SUPPLEMENT TO WHOLESALE WATER AGREEMENT BETWEEN WTCPUA & CITY OF DRIPPING SPRINGS

Project: Wild Ridge

Project Boundaries: As shown on **Attachment A** (map of project area and delivery points)

Delivery Point(s): As shown on Attachment A

Service Availability Letter: October 21, 2021 (See Attachment B):

Max Day Reservation LUEs: 1,056 as phased in accordance with the Service Availability Letter

Maximum Daily Flow: 912,384 gallons per day

Maximum Hourly Rate: 126,720 gallons per hour

Maximum Annual Quantity for Delivery Point (Surcharge Applies): 173.448 million gallons per year

Maximum Peak Day Use for Delivery Point (Surcharge Applies): 912,384 gallons per day

Monthly Base Charge: \$4,962.49 (See also schedule at **Attachment C**)

Volumetric Charge: \$1.57 per 1,000 gallons

Impact Fees: WTCPUA approved Impact Fee amount in effect at time of payment as may be amended from time to time.

Reservation Fees: WTCPUA approved Reservation Fee allocable to the Project as may be amended from time to time.

Legal and Engineering Reimbursement Due: \$5,000 and as may be invoiced by WTCPUA from time to time.

Effective Date: Date of execution by WTCPUA as shown below.

The West Travis County Public Utility Agency ("WTCPUA") and the City of Dripping Springs enter into this Supplement to Wholesale Water Agreement ("Supplement") pursuant to that certain Amended and Restated Wholesale Water Services Agreement Between the West Travis County Public Utility Agency and the City of Dripping Springs effective March 28, 2024 ("Wholesale Agreement") for the above referenced Project in the Wholesale Service Area. Terms as defined in the Wholesale Agreement apply to this Supplement. WTCPUA agrees to provide Wholesale Service to the Project, and the City agrees to compensate WTCPUA for such service in accordance with the terms and conditions of the Wholesale Service Agreement under the specific conditions as set forth above in this Supplement. WTCPUA and the City agree that commencement of Wholesale Water Services to the Project at the Delivery Point, or any phase thereof, shall be

subject to the completion of and WTCPUA's acceptance of Improvements and completion of WTCPUA Capital Projects as identified in the Service Availability Letter as modified by this Supplement.

The WTCPUA and the City agree to clarify or modify certain terms of this Supplement and the Service Availability Letter as set forth in **Attachment D**.

To the extent that any term of this Supplement conflicts with the Service Availability Letter, the term of this Supplement shall govern.

WTCPUA may terminate this Supplement upon written notice to City for any of the LUEs for which (i) a Water Impact Fee has not been paid in accordance with the Wholesale Agreement and this Supplement by the fifteenth anniversary of the Effective Date of this Supplement as defined above; (ii) for nonpayment of Reservation Fees in accordance with the Wholesale Agreement; or (iii) for any other reasons as provided in the Wholesale Agreement Otherwise, the term of this Supplement remains in effect for the same term as the Wholesale Agreement.

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

By:

Scott Roberts, President Board of Directors

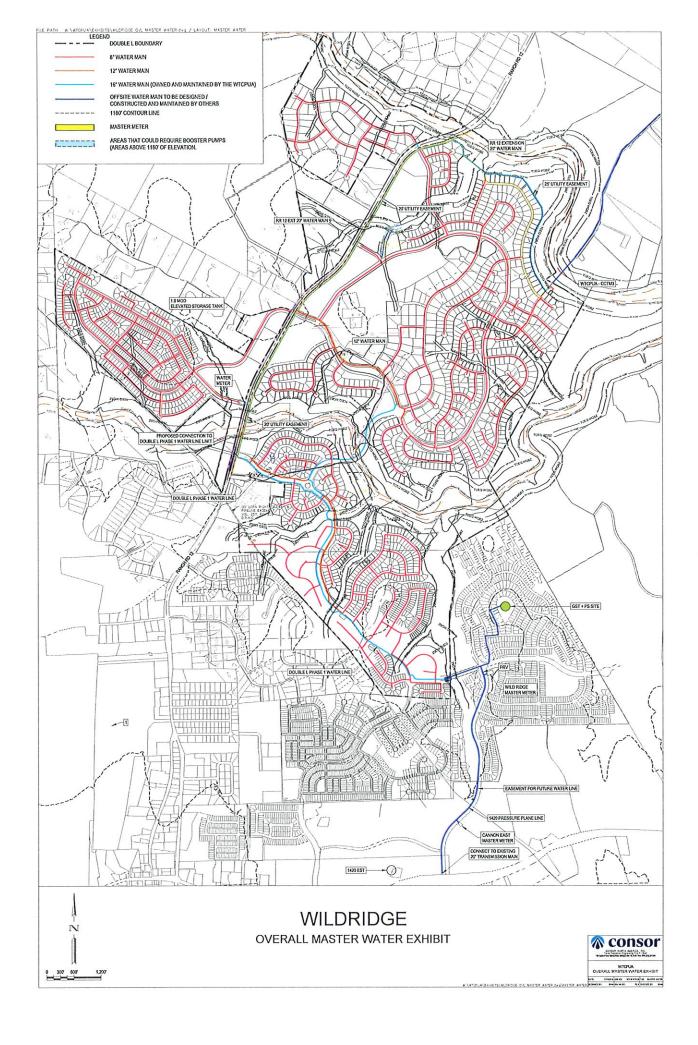
Date:

CITY OF DRIPPING SPRINGS

By:	***************************************	
Printed Name:		
Title:		
Date:		

TERMS ARE UNDERSTOOD AND ACCEPTED:										
MERITAGE:										
MERITAGE HOMES OF TEXAS, LLC, an Arizona limited liability company										
By:										
Name: Brandon Hammann										
Tame. Diangen Hammun										

Attachment A



Attachment B

WEST TRAVIS COUNTY PUBLIC UTILITY AGENCY

13215 Bee Cave Parkway Building B, Suite 110 Bee Cave, Texas 78738 Office: 512/263-0100 Fax: 512/263-2289 wtcpua.org

October 21, 2021

Ms. Ginger Faught, Deputy City Administrator City of Dripping Springs 511 Mercer Street Dripping Springs, TX 78620

Re: Service Availability

Wild Ridge (Project) WTCPUA Project # TBD

(Located outside of WTCPUA Certificate of Convenience and Necessity No. 13207)

Ms. Faught:

The West Travis County Public Utility Agency (WTCPUA), as the wholesale water utility service provider for the referenced application, has completed its review of a requested service by application dated September 1, 2021 by the City of Dripping Springs ("Owner") and Wild Ridge ("Applicant"). This Property is subject to the Wholesale Water Services Agreement Between Lower Colorado River Authority and City of Dripping Springs ("Service Agreement") dated March 11, 2003, as assigned. In accordance with West Travis County Public Utility Agency Water and Sewer Service and Development Policies, the WTCPUA will provide a total Level of Service allocation of 1,056 LUEs, effective upon the Owner and Applicant complying with the Service Extension Request (SER) Conditions for the Project set forth below:

SER CONDITIONS

- Water service is contingent on additional facilities being built by the WTCPUA that are required to serve
 the full amount requested for development.
- The Owner and Applicant are subject to the terms and conditions of West Travis County Public Utility
 Agency Regional Water and Wastewater Systems Schedule for Rates, Fees, Charges and Terms and
 Conditions of Water and Wastewater Service, known as the WTCPUA Rate Tariff, as amended from time
 to time by the Board of Directors of the West Travis County Public Utility Agency.
- Wholesale water service is subject to the Owner and/or Applicant filing an application to the appropriate
 and competent jurisdiction and obtain approval to add to its current Certificate of Convenience and

