



**CITY OF HUTTO, TEXAS
SPECIAL CITY COUNCIL MEETING
Thursday, August 22, 2019 AT 7:00 PM
CITY HALL - CITY COUNCIL CHAMBERS
500 WEST LIVE OAK**

CITY COUNCIL

Doug Gaul, Mayor
Tom Hines, Place 2, Mayor Pro-tem
Scott Rose, Place 1
Mike Snyder, Place 3
Peter Gordon, Place 4
Patti Martinez, Place 5
Tanner Rose, Place 6

AGENDA

1. **CALL SESSION TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC COMMENT**

Any citizen wishing to speak during public comment may do so after completing the required registration form.

In accordance with the Texas Attorney General's Opinion, any public comment that is made on an item that is not on the published final agenda will only be heard by the City Council.

No formal action, discussion, deliberation, or comment will be made by the City Council. Comments must be courteous and respectful. Accordingly, concerns, complaints, and assertions of character regarding specific individuals, including any citizens, staff member, City Board or Commission member or City Council member shall not be raised in a public forum; but should be addressed separately and privately with the City Manager or individual member of the City Council. Any person who violates these rules will have their speaking time ended immediately. Any person, including persons in the audience, who acts in an inappropriate or disruptive manner may be asked to leave the City Council Chambers. Each person providing public comment will be limited to 3 minutes.

5. **PUBLIC HEARINGS**

- 5.A. Open and conduct a public hearing to hear testimony regarding the proposed Fiscal Year 2019-2020 Budget.(Michel Sorrell, Assistant City Manager/CFO)
- 5.B. Open and conduct the second public hearing to hear testimony regarding the proposed ad valorem tax rate.(Michel Sorrell, Assistant City Manager/CFO)

6. **CITY MANAGER COMMENTS**

- 6.A. Budget and Tax Rate Review and Discussion. (Michel Sorrell, Assistant City Manager/CFO)
-Police Budget Report
- 6.B. Consideration and possible action regarding Outside Agency Funding allocations. (Michel Sorrell, Assistant City Manager/CFO)

7. **CONSENT AGENDA ITEMS**

- 7.A. Consideration and possible action to approve the August 15, 2019 Regular City Council Meeting minutes. (Lacie Hale, City Secretary)

8. **RESOLUTIONS**

- 8.A. Consideration and possible action on a resolution approving the proposed Star Ranch Concept Plan Revision #2, 2.02 acres, more or less, of land, one commercial lot, located on Winterfield Drive and Gattis School Road. (Ashley Lumpkin)
- 8.B. Consideration and possible action on a resolution authorizing the City Manager to execute three professional service agreements with DCS Engineers for the design of; the Glenwood Lift Station Decommissioning, Interceptor and Two New Lift Stations; Transmission and Distribution Pumping Stations; and Transmission and Distribution Waterline Improvements including bidding and construction phase services for an amount not to exceed \$3,853,569.44. (Samuel Ray)
- 8.C. Consideration and possible action on a resolution of the City of Hutto, Texas regarding River Creek Development Corporation Interlocal Agreement; Construction Contract; Loan Agreement; a Loan Placement Agreement; a Fiscal Agent Agreement; a Continuing Disclosure Agreement and a Representation Agreement and containing other matters related thereto. (Jessica Geray)

9. **ORDINANCES**

- 9.A. An Ordinance of the City Council of the City of Hutto, Texas accepting and approving a Service and Assessment Plan and assessment roll for Mustang Creek Public Improvement District; making a finding of special benefit to the property in the district; levying special assessments against property within the district and establishing a lien on such property; providing for the method of assessment and the payment of the special assessments in accordance with Chapter 372, Texas Local Government Code, as amended, providing penalties and interest on delinquent assessments, providing for severability, and providing an effective date.
- 9.B. Consideration and possible action on the second reading of an ordinance amending the Code of Ordinances (2014 Edition), Chapter 16, Article 16.02

10. **OTHER BUSINESS**

- 10.A. Consideration of and possible appointments to City Boards and Commissions.(Lacie Hale)
- 10.B. Consideration and possible action regarding City Council Protocols and City Charter provisions.

11. **EXECUTIVE SESSION**

The City Council for the City of Hutto reserves the right to adjourn into executive session at any time during the course of this meeting to discuss any of the matters listed above as authorized by the Texas Government Code Sections 551.071 [Litigation/Consultation with Attorney], 551.072 [Deliberations regarding real property], 551.073 [Deliberations regarding gifts and donations], 551.074 [Deliberations regarding personnel matters] or 551.076 [Deliberations regarding deployment/implementation of security personnel or devices] and 551.087 [Deliberations regarding Economic Development negotiations].

- 11.A. Executive Session, as authorized by Texas Government Code Section 551.074, Deliberations regarding Personnel Matters, Consideration and possible action to investigate the Place 3 Office of City Councilmember Mike Snyder for interference with the day to day operations, contract(s) and daily affairs for the City and to take appropriate action to prevent such.
- 11.B. Executive Session, as authorized by Texas Government Code Section 551.074, Deliberations regarding Personnel Matters, to discuss personnel matter related to the City Manager's Contract.
- 11.C. Executive Session, as authorized by Texas Government Code Section 551.074, Deliberations regarding Personnel Matters, to discuss personnel matter related to the City Attorney's Contract.

12. **ACTION RELATIVE TO EXECUTIVE SESSION**

- 12.A. Consideration and possible action to investigate the Place 3 Office of City Councilmember Mike Snyder for interference with the day to day operations, contract(s) and daily affairs for the City and to take appropriate action to prevent such.
- 12.B. Consideration and possible action regarding City Manager's contract.
- 12.C. Consideration and possible action regarding City Attorney's contract.

13. **ADJOURNMENT**

CERTIFICATION

I certify that this notice of the August 22, 2019 Hutto City Council meeting was posted on the City Hall bulletin board of the City of Hutto on August 16, 2019 at 4:00 p.m.


Lacie Hale, City Secretary

The City of Hutto is committed to comply with the American with Disabilities Act. The Hutto City Council Chamber is wheelchair accessible. Request for reasonable special communications or accommodations must be made 48 hours prior to the meeting. Please contact the City Secretary at (512) 759-4033 or lacie.hale@huttotx.gov for assistance.

Regular City Council
AGENDA ITEM
5.B.



To: August 22, 2019
Subject: Open and conduct the second public hearing to hear testimony regarding the proposed ad valorem tax rate.
Meeting: Regular City Council - 22 Aug 2019
Department: Finance
Staff Contact: Michel Sorrell,

BACKGROUND INFORMATION:

Two public hearings are required under Truth in Taxation, as the City of Hutto is proposing a tax rate over the effective tax rate for Fiscal Year 2020.

Tax rates, per \$100 of taxable value are as follows:

2018-19 (current year) tax rate: \$0.515171

Formula: $\text{Assess Valuation} / 100 \times \text{tax rate} = \text{taxes paid}$

2019-20 (upcoming year) effective tax rate: \$0.483486

Effective rate formula: $\text{Last year's total tax revenue} \div \text{this year's tax base (after subtracting value of new property)}$

2019-20 (upcoming year) rollback rate: \$0.631351

Rollback rate formula: $\text{Last year's operating tax revenue} \div \text{this year's tax base (after subtracting value of new property)} \times 1.08\%$

The rollback rate is the highest rate the Council may consider without potential voter petitioned rollback election.

2019-20 (upcoming year) proposed rate: \$0.631351

This year's proposed rate is Maintenance & Operations (M&O) of \$0.397768 plus Interest & Sinking (I&S) of \$0.233583.

The maximum rate the City Council may consider is the proposed tax rate of \$0.631351 based on the action taken by Council on August 1, 2019.

FINANCIAL IMPACT:

The budget for the General Fund and Debt Service (I&S - Interest and Sinking) are funded in part based on the property tax rate.

RECOMMENDATION:

Staff recommends Council open and conduct the first public hearing for the proposed ad valorem tax rate.

ATTACHMENTS:

[City of Hutto - ETR 08.01.19](#)

[City of Hutto - Publication 08.02.19](#)

2019 Tax Rate Calculation Worksheet

City of Hutto

Effective Tax Rate (No New Taxes) City of Hutto

The effective tax rate enables the public to evaluate the relationship between taxes for the prior year and for the current year based on a tax rate that would produce the same amount of taxes (no new taxes) if applied to the same properties that are taxed in both years. When appraisal values increase, the effective tax rate should decrease. The effective tax rate for a county is the sum of the effective tax rates calculated for each type of tax the county levies.

