

**FIRST AMENDMENT TO
WASTEWATER UTILITY SERVICE AND FEE AGREEMENT**

This First Amendment to the Wastewater Utility Service and Fee Agreement (the “First Amendment”) is entered into by and between the City of Dripping Springs, Texas (the “City”) a Type A General Law City located in Hays County, Texas, and Double L Development, LLC, a Texas limited liability company (“Developer”). All capitalized words contained in this First Amendment shall have the same meaning as those in the Original Agreement unless otherwise described herein.

RECITALS:

- A. Effective December 11, 2018, City and Developer entered into that certain Wastewater Utility Service and Fee Agreement (the “Original Agreement”).
- B. Developer and City have contemplated certain changes to the Proposed Development as reflected by the Development Agreement for the Proposed Development.

THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, including the agreements set forth below, the City and Developer agree to amend the Original Agreement as follows:

- 1. Wherever the number “1710” is used in the Original Agreement, that number shall be amended to be “3393”.
- 2. Wherever the word “Owner” is used in the Original Agreement, that word shall be amended to be “Developer.”
- 3. RECITALS, A. is deleted in its entirety and the following is substituted therefor:
 - A. Developer is developing approximately 1675.094 acres of Land in Hays County, Texas adjacent to RR 12 as described in **Exhibit A** attached, and the approximately 2.066 acres described in **Exhibit A-1** in the event such land is acquired by Developer or related entity.
- 4. Section 1.13 is deleted in its entirety and the following are substituted therefor:
 - 1.13 Land.** Approximately 1675.094 acres of land, in Hays County, Texas, more fully described on **Exhibit A**, attached, and the approximately 2.066 acres described in **Exhibit A-1** in the event such land is acquired by Developer or a related entity.
- 5. Section 2.4 is added to the Agreement as follows:
 - 2.4 Scalping Plant.** The Developer may construct or lease at its own cost a Reclaimed Water Production Facility and associated disposal facilities (“Scalping

Plant”) to treat and reuse as many LUEs as are authorized by this Agreement pursuant to Subchapter P, Chapter 321 of Title 30 of the Texas Administrative Code. Developer is entitled, at no cost, to all reuse water from the Scalping Plant generated by the Proposed Development. The water produced and used by the Scalping Plant will be utilized only on the Land. Except for monitoring costs associated with MBR plants, City will fund the ongoing operations and maintenance of the Scalping Plant through its collection of retail wastewater charges to retail customers. Developer will fund all other aspects of the Scalping Plant, including costs for preparation and filing of the application, mobilization or construction, leasing costs (if any), monitoring costs associated with MBR plants, removal of the Scalping Plant, City review and inspection, and any associated legal fees incurred by the City (professional fees shall be reimbursed to the City at cost plus 20%). Upon approval by TCEQ, construction of the Scalping Plant, and acceptance by the City of the Scalping Plant, City will operate and maintain the Scalping Plant under its wastewater permit and will collect rates and charges from retail customers on the Land.

Developer understands and agrees that the Scalping Plant must be designed and constructed to treat to the most restrictive of TCEQ’s Type I reuse standards or the effluent parameters required by TCEQ in the City wastewater permit that is in effect while the Scalping Plant is operating.

Developer will construct facilities to connect the Scalping Plant to the City’s System at or near the Founder’s Ridge development as shown generally at Exhibit G.

Because the Scalping Plant uses existing capacity in the City’s permit, the Scalping Plant is may utilize a maximum of 256 LUEs (plus any flows diverted from Founder’s Ridge) unless the City, in its sole discretion, determines that more capacity is available for use. To the extent that the Scalping Plant uses more than 256 LUEs (plus any flows diverted from Founder’s Ridge) and only if such use above 256 LUEs (plus any flows diverted from Founder’s Ridge) jeopardizes the City’s ability to serve customers for whom capacity in the City System had been committed prior to September 21, 2021, City may require Developer to utilize the permitted Package Plant alternative set-forth in this Agreement instead of the Scalping Plant for all LUEs utilized by the Proposed Development over 256 LUEs (plus any flows diverted from Founder’s Ridge).