Supplement to Wholesale Water Agreement (City of Dripping Springs)

Ms. Ginger Faught Page 2 October 21, 2021

Necessity all the Property as described herein for the Exclusive Right to provide potable water service to the Property:

- The Owner and/or Applicant must apply for Raw Water Contract from the Lower Colorado River Authority;
- 5. Wholesale water service is subject to the Owner entering into an Amended and Restated Wholesale Water Supply Agreement with the WTCPUA enumerating, specifying, documenting and clarifying certain elements of the Agreement including, but not limited to, wholesale rates, Point of Delivery, extensions of service, etc.—alternately, the WTCPUA would provide retail service should the City elect not to;
- The Owner and/or Applicant completes the review process of technical plans associated with necessary modifications to the existing WTCPUA infrastructure due to the Project and new facilities necessary to facilitate the delivery of wholesale water service to the Owner;
- 7. The Owner and/or Applicant or the WTCPUA constructs, at Applicant's sole cost and expense, all water service extensions of facilities necessary to facilitate wholesale service to the Property, including but not limited to:
 - a. A minimum 16" water line for interim service from the 1420 pressure plane infrastructure at US290, in the vicinity of or directly from the WTCPUA 1420 Elevated Storage Tank that will ultimately connect to the WTCPUA RR 12 extension;
- The WTCPUA inspects and accepts such facilities and Owner and/or Applicant conveys such facilities to the WTCPUA;
- Owner and/or Applicant shall coordinate with the WTCPUA for identification and dedication of an
 elevated storage tank (EST) site, the location of which shall be mutually agreed to, for construction of a
 WTCPUA 1340 EST that may be a part of the WTCPUA CIP.
- 10. The Owner, at its sole cost and expense, grants to the WTCPUA all exclusive-use easements necessary for the WTCPUA to own and operate the facilities in a form and manner acceptable to the WTCPUA;
- 11. Service to 365 LUEs available from interim service via the 1420 pressure plane. Up to 1,000 LUES of service are available from the 1420 interim service, however such service shall be subject to WTCPUA review. 635 LUEs have been previously assigned to the City of Dripping Springs; however, amended contracts have not been completed for them.
- Service beyond 1,000 LUEs shall be contingent on the WTCPUA 1340 facility improvements, including the Fitzhugh Road Water Line, RR 12 Extension, the 1340 Elevated Storage Tank and US 290 improvements (all of which are in the WTCPUA Capital Improvements Plan).
- 13. Prior to release of plans for construction, the Owner/Applicant shall pay all required engineering review fees, legal fees, and inspection fees relating to all tasks required by the WTCPUA to provide service to the Proposed Development.
- 12. The PUA inspects and accepts the facilities per the approved construction plans and specifications.
- 13. The Owner, at its sole cost and expense, grants to the PUA all on-site and off-site easements necessary for the PUA to own and operate the facilities.

Ms. Ginger Faught Page 3 October 21, 2021

- 14. The Applicant shall adopt one of the alternative water quality measures required of the new development as specified in that certain "Memorandum of Understanding" between the LCRA and the United States Fish and Wildlife Service (USFWS), dated May 24, 2000 (MOU) and the "Settlement Agreement and Stipulation of Dismissal" from the lawsuit, Hays County Water Planning Partnership, et. al. vs. Lt. General Robert B. Flowers, U.S. Army Corps of Engineers, Thomas E. White, Secretary of the Army, Gale Norton, Secretary of the Department of the Interior, and the Lower Colorado River Authority, W.D. Tex. 2002 (No. AOOCA 826SS) (Settlement Agreement) including:
 - Measures approved by the USFWS through separate Section 7 consultation, or other independent consultation;
 - TCEQ optional enhanced measures, Appendix A and Appendix B to RG-348; or
 - U.S. Fish and wildlife Service Recommendations for Protection of Water Quality of the Edwards Aquifer dated September 1, 2000;
- 15. The Owner and/or Applicant agree that all plats include the following enforceable water quality provisions:

 Lots ______ contain USFWS stream buffer zones and/or sensitive feature setbacks as indicated heron that must remain free of construction, development, or other alterations. Impervious cover and/or approved Optional Enhanced Measure (OEM) shall comply with the water quality plan approved for this subdivision and shall not be altered.
- 16. Any preliminary plans and final plats need WTCPUA approval prior to recording;
- The Owner and/or Applicant pays all applicable fees and charges associated with the extension of service;
 and,
- 18. The Owner and/or Applicant follows and complies with all applicable WTCPUA rules and regulations pertaining to water service, as amended from time to time by the WTCPUA Board of Directors.

Please be advised that conditions may change over time and the WTCPUA will not reserve or commit water capacity to the Property until all conditions listed above are met. Also, please be advised that the WTCPUA will not provide direct fire flow service to the Property, and, as such, the Applicant may be required to install and maintain fire service facilities needed to meet local fire code regulations and requirements.

If you have any questions concerning this matter, please do not besitate to contact me.

Sincerely,

Jennifer Riechers General Manager

CC: Reuben Ramirez Tricia Altamirano Jennifer Smith

Keli Kirkley

)ennifer Riechers

Stephanie Albright, Lloyd Gosselink Rochelle & Townsend, P.C.

Jason Baze, Murfee Engineering Company, Inc.

Ms. Ginger Faught
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October 21, 2021
George Murfee, Murfee Engineering Company, Inc.

Supplement to Wholesale Water Agreement (City of Dripping Springs)

Attachment C

West Trads County Public Utility Agency YADIasala Rata Bludy Updated August 19, 2022 Individual Capital Amortisation Schedule

Cky of Oripping Springs (Wild Kidge) Series 2013-2022 Debt Payment Schedule

	10/1/2022
Effective Interest Rate	3.81
Capital Con Allocation	\$ 4,767,42
Plus Reserves	369,50
Plus Issuance Costs (2%)	108,73
Capital Cost Allocation	\$ 5,197,660