1. 2018 total taxable value. Enter the amount of 2018 taxable value on the 2018 tax roll today. Include any adjustments since last year's certification; exclude Section 25.25(d) one-third over-appraisal corrections from these adjustments. This total includes the taxable value of homesteads with tax ceilings (will deduct in line 2) and the captured value for tax increment financing (will deduct taxes in line 14). ¹	\$1,858,596,532
2. 2018 tax ceilings. Counties, Cities and Junior College Districts. Enter 2018 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other units enter "0" If your taxing units adopted the tax ceiling provision in 2018 or prior year for homeowners age 65 or older or disabled, use this step. ²	\$0
3. Preliminary 2018 adjusted taxable value. Subtract line 2 from line 1.	\$1,858,596,532
4. 2018 total adopted tax rate.	\$0.515171/\$100
5. 2018 taxable value lost because court appeals of ARB decisions reduced 2018 appraised value. A. Original 2018 ARB values: \$0 B. 2018 values resulting from final court decisions: - \$0 C. 2018 value loss. Subtract B from A. ³	\$0
6. 2018 taxable value, adjusted for court-ordered reductions. Add line 3 and line 5C.	\$1,858,596,532
7. 2018 taxable value of property in territory the unit deannexed after January 1, 2018. Enter the 2018 value of property in deannexed territory. ⁴	\$0

1 Tex. Tax Code § 26.012(14)

2 Tex. Tax Code § 26.012(14)

3 Tex. Tax Code § 26.012(13)

4 Tex. Tax Code § 26.012(15)

2019 Tax Rate Calculation Worksheet (continued)

City of Hutto

8.	2018 taxable value lost because property first qualified for an exemption in 2019. Note that lowering the amount or percentage of an existing exemption does not create a new exemption or reduce taxable value. If the taxing unit increased an original exemption, use the difference between the original exempted amount and the increased exempted amount. Do not include value lost due to freeport or "goods-in-transit" exemptions. A. Absolute exemptions. Use 2018 market value: \$1,134,923 B. Partial exemptions. 2019 exemption amount or 2019 percentage exemption times 2018 value: + \$1,809,744 C. Value loss. Add A and B. ⁵	\$2,944,667
9.	2018 taxable value lost because property first qualified for agricultural appraisal (1-d or 1-d-1), timber appraisal, recreational/scenic appraisal or public access airport special appraisal in 2019. Use only those properties that first qualified in 2019; do not use properties that qualified in 2018. A. 2018 market value: \$5,401,137 B. 2019 productivity or special appraised value: - \$28,175 C. Value loss. Subtract B from A. ⁶	\$5,372,962
10.	Total adjustments for lost value. Add lines 7, 8C and 9C.	\$8,317,629
11.	2018 adjusted taxable value. Subtract line 10 from line 6.	\$1,850,278,903
12.	Adjusted 2018 taxes. Multiply line 4 by line 11 and divide by \$100.	\$9,532,100
13.	Taxes refunded for years preceding tax year 2018. Enter the amount of taxes refunded by the taxing unit for tax years preceding tax year 2018. Types of refunds include court decisions, Tax Code § 25.25(b) and (c) corrections and Tax Code § 31.11 payment errors. Do not include refunds for tax year 2018. This line applies only to tax years preceding tax year 2018. ⁷	\$11,274
14.	Taxes in tax increment financing (TIF) for tax year 2018. Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2019 captured appraised value in Line 16D, enter "0". ⁸	\$0
15.	Adjusted 2018 taxes with refunds and TIF adjustment. Add lines 12 and 13, subtract line 14. ⁹	\$9,543,374
16.	Total 2019 taxable value on the 2019 certified appraisal roll today. This value includes only certified values and includes the total taxable value of homesteads with tax ceilings (will deduct in line 18). These homesteads includes homeowners age 65 or older or disabled. ¹⁰ A. Certified values only: \$2,056,466,455 B. Counties: Include railroad rolling stock values certified by the Comptroller's office: + \$0	

5 Tex. Tax Code § 26.012(15)

6 Tex. Tax Code § 26.012(15)

7 Tex. Tax Code § 26.012(13)

8 Tex. Tax Code § 26.03(c)

9 Tex. Tax Code § 26.012(13)

10 Tex. Tax Code § 26.012

2019 Tax Rate Calculation Worksheet (continued)
City of Hutto

16. (cont.)	C. Pollution control and energy storage system exemption: Deduct the value of property exempted for the current tax year for the first time as pollution control or energy storage system property: - \$0 D. Tax increment financing: Deduct the 2019 captured appraised value of property taxable by a taxing unit in a tax increment financing zone for which the 2019 taxes will be deposited into the tax increment fund. Do not include any new property value that will be included in line 21 below.¹¹ - \$0 E. Total 2019 value. Add A and B, then subtract C and D.	\$2,056,466,455
17.	Total value of properties under protest or not included on certified appraisal roll.¹² A. 2019 taxable value of properties under protest. The chief appraiser certifies a list of properties still under ARB protest. The list shows the appraisal district's value and the taxpayer's claimed value, if any or an estimate of the value if the taxpayer wins. For each of the properties under protest, use the lowest of these values. Enter the total value.¹³ \$27,043,427 B. 2019 value of properties not under protest or included on certified appraisal roll. The chief appraiser gives taxing units a list of those taxable properties that the chief appraiser knows about but are not included at appraisal roll certification. These properties also are not on the list of properties that are still under protest. On this list of properties, the chief appraiser includes the market value, appraised value and exemptions for the preceding year and a reasonable estimate of the market value, appraised value and exemptions for the current year. Use the lower market, appraised or taxable value (as appropriate). Enter the total value.¹⁴ + \$0	

¹¹ Tex. Tax Code § 26.03(c)

¹² Tex. Tax Code § 26.01(c) and (d)

¹³ Tex. Tax Code § 26.04 and 26.041

¹⁴ Tex. Tax Code § 26.04 and 26.041

2019 Tax Rate Calculation Worksheet (continued)
City of Hutto

17. (cont.)	C. Total value under protest or not certified. Add A and B.	\$27,043,427
18.	2019 tax ceilings. Counties, cities and junior colleges enter 2019 total taxable value of homesteads with tax ceilings. These include the homesteads of homeowners age 65 or older or disabled. Other taxing units enter "0". If your taxing units adopted the tax ceiling provision in 2018 or prior year for homeowners age 65 or older or disabled, use this step. ¹⁵	\$0
19.	2019 total taxable value. Add lines 16E and 17C. Subtract line 18.	\$2,083,509,882
20.	Total 2019 taxable value of properties in territory annexed after January 1, 2008. Include both real and personal property. Enter the 2019 value of property in territory annexed. ¹⁶	\$2,233,683
21.	Total 2019 taxable value of new improvements and new personal property located in new improvements. New means the item was not on the appraisal roll in 2018. An improvement is a building, structure, fixture or fence erected on or affixed to land. New additions to existing improvements may be included if the appraised value can be determined. New personal property in a new improvement must have been brought into the taxing unit after January 1, 2018 and be located in a new improvement. New improvements do include property on which a tax abatement agreement has expired for 2019. ¹⁷	\$107,412,194
22.	Total adjustments to the 2019 taxable value. Add lines 20 and 21.	\$109,645,877
23.	2019 adjusted taxable value. Subtract line 22 from line 19.	\$1,973,864,005
24.	2019 effective tax rate. Divide line 15 by line 23 and multiply by \$100. ¹⁸	\$0.483486/\$100
25.	COUNTIES ONLY. Add together the effective tax rates for each type of tax the county levies. The total is the 2019 county effective tax rate. ¹⁹	\$/\$100

15 Tex. Tax Code § 26.012(6)

16 Tex. Tax Code § 26.012(17)

17 Tex. Tax Code § 26.012(17)

18 Tex. Tax Code § 26.04(c)

19 Tex. Tax Code § 26.04(d)

Rollback Tax Rate City of Hutto

The rollback tax rate is split into two separate rates:

1. **Maintenance and Operations (M&O):** The M&O portion is the tax rate that is needed to raise the same amount of taxes that the taxing unit levied in the prior year plus eight percent. This rate accounts for such things as salaries, utilities and day-to-day operations.
2. **Debt:** The debt tax rate includes the debt service necessary to pay the taxing unit's debt payments in the coming year. This rate accounts for principal and interest on bonds and other debt secured by property tax revenue

The rollback tax rate for a county is the sum of the rollback tax rates calculated for each type of tax the county levies. In most cases the rollback tax rate exceeds the effective tax rate, but occasionally decreases in a taxing unit's debt service will cause the effective tax rate to be higher than the rollback tax rate.

26.	2018 maintenance and operations (M&O) tax rate.	\$0.389301/\$100
27.	2018 adjusted taxable value. Enter the amount from line 11.	\$1,850,278,903
28.	2018 M&O taxes. A. Multiply line 26 by line 27 and divide by \$100. \$7,203,154 B. Cities, counties and hospital districts with additional sales tax: Amount of additional sales tax collected and spent on M&O expenses in 2018. Enter amount from full year's sales tax revenue spent for M&O in 2018 fiscal year, if any. Other units, enter "0." Counties exclude any amount that was spent for economic development grants from the amount of sales tax spent. + \$1,217,712 C. Counties: Enter the amount for the state criminal justice mandate. If second or later year, the amount is for increased cost above last year's amount. Other units, enter "0." + \$0 D. Transferring function: If discontinuing all of a department, function or activity and transferring it to another unit by written contract, enter the amount spent by the unit discontinuing the function in the 12 months preceding the month of this calculation. If the unit did not operate this function for this 12-month period, use the amount spent in the last full fiscal year in which the unit operated the function. The unit discontinuing the function will subtract this amount in H below. The unit receiving the function will add this amount in H below. Other units, enter "0." +/- \$0	

