrop, Texas, on behalf of City.

____________________
Notary Public Signature
DEVELOPER

A Texas ____________

By:

A ____________ company, ________________

By:  ____________

Title:  

Date:  ________________

STATE OF ____________  §

§

COUNTY OF ____________  §

This instrument was acknowledged before me on the ____ day of ____________, 20__, by

___________, of ______________, a Texas ________ company,  

___________ of ______________, a Texas ____________, on behalf of said

___________ as ____________ of the ________________.

________________________________

Notary Public, State of ________________
Exhibit “A”

Metes and Bounds Description of the Land
Exhibit “B”

Bastrop TPDES Permit No. WQ001107600
Exhibit “C”

Map Showing Locations of Lift Stations and Force Main
Exhibit “D”

Map Showing Locations of Wastewater Delivery Points, WWTP#3
Exhibit “E”

Bastrop Impact Fee Calculation Sheet