Build out LUEs 1,056

Acqual Payment per LUE \$ 373

Effective Impact Fee Credit 18%

			Debt																Average		Sace
			Amortization	Irojected		Beginning	Additional		laterest			T	ital Annual			A.	snusi Minimum	X.	cathly Base	Cha	reper
		Interest Rate	7, **	LUES		Ealance	Cost Added		Espense		Subtotat	Βe	bt Payment	2.0	nging Balance	86	El Paid to FUA*		Fee		LUE
October - December 2022		3.81%			\$	5,137,666		5	195,947	5	5,313,613	\$	2,150	\$	5,324,761	5	9,513.19	\$	3,171.13		
	2023	3.41%		95	\$	5,324,763		\$	203,083	\$	5,527,846	\$	35,400	5	5,472,446	5	38,053.55	\$	3,171.13	5	33.38
	1014	3.81%		323				5	209,472				120,160		5,581,564	\$	129,322 05				
	2025	3.51%		125	\$	5,581,564		5	212,577	5	5,794,441	\$	205,319	\$	5,589,121	5	220,710.56	5	18,157.55	\$	11.14
	2026	3.41%		779	\$	5,589,121		s	213,165	5	3,101,186	\$	250,279	5	3,312,007	5	112,039.07	\$	26,003.26	\$	31.18
	2027	3.81%		975	\$	5,512,007		5	210,224	5	5,722,231	5	163,315	\$	5,151,916	\$	350,549.54	\$	32,545.60	\$	11.32
	2028	3.81%		1,056	5	3,358,916		\$	204,385	\$	5,561,301	5	393,498	\$	3,169,803	5	422,993.20	\$	35,249.60	5	31.38
	2029	3.81%		1,056	\$	5,169,803		\$	197,172	\$	\$,\$66,976	\$	393,49B	5	4,973,478	\$	477,995.70	\$	33,249.60	5	31.38
	2010	3.83%		1,056	\$	4,973,478		5	189,585	\$	5,161,161	5	353,45E	\$	4,769,665	\$	422,595.20	5	33,249.65	\$ 3	31.34
	2091	3.81%				4,769,665		\$	111,911				353,45E		4,558,078	5	422,995.20	\$	35,249.60	\$ 3	33.35
	2037	3.83%		1,056	\$	4,555,078		s	173,542	\$	4,711,910	5	393,49B	5	4,338,422	\$	422,935.20	\$	33,249.63	5	31.35
	2013	3.81%		1,056	5	4,138,412		\$	165,464	\$	4,501,827	\$	333,41E	\$	4,110,149	\$	422,995.20				
	2034	3.81%		1,056	5	4,110,389		\$	156,767	\$	4,267,156	5	393,49E	5	3,873,658	5	422,995.20	\$	35,249 60	5	33.35
	2035	3.51%				3,273,65%		\$	147,732				393,45E		3,627,159	\$	422,995.20	5	35,249.60	\$	31.35
	2036	3.11%		1,056	5	3,627,899		5	118,165	\$	3,766,264	\$	393,45E	5	3,372,766	\$	422,995.20	\$	35,749,60	S :	31.38
	2037	3.117		1,056	\$	3,372,766		5	128,635	\$	3,501,401	\$	193,498	\$	3,107,901	\$	422,995.20	\$	33,249.63	\$	13.15
	2031	3.41%		1,056	\$	1,107,903		\$	118,513	\$	3,226,416	\$	193,491	5	2,832,938	5	422,995.20	\$	33,749.65	5	33.38
	2039	3.11%		1,056	5	2,832,938		5	108,046	5	2,940,985	\$	193,498	5	2,547,187	\$	422,595.20	\$	33,249.60	\$	31.35
	2040	3.81%		1,056	5	2,547,487		5	97,159	5	2,644,646	s	353,45E	s	2,251,345	5	422,593.20	1	33,249.60	\$ 3	33.38
	2041	3.815		1,056	\$	2,251,148		\$	#5,257	\$	2,117,005	\$	151,451	5	1,543,507	Ş	422,595.20	\$	35,249.60	5	13.35
	2242	3.82%		1,056	\$	1,943,507		\$	74,124	\$	2,017,631	\$	393,498	5	1,674,133	5	427,995.20	\$	35,249.60	5	31.35
	2043	3.41%		1,056	\$	1,624,133		s	61,943	\$	1,686,077	\$	393,498	5	1,292,579	5	422,993.20	5	35,249.60	5	31.14
	2044	3.81%		1,056	\$	1,292,579		s	49,258	\$	1,341,877	\$	193,498	5	948,379	\$	422,595.20	\$	35,249.60	5	33.35
	2045	3.81%		1,056	5	941,379		\$	26,170	\$	924,549	\$	393,49E	5	591,052	\$	422,595.20	5	33,249.60	\$ 3	33.34
	2046	3.815	24 #5%	1,056	\$	\$91,052		s	22,542	\$	613,394	\$	97,753	5	\$15,795	5	105,130.01	\$	8,760.83	5	E.30
	2047	3.81%	24.85%	1,056	ş	\$15,795		5	19,672	\$	333,467	\$	97,755	5	437,663	5	105,130.01	\$	8,760.83	5	E.30
	2042	3.81%	24 25%	1,056	\$	417,663		\$	16,692	\$	454,361	\$	97,759	5	156,562	\$	105,130.01	\$	8,760.83	\$	4.30
	2049	3.51%	24 835	1,056	5	356,562		5	13,553	5	370,161	\$	97,753	5	272,162	5	105,130.01	\$	8,760.81	5	8.30
	2050	3.43%	24.85%	1,056	5	272,162		5	10,341	5	282,759	5	\$7,759	5	184,951	\$	105,130.01	5	8,760.83	\$	8.30
	2051	3.41%	24 85%	1,056	\$	184,951		\$	7,054	\$	192,005	5	97,753	\$	94,206	5	105,130.01	5	8,760.83	5	2.30
	2052	3.81%	24 85%	1,055	3	54,206		Ś	3,593	5	97,799	5	97,759	5	0	5	105,130.01	5	8,760.83	- 5	8.30