Rollback Tax Rate (continued) City of Hutto

28. (cont.)	E. Taxes refunded for years preceding tax year 2018: Enter the amount of M&O taxes refunded in the preceding year for taxes before that year. Types of refunds include court decisions, Tax Code Section 25.25(b) and (c) corrections and Tax Code Section 31.11 payment errors. Do not include refunds for tax year 2018. This line applies only to tax years preceding tax year 2018. + \$9,163 F. Enhanced indigent health care expenditures: Enter the increased amount for the current year's enhanced indigent health care expenditures above the preceding tax year's enhanced indigent health care expenditures, less any state assistance. + \$0 G. Taxes in tax increment financing (TIF): Enter the amount of taxes paid into the tax increment fund for a reinvestment zone as agreed by the taxing unit. If the unit has no 2019 captured appraised value in Line 16D, enter "0." - \$0 H. Adjusted M&O Taxes. Add A, B, C, E and F. For unit with D, subtract if discontinuing function and add if receiving function. Subtract G. \$8,430,029	
29.	2019 adjusted taxable value. Enter line 23 from the Effective Tax Rate Worksheet.	\$1,973,864,005
30.	2019 effective maintenance and operations rate. Divide line 28H by line 29 and multiply by \$100.	\$0.427082/\$100
31.	2019 rollback maintenance and operation rate. Multiply line 30 by 1.08.	\$0.461248/\$100

Rollback Tax Rate (continued) City of Hutto

32.	Total 2019 debt to be paid with property taxes and additional sales tax revenue. "Debt" means the interest and principal that will be paid on debts that: (1) are paid by property taxes, (2) are secured by property taxes, (3) are scheduled for payment over a period longer than one year and (4) are not classified in the unit's budget as M&O expenses. A: Debt also includes contractual payments to other taxing units that have incurred debts on behalf of this taxing unit, if those debts meet the four conditions above. Include only amounts that will be paid from property tax revenue. Do not include appraisal district budget payments. Enter debt amount. \$4,866,743 B: Subtract unencumbered fund amount used to reduce total debt. -\$0 C: Subtract amount paid from other resources. -\$0 D: Adjusted debt. Subtract B and C from A. \$4,866,743	
33.	Certified 2018 excess debt collections. Enter the amount certified by the collector.	\$0
34.	Adjusted 2019 debt. Subtract line 33 from line 32D.	\$4,866,743
35.	Certified 2019 anticipated collection rate. Enter the rate certified by the collector. If the rate is 100 percent or greater, enter 100 percent.	100.000000%
36.	2019 debt adjusted for collections. Divide line 34 by line 35.	\$4,866,743
37.	2019 total taxable value. Enter the amount on line 19.	\$2,083,509,882
38.	2019 debt tax rate. Divide line 36 by line 37 and multiply by \$100.	\$0.233583/\$100
39.	2019 rollback tax rate. Add lines 31 and 38.	\$0.694831/\$100
40.	COUNTIES ONLY. Add together the rollback tax rates for each type of tax the county levies. The total is the 2019 county rollback tax rate.	\$/\$100

Additional Sales Tax to Reduce Property Taxes City of Hutto

Cities, counties and hospital districts may levy a sales tax specifically to reduce property taxes. Local voters by election must approve imposing or abolishing the additional sales tax. If approved, the taxing unit must reduce its effective and rollback tax rates to offset the expected sales tax revenue.

This section should only be completed by a county, city or hospital district that is required to adjust its effective tax rate and/or rollback tax rate because it adopted the additional sales tax.

41.	Taxable Sales. For taxing units that adopted the sales tax in November 2018 or May 2019, enter the Comptroller's estimate of taxable sales for the previous four quarters. ²⁰ Estimates of taxable sales may be obtained through the Comptroller's Allocation Historical Summary webpage. Taxing units that adopted the sales tax before November 2018, skip this line.	\$0
42.	Estimated sales tax revenue. Counties exclude any amount that is or will be spent for economic development grants from the amount of estimated sales tax revenue. ²¹ Taxing units that adopted the sales tax in November 2018 or in May 2019. Multiply the amount on Line 41 by the sales tax rate (.01, .005, or .0025, as applicable) and multiply the result by .95. ²² -OR- Taxing units that adopted the sales tax before November 2018. Enter the sales tax revenue for the previous four quarters. Do not multiply by .95.	\$1,322,626
43.	2019 total taxable value. Enter the amount from line 37 of the <i>Rollback Tax Rate Worksheet</i> .	\$2,083,509,882
44.	Sales tax adjustment rate. Divide line 42 by line 43 and multiply by \$100.	\$0.063480/\$100
45.	2019 effective tax rate, unadjusted for sales tax. ²³ Enter the rate from line 24 or 25, as applicable, on the <i>Effective Tax Rate Worksheet</i> .	\$0.483486/\$100
46.	2019 effective tax rate, adjusted for sales tax. Taxing units that adopted the sales tax in November 2018 or in May 2019. Subtract line 44 from line 45. Skip to Line 47 if you adopted the additional sales tax before November 2018.	\$0.483486/\$100
47.	2019 rollback tax rate, unadjusted for sales tax. ²⁴ Enter the rate from line 39 or 40, as applicable, of the rollback tax rate worksheet.	\$0.694831/\$100
48.	2019 rollback tax rate, adjusted for sales tax. Subtract line 44 from line 47.	\$0.631351/\$100

²⁰ Tex. Tax Code § 26.041(d)

²¹ Tex. Tax Code § 26.041(i)

²² Tex. Tax Code § 26.041(d)

²³ Tex. Tax Code § 26.04(c)

²⁴ Tex. Tax Code § 26.04(c)

Additional Rollback Protection for Pollution Control City of Hutto

A taxing unit may raise its rate for M&O funds used to pay for a facility, device or method for the control of air, water or land pollution. This includes any land, structure, building, installation, excavation, machinery, equipment or device that is used, constructed, acquired or installed wholly or partly to meet or exceed pollution control requirements. The taxing unit's expenses are those necessary to meet the requirements of a permit issued by the Texas Commission on Environmental Quality (TCEQ). The taxing unit must provide the tax assessor with a copy of the TCEQ letter of determination that states the portion of the cost of the installation for pollution control.

This section should only be completed by a taxing unit that uses M&O funds to pay for a facility, device or method for the control of air, water or land pollution.

49.	Certified expenses from the Texas Commission on Environmental Quality (TCEQ). Enter the amount certified in the determination letter from TCEQ. ²⁵ The taxing unit shall provide its tax assessor-collector with a copy of the letter. ²⁶	\$0
50.	2019 total taxable value. Enter the amount from line 37 of the <i>Rollback Tax Rate Worksheet</i> .	\$2,083,509,882
51.	Additional rate for pollution control. Divide line 49 by line 50 and multiply by 100.	\$0.000000/\$100
52.	2019 rollback tax rate, adjusted for pollution control. Add line 51 to one of the following lines (as applicable): line 39, line 40 (counties) or line 48 (units with the additional sales tax).	\$0.631351/\$100

²⁵ Tex. Tax Code § 26.045(d)

²⁶ Tex. Tax Code § 26.045(i)

Total Tax Rate

Indicate the applicable total tax rates as calculated above.

Effective Tax Rate (Line 24; line 25 for counties; or line 46 if adjusted for sales tax)	\$0.483486
Rollback Tax Rate (Line 39; line 40 for counties; or line 48 if adjusted for sales tax)	\$0.631351
Rollback Tax Rate Adjusted for Pollution Control (Line 52)	\$0.631351/\$100

Taxing Unit Representative Name and Signature

Enter the name of the person preparing the tax rate as authorized by the governing body of the taxing unit.

Print Here

Printed Name of Taxing Unit Representative

Sign Here

Taxing Unit Representative

Date

**2019 Notice of Effective Tax Rate
Worksheet for Calculation of Tax Increase/Decrease**

Entity Name: City of Hutto

Date: 08/01/2019

1. 2018 taxable value, adjusted for court-ordered reductions. Enter line 6 of the Effective Tax Rate Worksheet.	\$1,858,596,532
2. 2018 total tax rate. Enter line 4 of the Effective Tax Rate Worksheet.	0.515171
3. Taxes refunded for years preceding tax year 2018. Enter line 13 of the Effective Tax Rate Worksheet.	\$11,274
4. Last year's levy. Multiply Line 1 times Line 2 and divide by 100. To the result, add Line 3.	\$9,586,224
5. 2019 total taxable value. Enter Line 18 of the Effective Tax Rate Worksheet.	\$2,083,509,882
6. 2019 effective tax rate. Enter line 23 of the Effective Tax Rate Worksheet or Line 46 of the Additional Sales Tax Rate Worksheet.	0.483486
7. 2019 taxes if a tax rate equal to the effective tax rate is adopted. Multiply Line 5 times Line 6 and divide by 100.	\$10,073,479
8. Last year's total levy. Sum of line 4 for all funds.	\$9,586,224
9. 2019 total taxes if a tax rate equal to the effective tax rate is adopted. Sum of line 7 for all funds.	\$10,073,479
10. Tax Increase (Decrease). Subtract Line 8 from Line 9.	\$487,255

NOTICE OF 2019 TAX YEAR PROPOSED PROPERTY TAX RATE FOR

City of Hutto

A tax rate of \$0.631351 per \$100 valuation has been proposed by the governing body of City of Hutto. This rate exceeds the lower of the effective or rollback tax rate, and state law requires that two public hearings be held by the governing body before adopting the proposed tax rate.

The governing body of City of Hutto proposes to use revenue attributable to the tax rate increase for the purpose of providing revenue to continue current services and voter approved debt.