Use of the Scalping Plant must be terminated as quickly as is reasonable and commercially feasible but in no event prior to the City System and East Interceptor Line having adequate capacity available to transport and process wastewater for the Land and the City’s other existing and committed capacities . The City agrees to notify the Developer when construction of the City System for the Discharge Permit and East Interceptor line is approximately 180 days from being available for use by the Developer. The removal of the Scalping Plant and

all costs associated with ceasing use of the Scalping Plant shall be paid by the Developer.

For purposes of this Agreement, the Scalping Plant shall be included in the definition of "Onsite Facilities".

6. Section 3.2 a. of the Original Agreement is hereby modified as follows (strikethrough text removed, underlined text added):

- a. Subject to **2.2** above and **3.2 b.** below, City will provide wastewater treatment service for the Land utilizing the City System, the Scalping Plant, or the Package Plant if the City System is not complete before use of the 251st LUE pursuant to **3.2 b.** below. Other than billing for Pump and Haul under **2.2 c.** above, the ~~Owner~~ City shall bill wastewater customers within the Land ~~until retail water service transitions to the City pursuant to the Agreement for the Provision of Nonstandard Wholesale and Retail Water Service.~~ The Owner shall collect ~~monthly wastewater charges from customers within the Land and the monthly wastewater charges shall be based upon the average amount of wastewater discharged from a customer's residence, a six (6) percent administrative charge, and any other fees charged by the Owner, including but not limited to garbage collection fees. The six (6) percent administrative charge shall only be added to the average wastewater amount and not to any other fees charged.~~ Owner shall remit monthly to the City ~~the City's portion of amounts collected for wastewater service. Upon the City providing retail water service to the Land pursuant to the Agreement for the Provision of Nonstandard Wholesale and Retail Water Service, the City shall bill and collect wastewater charges from customers within the Land.~~ The City will charge its standard retail wastewater service rates to users within the Land.

7. Section 3.2 b. of the Original Agreement is hereby modified as follows (strikethrough text removed, underlined text added):

- b. Prior to use of the 251st LUE, ~~owner~~ Developer shall cease pump and haul activities and either connect the Development's wastewater to the System (if the System has the authorized capacity and is capable of receiving wastewater from the Proposed Development), to the Scalping Plant, or to the Package Plant. In other words, pump and haul is authorized for 250 LUEs. After 250 LUEs, the Development must either be able to connect to the System, the Scalping Plant, or the Package Plant.

8. Section 3.5 is added to the Agreement as follows:

3.5 Scalping Plant. If the Developer elects to construct the Scalping Plant pursuant to Section 2.4 of this Agreement, and the TCEQ approves the application for the Scalping Plant, the City shall provide service as set-forth in Section 2.4 of this Agreement.

9. Section 6.1 of the Original Agreement is hereby modified as follows (underlined text added):

6.1 Impact Fees. Owner shall pay Impact Fees (also referred to as "connection fees) to the City in the amount specified by Chapter 20, Article 20.02.005(1)(13) of the City's Code of Ordinances. Owner shall pay Impact Fees for each LUE at the time of connection, including connection to Pump and Haul of that LUE. Connection of any structure on the Land to the Scalping Plant, Package Plant or the City System is prohibited until Owner pays the Impact Fees for that LUE as required herein. This Agreement is an agreement providing for the time and method of payment of the Impact Fees. Owner is not entitled to any reimbursement of Impact Fees from the City.

Effective as of September 21, 2021.

[signatures on following pages]

CITY OF DRIPPING SPRINGS, TEXAS

Attest:

City Secretary

By: _____

Bill Foulds, Mayor

STATE OF TEXAS

COUNTY OF _____

This instrument was executed by Bill Foulds before me on _____, 2021.

Notary Public, State of Texas

DEVELOPER

DOUBLE L DEVELOPMENT, LLC

By:
Title:

STATE OF TEXAS
COUNTY OF _____

This instrument was executed by _____, in the capacity set forth above, and before me on this the ____ day of _____, 2021.

Notary Public, State of Texas