^{*}Debt payment recovers cipital cost plus interest expense. Annual baselice is calculated by multiplying the armual debt payment times. 15 for times coverage, and then subtracts the impact be credit.
**Applied to debt payment in later years to accommodate for the addition of new debt, which couled the FUA's debt to go through 2052.

Supplement to Wholesale Water Agreement (City of Dripping Springs)

Attachment D

- 1. Paragraph 3 of the Service Availability Letter is hereby deleted. Owner shall not be required to add the Project to its Certificate of Convenience and Necessity.
- 2. Paragraph 7 of the Service Availability Letter is hereby modified to add the following sentence: The 16" water line specified in Paragraph 7 of the Service Availability Letter as shown on Attachment E (green line) (the" <u>Water Line</u>") must be built by Applicant to its shared property line with the Anarene development as a part of Phase I of Applicant's development. The location of the Water Line to the shared property line will be approved by City and WTCPUA.
- 3. Paragraph 9 of the Service Availability Letter is hereby modified as follows:
 - Paragraph 9: Owner and/or Applicant shall dedicate the site that is labeled "WTCPUA Site" on Attachment A of the Supplement to Wholesale Water Agreement Between WTCPUA & City of Dripping Springs to WTCPUA. Although labeled "WTCPUA Site", the site may be used by the WTCPUA for any WTCPUA facilities and is not limited to use as an elevated storage tank site, provided, however, that any such use shall comply with all appliable laws, regulations, ordinances and codes of the City and any other governmental authorities, as well as the requirements of Planned Development District No. 13: Wild Ridge as they relate to future improvements on or about the EST Site. Notwithstanding the foregoing sentence and notwithstanding any other agreement to the contrary, if needed to effectuate the purpose of this paragraph, the City may rezone or provide a variance to the existing zoning to allow for utilities and utility improvements on the the site that is labeled "EST Site."
- Paragraph 10 of the Service Availability Letter is hereby modified as follows: The 4. Applicant, at its sole cost and expense, grants to the WTCPUA all exclusive-use easements necessary for the WTCPUA to own and operate WTCPUA facilities, at the WTCPUA Site as shown on Exhibit E, in a form and manner acceptable to the WTCPUA. Before Phase I construction may commence, Applicant must (a) execute a Right of Entry Agreement to allow the WTCPUA immediate access to the WTCPUA Site and such Right of Entry Agreement must also allow the WTCPUA to initiate construction of WTCPUA facilities if needed, and thereafter, (b) execute an easement in favor of the WTCPUA for access to the WTCPUA Site (the "Access Easement"). The Access Easement will be placed in escrow with an escrow agent acceptable to WTCPUA and Applicant pursuant to an Agreement to Grant Easement that is acceptable to the WCTPUA. The Access Easement will be released from escrow to the WTCPUA for filing with the Official Public Records of Hays County, Texas upon the earlier of (1) 12 months from the start of construction of Phase I of the development, or (2) upon the completion of Phase I of the development. If the WTCPUA records the Access Easement prior to the commencement of construction on the WTCPUA Site, then the Applicant (or its Assignee) retains the right to access the Access Easement area in order to work within that area to construct the required right-of-way improvements and required utility infrastructure. Applicant will provide prior written notice to the WTCPUA General Manager five (5) business days prior to