PROPOSED TAX RATE	\$0.631351 per \$100
PRECEDING YEAR'S TAX RATE	\$0.515171 per \$100
EFFECTIVE TAX RATE	\$0.483486 per \$100
ROLLBACK TAX RATE	\$0.631351 per \$100

The effective tax rate is the total tax rate needed to raise the same amount of property tax revenue for City of Hutto from the same properties in both the 2018 tax year and the 2019 tax year.

The rollback tax rate is the highest tax rate that City of Hutto may adopt before voters are entitled to petition for an election to limit the rate that may be approved to the rollback rate.

YOUR TAXES OWED UNDER ANY OF THE ABOVE RATES CAN BE CALCULATED AS FOLLOWS:

$$\text{property tax amount} = (\text{rate}) \times (\text{taxable value of your property}) / 100$$

For assistance or detailed information about tax calculations, please contact:

Larry Gaddes PCAC, CTA
Williamson County Tax Assessor-Collector
904 S Main St Georgetown, TX 78626
512-943-1601
proptax@wilco.org
www.wilco.org/propertytax

You are urged to attend and express your views at the following public hearings on proposed tax rate:

First Hearing: 08/15/2019 7:00 PM at 500 West Live Oak Street Hutto, TX

Second Hearing: 08/22/2019 7:00 PM at 500 West Live Oak Street Hutto, TX

Regular City Council
AGENDA ITEM
6.A.



To: City Council
Subject: Budget and Tax Rate Review and Discussion. (Michel Sorrell)

Meeting: Regular City Council - 22 Aug 2019
Department: Finance
Staff Contact: Michel Sorrell,



Mayor
Doug Gaul

Mayor Pro-tem
Tom Hines

Council Members
Scott Rose, Place 1
Tom Hines, Place 2
Mike Snyder, Place 3
Peter Gordon, Place 4
Patti Turner, Place 5
Tanner Rose, Place 6

City Manager
Odis Jones

Mayor and City Council,

It is my honor to present to you the FY 2019-20 Budget for your consideration. This budget was carefully constructed to meet the growing needs of the Hutto community. The FY 2019-20 Budget continues Hutto's conservative financial approach, while balancing the strains associated with growth, aging infrastructure, and the desire to grow and expand programs and services to meet a higher level of citizen demands. This budget reflects the voters support for the November 2018 Bond Election, which called for improvements and expansion in streets, public safety and parks.

Driving these issues is Hutto's phenomenal growth. Hutto is in the midst the largest economic boom in its 108-year history since being incorporated in 1911. The City has added more than 2,244 homes within the last six years and expects to add more than 450 in 2019 alone. These 450 homes will add approximately 1,350 new residents who need services. This remarkable residential expansion is not expected to slow as new subdivisions are continuing to develop. While this growth results in many positives, it also brings challenges. Our roadways are becoming congested. There are increased demands on our infrastructure. Much of the infrastructure in Hutto's historic downtown has not been updated. Infrastructure in subdivisions that have sprung up in the last 10-15 years is now in need of maintenance. There are more people in need of services from Public Safety, Public Works, Library, Parks and Recreation and Streets and Drainage. New subdivisions brought on by development have increased the workload of Development Services and Public Works staff who are responsible for the upkeep of the City's infrastructure. Support service staff are also being stretched as there are more grants, projects, increased financial complexity and transparency to manage.

Hutto is at a crossroad in its development. The decisions made today will have long lasting impacts on the community and will affect future generations of Hutto residents. Choices made today on topics such as a well-balanced and diversified economy, public safety, fiscal responsibility, quality of life and services and infrastructure and growth will shape the future of Hutto. It is no wonder that the City Council identified these topics as their highest priorities. This proposed budget and work plan was shaped to enable City staff to accomplish the policy that City Council has set.

As the City begins growing and expanding infrastructure, including public safety infrastructure, it is imperative that a long-term plan, including strategies and funding sources, be developed. The City Council did just that by adopting a new Strategic Plan in May 2017 by resolution, updating the plan in June 2018, and again adopting by resolution and updated plan in March 2019. This budget, along with a recent GO Bond election, addresses the above needs by adding critical staff, equipment, and funding.

Overall, these changes help develop economic growth to diversify the tax base, bringing in additional property and sales tax revenue, easing the burden on residents, and continuing the implementation of the infrastructure master plans.

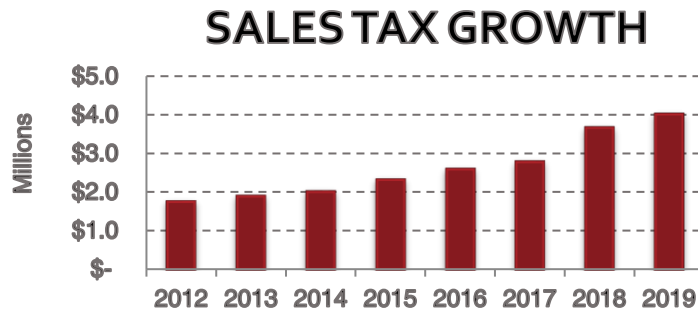
While the community continues to grow, the City has been trying to keep pace with staffing levels needed to serve the expanding population. The City of Hutto had 134.75 FTEs, or “full-time equivalents,” at the beginning of 2019, which gave Hutto a staffing ratio of 4.84 staff per 1,000 residents. This was the lowest staffing ratio of all of Hutto’s benchmark cities, with the average ratio being 7.14 per 1,000 residents. To keep up with the ever-increasing needs of the community and residents, the City added staff and resources to support the programs and services throughout the community, as well as to maintain the City’s investment in its infrastructure. During 2019 the number of FTEs rose to 162.5 and with a population of approximately 30,448, this increased the staffing ratio to 5.34 staff per 1,000 residents. The average ratio for all of the benchmark cities was 7.35. The proposed budget will continue to add employees and proposes to add nineteen (19) FTEs, including two (2) police officers, one (1) sergeant, ten (10) command staff positions (911 Dispatcher and Operators), one (1) program recreation coordinator (part-time to full-time), one (1) multimedia specialist, one (1) fleet maintenance technician, one (1) facility maintenance technician, one (1) utility crew leader, and one (1) utility technician. These, of course, will be staged throughout the year to ensure appropriate timing of cash flows are met. After next fiscal year, the City should not have any immediate needs for additional staff outside of continued normal growth.

City	Population Estimate as of 9/2018	Full Time Equivalents (FTE) Beginning of FY 2019	FTE Ratio per 1,000 Citizens
<i>Average</i>			<i>7.35</i>
Hutto	30,448	162.5	5.34
Belton	22,078	171.5	7.77
Cedar Park	79,104	484.50	6.12
Cibolo	30,225	139.28	4.61
Georgetown	63,227	710	11.23
Kyle	43,417	221	5.09
Leander*	49,234	290.65	5.90
Little Elm	44,372	266.7	6.01
Pflugerville	64,260	402	6.26
Round Rock	112,201	965	8.60
Seguin	31,218	375	12.01
Taylor	16,982	157	9.25

Note: All population and FTE numbers came from each respective city’s FY18 annual report.

*Population for this City was not listed in annual report.

Economic Outlook



Hutto is positioned for a prosperous future. Hutto's location at the intersection of US Hwy 79 and State Highway 130 makes Hutto a convenient location and easily accessible. Because of this, Hutto also benefits from growth that is occurring regionally.

The construction of the Brushy Creek Park Amphitheater, Innovation Business Park, Co-Op

Entertainment District, which houses the new City Hall, along with several new restaurants and retail outlets, and the newly announced Perfect Game has positively impacted revenue for Hutto. This positive revenue impact will only continue to increase as the City builds out. Job growth in the Austin-Hutto MSA is strong each month and unemployment is a low 2.8% as of May 2019.

The Co-Op Entertainment District:



The City of Hutto will have a mixed-use lifestyle development anchored by the Historic Commercial Downtown and the new City Hall. The Co-Op District is being developed by MA Partners from Austin. The City of Hutto and MA Partners formed a private/public partnership to bring a one-of-a-kind destination to the region. The project will be a 700,000 square foot development that is a mixed-use, walkable district planned for high-density residential, retail, entertainment, hotel amphitheater, movie theater and restaurants, along with a civic center and offices. This entire development is approximately 35 acres in size.

The development will have both a Public Improvement District (PID) and a Tax Increment Refinance Zone (TIRZ) component in the financing plan.

Proposed Development Plan includes:

- Restaurants (33,500 sq.ft. of space available)
- Retail/Office space (239,000 sq.ft. of space available)
- Banks (3,000 sq.ft. of space available)
- Multi-family units (236 units available)
- Hotels (140 units available)
- City Hall (40,000 sq.ft.)
- Entertainment (39,000 sq.ft. of space available)

This development has already attracted high-quality tenants with an emphasis on Austin brands. The following iconic Austin brands have announced as tenants in the Co-Op District:

- Flix Brewhouse (39,000 sq.ft.)
- Top Notch Hamburgers (8,000 sq.ft.)
- Southside Market and BBQ (5,000 sq.ft.)



The Project will include an initial period of construction lasting 4 years where \$208 million will be spent to construct new buildings and other real property improvements. Over a 20-year period the City will receive approximately \$23.7 million net benefits from the development. The Project is estimated to support an average of approximately \$240.8 million in new non-residential taxable property value each year over the next 20 years. Additionally, there are 210 workers directly employed by the Project, with initial anticipated earnings of approximately \$45,000 per year on average. The development is also expected to create jobs aside from construction, retail, hospitality, maintenance and others.



Perfect Game Development:

The City of Hutto will have a state-of-the-art baseball-field baseball complex that will serve as the new headquarters of Perfect Game Baseball and add to the vibrancy of the Parks System in Hutto. In addition to the park aspect of the project, this development will also be the newest mixed-used development in the community, bringing over 2,000 residential and multi-family units, over 250,000 sq.ft.. of retail and office space, over 3 new hotels, and an indoor sports and event center to the City.

The entire development is approximately 170 acres in size. The project, a partnership between Perfect Game, Sports Facility Advisory and Sports Facility Management (SFAISFM), the Developer, and the City of Hutto, is anticipated to generate more than \$800 million in private investment.

In addition to the 66 permanent jobs which come with the PG Headquarters relocation, the development will support the creation of thousands of jobs ranging from construction, retail, hospitality, maintenance and more.

Master Plan Amenities include:

- Perfect Game Headquarters (~61,600 sq.ft..)
- Perfect Game Hall of Fame
- Sports-Field Complex
 - 2 Championship Stadiums
- Indoor Sports Facility / Event Center (~150,000 sq.ft..)
- Batting Cage Pavilion
- Green Space / Plaza
- Entrance Water Feature
- Surface Parking ~3,000 spaces
- Sports Medicine Research Facility (~48,000 sq.ft..)
- Sports Technology Research (~13,000 sq.ft..)
- Training Facility + Dorms (with Sports Tech)
- Event Center Hotel (Full Services with ~200 keys)
- Additional Hotel Pads
 - 2-4 hotels (200-600 keys)
- Residential / Multi-family Units
 - ~100 Townhome Units
 - ~1,930 Multi-family Units
- Office Space (~134,000 sq.ft..)
- Retail (~250,000 sq.ft..)
- Restaurants

The development will be completed in phases, with the first phase scheduled to be completed by Memorial Day 2021. The Perfect Game aspect of the development is anticipated to bring over 517,000 non-local visitors in the first year and over 630,000 visitors by the fifth year. These non-local visitors will generate over 138,000 room nights within the first year and over 169,000 room nights annually by the fifth year. Annually, the economic impact of the Perfect Game development from direct spending is estimated to be over \$200 million.

The economic impacts mentioned above does NOT consider any activity happening at the indoor sports facility / event center, but rather only considers the programming set forth for the Perfect Game development. We would anticipate the annual number of unique visitors, annual room nights, and annual economic impact from direct spending to increase.

The development will have both a Pubic Improvement District (PID) and a Tax Incremental Refinance zone (TIRZ) component in the financing plan.





The economic indicators in Hutto point towards a vibrant local economy. The phenomenal residential growth, as well as the new commercial growth, is occurring at its fastest rate in Hutto's history. Sales tax collections continue to do well with all of the new development. As of June 2019, collections were 16.7% over the prior year. Sales tax collections are conservatively projected to rise 15% in FY 2019-20. The development of more homes and more retail will continue to spur the sales tax growth, which has consistently climbed over the last two years at a 21% average growth.

Home values have also experienced steady increases in appraised values which are confirmed by strong sales numbers and a low inventory. Average home values in Hutto have steadily risen from \$164,745 in FY 2014-15 to \$183,267 in FY 2015-16, \$215,813 in FY 2016-17, \$244,990 in FY 2017-18 and are now \$260,515 (as per www.movoto.com)

The City Council met in 2017 to implement a new Strategic Guide and Execution Plan. The plan is reviewed and updated annually. Below are excerpts from the Strategic Guide:

VALUES

RESPONSIBLE

We expect those acting on behalf of the organization to consistently show responsibility. Being responsible entails being trustworthy to do what is in the best interest of the community and the City organization and being accountable for our own individual actions.

SAFE

We expect those acting on behalf of the organization to consistently have a high regard for the safety of all involved, including our residents, visitors, volunteers, employees, and their property. The value of safety includes actions taken to promote the safety of the public (i.e., police services, fire services, emergency medical services and the like) as well as design of our infrastructure, operational policies, and the working conditions provided to our employees. Recognizing that some elements of the work of the City of Hutto come with a level of inherent danger, our goal is to mitigate that danger to the extent reasonable.

AUTHENTIC

We expect those acting on behalf of the organization to act with authenticity. Hutto is a unique community with a particular history, culture and character, and being authentic entails being genuine in both words and deeds to both the individual character and the character of the community as a whole.

PROGRESSIVE

We expect those acting on behalf of the City of Hutto to seek creative solutions to problems. Being progressive entails making use of new or different methods, opportunities, and ideas with the intention of advancing the practice or outcome farther and faster than it would under the status quo.

Vision Statement

Hutto, Texas is a family-friendly community that provides superior public safety, outstanding fiscal responsibility, diversified economy, and an exceptional quality of life.

STRATEGIC FOCUS AREAS

Strategic Focus Areas directly support the Vision and Values. These are the broad areas that the City is intentionally placing an intense focus upon. Below are the five Strategic Focus Areas of the City of Hutto.



OBJECTIVES

Objectives within this plan are the primary areas that the City is intending to noticeably make changes to in the relative short term in furtherance of its Vision. Objectives are more specific and direct than Strategic Focus Areas, but in most cases are not discreet, achievable goals in and of themselves. Objectives are designed so that if the organization makes significant progress towards the Objectives, it will have made significant progress towards achieving the Vision.

Generate a strategic path forward for enhancing the public safety apparatus, including police, fire, and emergency medical services.

Create an aggressive, progressive economic development strategy for the community.

Create an "open for business" culture throughout the organization.

Maintain a positive and inspired workforce

Enhance mobility within the City

Implement a quality city-wide customer service program.

Enhance the overall governance of the community.

Construct and maintain infrastructure at the desired levels of service.

Ensure responsible fiscal stewardship through transparency and reporting.

Maintain an environment and quality of life that encompasses a safe, friendly, and entertaining atmosphere for all ages.

FY 2019-20 BUDGET CALENDAR

DATE	DESCRIPTION
July 11, 2019	Special City Council Work Session (Thursday) – Budget Overview, Council's Budget Goals & Objectives, Tax Rate Scenarios, and Proposed FY 20 Budget Overview
July 25, 2019	Deadline for Williamson County Appraisal District to Certify Tax Roll
August 1, 2019	Regular City Council Meeting – Budget Presentation with CIP (Overview), Record Vote on Tax Publication
August 15, 2019	Regular City Council Meeting – 1 st Public Hearing on Setting Tax Rate
August 22, 2019	Special Called City Council Meeting – Budget Public Hearing; 2 nd Public Hearing on Setting of Tax Rate – (Must take action even if it is to table the budget)
September 5, 2019	Regular City Council Meeting – 1 st Reading of Ordinance approving the budget; 1 st Reading of Ordinance Levying and Ratifying Ad Valorem Taxes; 1 st Reading of Ordinance approving the EDC budget
September 19, 2019	Regular City Council Meeting – 2 nd Reading of Ordinance approving the budget; 2 nd Reading of Ordinance Levying and Ratifying Ad Valorem Taxes; 2 nd Reading of Ordinance approving the EDC budget
October 1, 2019	Budget New Year Begins

Budget Process

The City of Hutto uses a priority-based budgeting process.

The City of Hutto annually budgets operating revenues and expenditures by two types of funds: Governmental Funds and Proprietary Funds. The City uses a total of fourteen separately and independently budgeted funds to carry out the day-to-day operations of

the City. A fund is generally defined as a fiscal and accounting entity that has its own self-balancing set of accounts recording cash and other financial resources, as well as any liabilities or residual equities or balances. Normally funds are segregated for the purpose of carrying out specific activities, or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Governmental funds are used for tax supported general government activities and include the General Fund, General Debt Service Fund, Special Revenue Funds, General Capital Projects Fund, and the Streets, Drainage and Grounds Maintenance Fund. Proprietary funds (funds that operate more like a business enterprise) include the Utility Fund, Impact Fee Fund, Utility CIP Fund, and Utility Debt Service Fund.

Each fund is budgeted separately and includes its own financial statement. The Hutto Economic Development Corporation (HEDC) is the City's 4B Economic Development Corporation. The HEDC budget is developed by HEDC staff and board members. The HEDC budget is adopted by both the seven-member board and the City Council. The HEDC budget is not included in this proposed budget. The financial information for the HEDC is included in the annual financial report for the City.

Gather Information

The City Council is consulted throughout the year. Their response and feedback are considered during budget review and analysis of budget requests. The Council annually adopts budget priorities. Following the Council elections, the City Council holds a retreat to discuss the budget priorities and strategic issues important to Hutto's future. The budget priorities are incorporated where possible in the adopted budget. The budget priorities for the upcoming fiscal year are addressed in the opening pages of this document and in the Budget Transmittal Letter section as well as the updated Strategic Plan and Execution Guide adopted May 2017 and updated March 2019.