commencement of such work and agrees to schedule and manage its construction in a manner that does not impede WTCPUA's construction at the WTCPUA Site. Portions of the Access Easement that are within future public right-of-way shall terminate upon recordation of a final plat. The Agreement to Grant Easement must also contain provisions that require the Applicant to post a bond in an amount that is equivalent to the cost of the Water Line in a form and manner acceptable to the WTCPUA and the City. Such bond may be used by the WTCPUA to construct the Water Line in the event that Applicant does not fully construct the Water Line within 18 months after construction of the EST (defined below) is twenty-five percent (25%) complete, as evidenced by the percentage complete stated on the pay applications with the contractor for the EST. Applicant must execute and deliver a deed conveying the WTCPUA Site to the WTCPUA in a form and manner acceptable to the WTCPUA within 60 days of WTCPUA's execution of this Supplement. WTCPUA recognizes that time is of the essence. As such, the WTCPUA's review and approval shall be not unreasonably withheld, conditioned, or delayed.

Paragraph 11 of the Service Availability Letter is hereby replaced as follows: Service 5. to 365 LUEs will be available from interim service via the 1420 pressure plane upon the occurrence of the following events (collectively, the "Wild Ridge Obligations"): (a) commencement of construction of the Water Line, (b) Applicant dedicates the WTCPUA Site to the WTCPUA, and (c) Applicant grants a permanent easement for the Water Line extension to the WTCPUA, AND such Wild Ridge Obligations occur prior to the completion of (i) the 1340 EST (to be constructed on Anarene or Double L property) (the "EST"), (ii) the RR 12 Extension, (iii) the Cross Country Transmission Main and (iv) the Hamilton Pool improvements (collectively, the "CIPs"). In the event that the Wild Ridge Obligations do not occur prior to the completion of all of the CIPs, the 365 LUEs will be available at the same time the remaining LUEs are available as specified in Paragraph 12 of the Service Availability Letter (as amended below). Applicant acknowledges that WTCPUA is not approving irrigation meters until completion of its expansion of its water treatment plant which is expected to be complete in 2027. Notwithstanding the foregoing, (y) within 120 days after the Wild Ridge Obligations are complete, the City shall deliver written notice to the developer of the Anarene property demanding that the developer commence construction of the offsite water line extending the 16" water line from the southern boundary of its Phase 1 to its common boundary with Applicant's property as shown on Attachment E ("Boundary Water Line") prior to the expiration of such 120-day period. If the developer of the Anarene property fails to commence the Boundary Water Line construction within such 120-day period or fails to diligently pursue completion of such construction after commencement thereof, Applicantmust pay for and fund reasonable City attorney and City Special Counsel fees (including reasonable costs of litigation, if necessary) for the City to enforce all rights and remedies in connection with the construction of the Boundary Water Line, including, without limitation, calling on any bond or other fiscal surety posted by such developer and promptly thereafter causing commencement of construction of such Boundary Water Line and diligently pursuing completion of the same.

- 6. Paragraph 12 of the Service Availability Letter is hereby replaced as follows: Service beyond 365 LUEs is contingent upon completion of all of the following: (a) construction of the Water Line; (b) the CIPs; (c) the Uplands Water Treatment Plant upgrades; and (d) the US 290 30" Parallel line. Notwithstanding the previous sentence, service beyond 365 LUEs without the contingencies specified herein may be considered by the WTCPUA upon request by Applicant, but the decision as to whether such service would be available is made solely by the WTCPUA in its sole discretion. The EST will be funded and constructed by the WTCPUA in accordance with its Capital Improvement Plan. Notwithstanding anything to the contrary herein or in the Service Availability Letter, the WTCPUA's obligations herein and therein (including, without limitation, the obligation to issue all LUEs contemplated herein and therein) shall not be affected or impacted by any current or future moratorium (or similar action) imposed by the WTCPUA with respect to water availability and/or the issuance of LUEs by the WTCPUA.
- 7. This Supplement supercedes and replaces the Supplement approved by the WTCPUA Board of Directors on September 24, 2024.

Attachment E