Update Strategic Plans

Each year staff reviews and updates strategic plans used to properly plan for the City's growth. The City Council adopted a new Strategic Plan and Execution Guide in May 2017 and updated it in June 2018 and March 2019. This document connects short-term initiatives with long-term strategic priorities identified by the City Council. Adjustments are made as needed based on service demands and assessments. Future budget requests are guided by goals and priorities identified in the strategic plans. Costs for capital improvements are updated with the help of the City Engineer. Fiscal forecast projections and estimates are updated based on trend analysis, expected growth due to residential and commercial expansion, and other anticipated factors.



Revenue Projections

Revenue projections for the new fiscal year begin mid-year of the current fiscal year. Projections are based upon consultations with state and local agencies, trend analysis, anticipated changes in the local and regional economy, and discussions with directly associated staff. Although beginning earlier, revenue projections occur concurrently with departmental budget development, and extends until the budget is adopted based upon the receipt of new information.

Budget Development

The budget is prepared to promote fiscal responsibility and ensure superb service delivery to Hutto citizens. In preparing the budget, departments are asked to review existing programs, make cuts where appropriate, and calculate the resources needed to provide the current or base level service in the next fiscal year. These base budgets do not include any new programs, but costs may fluctuate from year to year due to inflation and other market conditions. After establishing base budget requests, departments are asked to factor in budget enhancements to the budget requests based on the budget priorities adopted by the City Council. Budget enhancements are costs related to new or expanded programs, including new personnel, supplies, and equipment.

During the budget development stage, the City Manager and Finance Department work with department and division managers to analyze requests, provide advice and lend assistance. Program goals, objectives, and measures are evaluated during the budget development to determine the effectiveness and efficiency of program activities to determine appropriate levels of funding. Staff work sessions are held to discuss goals and performance indicators, as are one-on-one consultations for the development of cost estimates. As the City encourages a participatory style of leadership, input is gathered from each employee, the leadership team, and appropriate employee committees during the budget development process.

The budget is drafted in accordance with the City's Charter, state law, and also the City's Fiscal and Budgetary Policy. The Fiscal and Budgetary Policy provides additional guidelines in regard to Financial Planning, the Budget Preparation Process, Revenue and Expenditure Management, Staffing, Economic Development, Intergovernmental Relations, Capital-Asset Management, Financial Reporting, and Debt Management. The Fiscal and Budgetary Policy is included in this budget document before the Glossary.

Budget Workshops and Public Hearings

Budget work sessions are held with the City Council in open meetings to review and discuss the proposed budget. Citizen input is gathered through public hearings.

Budget Adoption and Maintenance

Budget adoption occurs in September after City Council deliberations and public hearings. The City Council may take action to modify the proposed budget per its discretion. The City Council also adopts a tax rate to support the adopted funding levels.

An adopted budget is compiled and published during the first months of the new fiscal year. Budget maintenance is a year-round activity for department and division directors, the City Manager, and the Finance Department. Mid-year program evaluations use performance measures to identify poorly performing programs so that adjustments may be made accordingly. Control mechanisms include the submission of monthly financials and budget to actual reports to City Council, monthly review of expenditures by the City Manager and Finance Department, and authorization to purchase from the City's Finance Department. The City Manager may move appropriations from account to account; however, budget amendments resulting in a decrease or increase of total appropriations must be approved by ordinance by the City Council.

FY 2019-20 BUDGET OVERVIEW



Budget Overview

The proposed FY 2019-20 Budget for the City (not including EDC) totals \$32,888,290 in operating expenses, approximately \$46,077,541 for new capital projects, (of which \$39,978,000 are paid for by bond proceeds), and \$11,512,526 for debt services associated with past and ongoing capital projects. Operating revenues for the budget totals \$38,459,079. The ongoing operating expenses plus the associated debt service payments and cash-funded capital projects exceed the proposed ongoing revenues of the City in the current fiscal year, making the proposed FY 2019-20 Budget, much like the past few years, a year which will decrease our overall fund balance; however, it will remain above our reserve requirements. This is to be expected during years of growth as the City situates itself for this growth by spending excess reserves to hire additional staff and build out the additional infrastructure that will be needed to drive the growth, as well as procure lucrative economic development agreements to ensure a steady supply of local jobs as a vibrant local community develops.

Budget Priorities

The City Council began working on a new Strategic Plan in the first quarter of 2017. There were several retreats with City Council and City Staff, as well as meetings with Boards and Commissions, and informal and formal public meetings to obtain insight and feedback from many stakeholders to develop the new Strategic Plan & Execution Guide, which was also then updated in June of 2018, and in March of 2019. The proposed FY 2019-20 Budget is intended to align with the Strategic Plan & Execution Guide.

General Fund

The General Fund is the largest fund of the City and accounts for the general service and operations. The General Fund is where services such as Police, Development Services, Public Works, Parks and Rec, and Administration are budgeted. The majority of the City's employees are funded out of the General Fund.

The General Fund revenue budget totals \$18.2 million, which is an increase over the prior year's adopted budget of \$15.3 million. General Fund expense budget totals \$20.1 million, which is an increase over the

	FY2017-18	FY2018-19	Proposed FY2019-20 (Rollback)	Change
O&M Rate	\$0.416482	\$0.389301	\$0.397768	\$0.008
Debt Rate	\$0.098689	\$0.12587	\$0.233583	\$0.107
Total Tax Rate	\$0.515171	\$0.515171	\$0.631351	\$0.116

prior year's adopted budget of \$15.6 million. The General Fund budget is proposed ad valorem rollback rate of \$0.631351 per \$100 of valuation. The rollback tax rate, is the highest rate that the City may propose without risk of an election petition. The

current rollback rate is 8% for FY 2019-20 budget planning purposes. These rules will change for the budget process in FY 2020-21.

The proposed rate includes the debt service increase (I&S) from GO Bond funded projects. In November 2018, voters overwhelmingly approved Proposition A, Proposition B, and Proposition C. The major projects included streets and drainage, parks, and public safety, totaling \$125 million.

The proposed ad valorem tax rate will produce additional revenue to cover the increase in public safety, public works, and an increased level of service demanded by citizens, as well as new debt service from the 2019 GO Bond election. As commercial and multi-use development, along with residential growth, continues to happen along the trend of the past year, the City's tax base is expected to continue to grow and diversify, eventually easing the burden on Hutto residents.

General Fund Personnel Enhancements for FY 2019-20 include: two (2) additional patrol police officers, one (1) sergeant, ten (10) command staff (911 operators), all proposed to come on the last quarter of the year; one (1) social media intern to assist with the increase in social media demands, one (1) additional fleet technician to accommodate the growing vehicle and equipment needs of the City, one (1) additional building technician to address janitorial and maintenance needs for the City facilities, and a 3% merit, which aligns with the Council adopted Strategic Plan, and a cost of living increase.

General Fund Equipment and Other Enhancements for FY 2019-20 include information technology and software upgrades, necessary vehicles and equipment for public safety, facility and fleet, and other city departments.

Utility Fund

The Utility Fund is the second major operating fund of the City. It accounts for the City's water and wastewater system. Utility Fund budgeted operational revenues total \$11.5 million. A utility rate study was conducted in 2017. Wastewater rates were increased by 25% in FY18. The rate increase was needed in order to maintain utility fund reserve requirements, invest in new infrastructure to allow expansion of the tax base, and meet debt service obligations for utility projects. Additionally there is a transfer in of \$1.5 million in impact fees, as well as a transfer from the Solid Waste Fund for \$450,000, that will be utilized to service the debt payments, and natural attrition which is realized through the year.

Utility Fund budgeted operational expenses are proposed to total \$6.6 million, with an additional \$7 million to be spent on debt service requirements through a transfer out to the debt service fund. The majority of expenses in the Utility Fund are for contractual obligations, such as water purchase agreements and the wastewater treatment plant management agreement, payroll, maintenance and supplies. The City contracts for water with Manville Water Supply and the City of Taylor. The City contracts operation and maintenance of the wastewater treatment plants with the Brazos River Authority. As the City continues to grow, not only with more residential units, but with the addition of commercial, light industrial, and multi-use projects, the utility infrastructure will require some additions and some upgrades to handle the increased demands. Currently, it is anticipated that FY 2019-20 will require an additional \$5.5 million in capital improvement projects.

Utility Fund Personnel Enhancements for FY 2019-20 include an additional utility technician and a utility crew leader, as well as necessary equipment and vehicles for the new positions.

Streets and Drainage Construction Fund

The Streets and Drainage Construction Fund was formed in fiscal year 2018, which provides in-house streets and drainage improvements and construction at a more reasonable cost than outsourcing the service. The program will elevate the quality of Hutto's streets and create long term savings for the City. The program is funded through certain bond issues, as well as a Council approved drainage fee.

Streets and Drainage Construction Fund budgeted expenses total \$4.1 million, which is a increase over the prior year of \$618,418. Most of the large, one-time equipment purchases were made in FY 2018-2019, but equipment will be purchased as necessary and personnel will be added as projects come on.

The major streets and drainage projects for FY 2019-2020 include the extension and widening of Live Oak Street to Taylor through Old Town eventually connecting to the Perfect Game site and the Cottonwood Creek Drainage project.

Capital Projects

The FY 2019-20 Budget capital project budget includes approximately \$46.1 million for capital projects: \$40.6 million in tax supported projects, and \$5.5 million in utility supported projects in the Capital Improvements Plan. The projects, and their funding source, are included in the table below.

Fund	Project	Cost	Funding Sources
General CIP	Fritz Park Improvements	\$100,000	Bonds
	Pavement Management	\$500,000	Bonds
	Limmer Loop Improvements Agreement	\$100,000	Cash
	CR II9 Extension Payment	\$250,000	Cash
	Streets & Drainage Projects – 2019 GO Bonds	\$26,500,000	Bonds
	Park Improvements (Multiple)	\$283,000	Bonds/Grants
	Cottonwood Trail	\$2,725,000	Bonds
	Outdoor Gym Fitness Center/With Shade	\$120,000	Bonds
	Land Acquisition	\$6,000,000	Bonds
	Justice Center for Public Safety	\$4,000,000	Bonds
Utility CIP	Waterline Improvements from Shiloh	\$1,003,410	Bonds
	Glennwood Lift Station Decommission	\$847,690	Bonds
	Lakeside Estates Abandon LS	\$249,000	Cash
	Carmel Crossings Wastewater Interceptor	\$181,851	Cash
	Municipal Service WW Extension	\$1,000,000	Bonds
	Pump Upgrade Shiloh & Frameswitch	\$2,217,590	Bonds

Conclusion

The Budget document establishes the direction and focus for the upcoming year as it connects resources to the priorities identified by the City Council and the adopted strategic plan.

FY 2019-20 will be a tight budget year as we continue to experience growth. This budget will have an emphasis on Public Safety, Streets and Drainage, and Park Improvement.

In November 2018 the voters turned out in record numbers to approve Proposition A, Streets & Drainage at \$70 million, Proposition B, a Justice Center for Public Safety at \$5 million, and Proposition C, Parks Improvements at \$50 million.

It is the City Manager's responsibility to fulfill and complete the objectives identified in this budget. This budget identifies resources and strategies that are in place to ensure the success of the organization, not just for this fiscal year, but for many years in the future.

Lastly, I would like to thank the City Council and the City staff, for their consideration of the Proposed FY 2019-20 Annual Budget.

Sincerely,

Odis Jones,
City Manager

GENERAL FUND SUMMARY

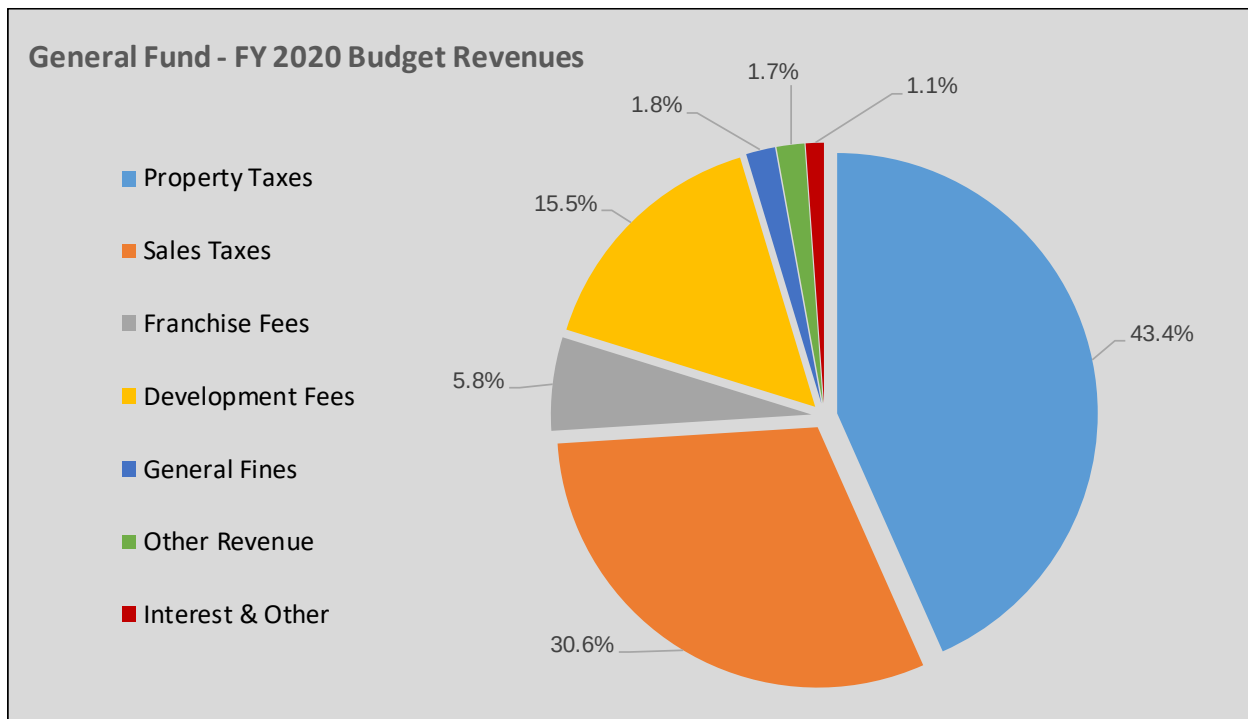
	FY 2018 Actual	FY 2019 Current Budget	FY 2020 Base	FY 2020 Enhancements	Fy 2020 Budget
Revenues					
Property Taxes	7,038,195	7,161,489	7,871,045	-	7,871,045
Sales Taxes	3,680,409	4,838,905	5,561,432	-	5,561,432
Franchise Fees	931,156	981,768	1,051,697	-	1,051,697
Building & Development	1,632,165	2,281,685	2,822,159	-	2,822,159
Fines	262,894	312,977	328,903	-	328,903
Other Revenue	217,711	241,773	313,526	-	313,526
Interest & Other	748,289	149,829	203,294	-	203,294
Total - Revenues	14,510,819	15,968,427	18,152,056	-	18,152,056
Expenses					
City Administration	2,665,049	3,772,960	4,571,357	48,000	4,619,357
Communications	1,561,185	1,791,065	2,254,760	167,944	2,422,704
Financial Services	1,043,934	1,694,844	1,673,005	-	1,673,005
Business & Development Services	1,168,701	1,412,205	1,050,403	-	1,050,403
Engineering & Public Works	711,411	1,010,997	1,796,175	-	1,796,175
Community Services	937,363	1,632,296	1,998,996	306,417	2,305,413
Police	4,870,416	5,714,007	5,833,872	448,075	6,281,947
Total - Expenses	12,958,058	17,028,374	19,178,568	970,436	20,149,004
Other Financing Sources					
Transfer In	191,377	460,576	1,381,220	-	1,381,220
Transfer Out	-	(71,700)	(47,500)	-	(47,500)
Total - Other Financing Sources	191,377	388,876	1,333,720	-	1,333,720
NET CHANGE IN FUND BALANCE	1,744,138	(671,072)	307,208	(970,436)	(663,228)
Beginning Fund Balance	3,621,137	5,365,275	4,694,203	-	4,694,203
Ending Fund Balance	5,365,275	4,694,203	5,001,411	-	4,030,975
Contingency Reserves	2,591,612	3,405,675	3,835,714	-	4,029,801
Unreserved Ending Fund Balance	2,773,663	1,288,528	1,165,697	-	1,174
Reserves %	20.0%	20.0%	20.0%	-	20.0%

Fund Description

The General Fund is the general operating fund, and is the largest fund of the City as it includes all traditional government services such as public safety, street and drainage maintenance, parks and recreation, library services, and general administration. The General Fund uses tax revenue, fees, fines, and other revenues to fund these services. It functions as a governmental fund, which is accounted for by using a modified accrual basis of accounting.

Revenues

General Fund revenues are budgeted to total \$18,152,056, an increase of 13.7% from FY 2018-19 Amended Budget. Property taxes make up the bulk of the revenues, followed by sales tax. A diverse revenue base is essential for maintaining a sound financial system. Increased commercial and residential development is slated for the upcoming year and beyond. This new development will reduce the City's reliance on residential property tax revenue as more sales tax is collected and the tax base continues to diversify.



Property Tax is based on the proposed rollback ad valorem tax rate of \$0.631351 per \$100 of valuation. The split between the two portions of the tax rate includes both Maintenance & Operation (M&O) and debt service (I&S). The I&S rate is increasing due to the November 2018 GO Bond election, which passed with overwhelmingly high voter turnout. All three propositions were successful, including streets and drainage, parks, and public safety. The FY 2019-20 Proposed Budget is predicated on the rollback rate of \$0.631351, with the breakdown of: Operations & Maintenance - \$0.397768 + Interest & Sinking - \$0.233583. The effective tax rate, which is the rate required to levy the same amount of taxes on the same properties as the year before, is \$0.483486 per \$100 valuation.

Home values have also experienced steady increases in appraised values which are confirmed by strong sales numbers and a low inventory. Average home values in Hutto have steadily risen from

\$164,745 in FY15 to \$183,267 in FY16, \$215,813 in FY17, \$244,990 in FY18 and are now \$260,515 (as per www.movoto.com), an increase of 6.3 % over the prior year. According to the Williamson County Central Appraisal District the taxable value of the average home in 2018 was \$207,346.63 and in 2019 is \$216,888.45, an increase of 4.6% over the prior year. Property Tax makes up the largest percentage of General Fund revenues at 43.4%. A total of \$7,871,045 is budgeted for collection, which is a 9.9% increase over the FY19 Projected Year-End Actuals. The increase is due to an overall increase in appraised value, approximately \$107 million in new property added to the tax rolls, as well as the decision to apply the rollback rate in the Proposed 2019-20 Budget.

Sales tax is the second largest revenue source for the General Fund, accounting for 30.6% of revenues. Sales tax is budgeted at \$5,561,432, a 14.9% increase over the prior FY 2018-19 Current Budget. Sales tax collections have remained strong as a result of continued residential growth and new commercial growth.

Franchise fees totaling \$1,051,697 are fees collected from private utilities such as electricity, gas, and telecommunications located in the public right-of-way. The fee is generally based on a percentage of a company's gross revenues collected within the City's limits. Franchise fees are expected to increase 7.1% over prior FY 2018-19 Current Budget, due to customer growth.

Development fees are budgeted to total \$2,822,159. Development fees account for 14.5% of revenues. FY20 is estimated to increase by 23.7% over the FY 2018-19 Current Budget.

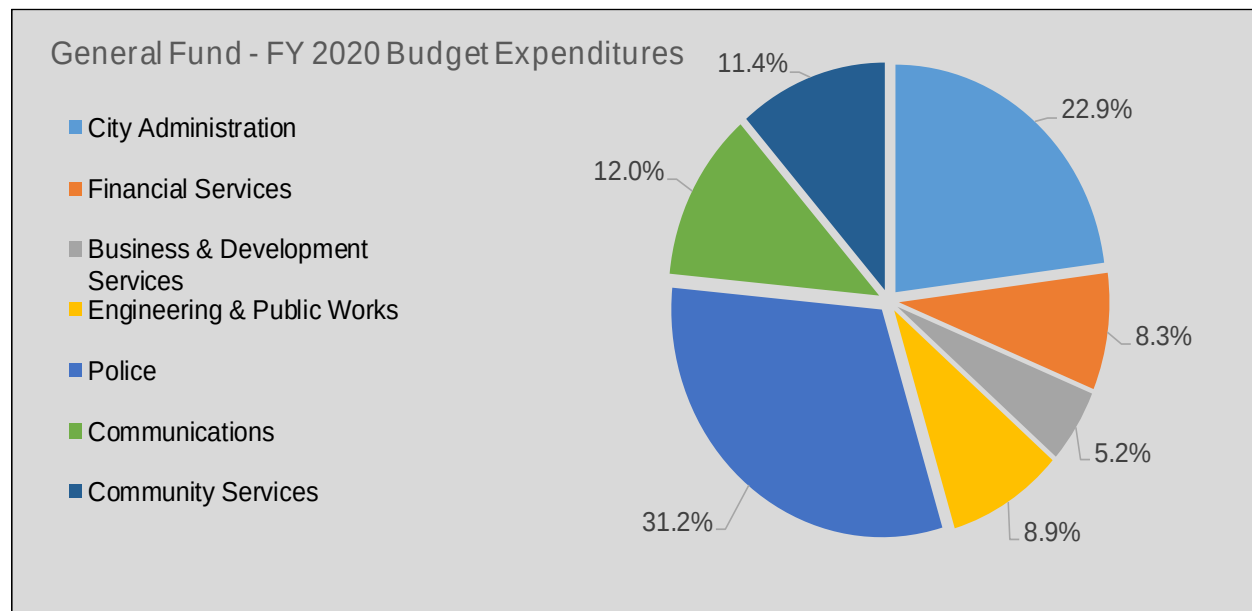
General Fines are budgeted to total \$328,903. General fines are collected through municipal court. Citations are issued by the police department and settlement of those citations is done through the court.

Other revenue includes interest, miscellaneous fees and taxes, donations, grants, and other minor revenue sources. Other revenue is budgeted to total \$516,820 in FY 2019-20.

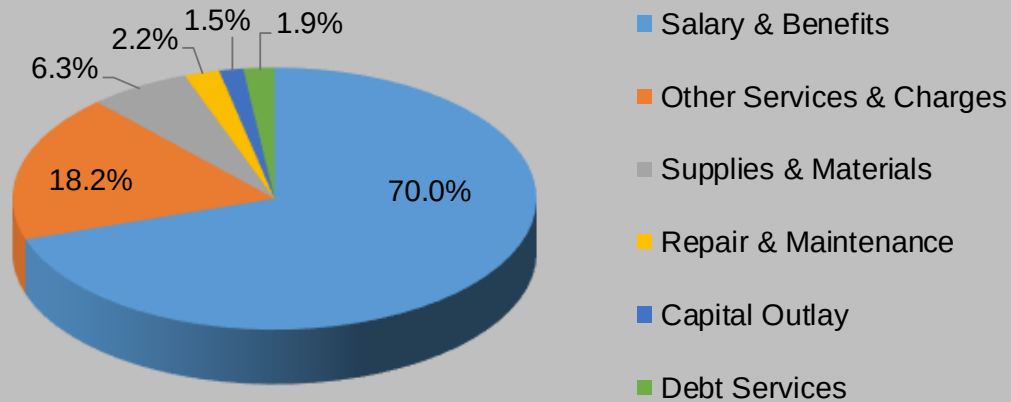
Transfers account for the salary savings, or attrition, that occur throughout the fiscal year.

Expenses

General Fund expenses include costs related to general government operations such, as administration, police, planning and development services, code enforcement, inspections, library services, parks and recreation, and a portion of streets and drainage for maintenance related expenditures. A portion of Streets and Drainage is in a separate fund paid for with a bond issuance for construction related projects. General fund expenses, outside of transfers, total \$20,149,004 which is an increase of 18.3% over the Projected Year-End 2018-19. Police, with the majority of employees, makes up the largest percentage of General Fund expenses at 31.2%, with a total budget of approximately \$6.3 million. Administration (22.9%), Communications (12.0%) and Community Services (11.4%) make up the next largest percentages.



General Fund - FY 2020 Budget Expenditures



Salaries and benefits make up the majority of General Fund expenses at 70.0% of the budget. All Hutto employees, (except for the Utility and Streets and Drainage Fund employees), are paid from the General Fund. This category includes salaries, insurance, and retirement expenses.

Enhancements include new or expanded programs or services, equipment, and personnel.

Budget Variances

This section explains differences between the FY 2018-19 Projected Year-End Actuals and the FY 2019-20 Budget. Expenses are broken into five categories.

	FY 2019 Current	FY 2020 Base	FY 2020 Enhancements	FY 2020 Budget	% Change Projected
Salary & Benefits	11,662,309	13,609,214	485,782	14,094,996	20.9%
Other Services & Charges	3,649,757	3,531,102	140,999	3,672,101	0.6%
Supplies & Materials	932,248	1,110,925	149,655	1,260,580	35.2%
Repair & Maintenance	238,200	435,700	-	435,700	82.9%
Capital Outlay	160,133	105,900	194,000	299,900	87.3%
Debt Services	385,727	385,727	-	385,727	0.0%
Total - Expenses	17,028,374	19,178,568	970,436	20,149,004	18.3%
Transfers Out	(71,700)	(47,500)	-	(47,500)	-33.8%

SALARIES & BENEFITS will increase about \$2.4 million over the FY 2018-19 Projected Year-End Budget. The largest portion of the increase stems from those who were hired in the prior year now having a full year salary plus benefits. However, there are several newly created positions in the general fund as detailed below.

Newly created positions for FY 2019-20 include one Sergeant, two Traffic Officer positions to meet the minimum staffing requirements and provide increased traffic presence for the Hutto Police Department. These positions will come on in the last quarter of the FY 2019-20 budget. There is also the addition of ten communication staff (911 operators) to man the newly created Justice Center. These positions too will come on the last quarter of the fiscal year. The Justice Center was approved as Proposition C in the 2019 GO Bond Election. The total for the new positions, including salary and benefits, equipment, and vehicles is approximately \$485,782.

A social media intern position is budgeted for FY 2019-20 at the total cost of \$57,945, including salary and benefits. This position will be utilized to assist with the different social media avenues and the different means that citizens communicate.

There is also an additional fleet maintenance technician position to assist with the growing needs of the City with vehicles and equipment. Estimated cost, including salary and benefits, vehicles, and equipment is \$99,027.

Included in the budget is another facility maintenance technician. With the new City Hall completed and the renovation of the Police Department, an additional facility technician is needed. The City currently has a commercial cleaning service. The Police Department however, requires a position that can pass higher than usual security measures in order to enter the facility. The total for this position including salary and benefits, equipment and a vehicle is \$99,027.

SUPPLIES & MATERIALS will increase by 35.2%, or \$328,332, over the PY FY 2018-19 Projected Year-End Actuals. The increase is due to the growth of the City and the increasing needs for certain supplies and materials such as new computers and other such items.

REPAIRS & MAINTENANCE costs will see an increase of over FY 2018-19 Projected Year-End Actuals of \$197,500. Overall building and repair maintenance costs for the entire City will increase due to the new buildings, however, the increase is small given the additions to the City are new and will require less in repairs than some older buildings.

OTHER SERVICES & CHARGES make up the second largest expense of the general fund. FY 2019-20 will reflect an increase of 0.6% over FY 2018-19 Projected Year-End Actuals.

CAPITAL OUTLAY costs will see an increase of 87.3%, or \$194,000, over FY 2018-19 Projected Year-End Actuals. The majority of the capital outlay costs is the purchase of five (5) new vehicles. These vehicles will be for public safety, fleet, and facility.

TRANSFERS include a \$47,500 transfer to General Capital Improvements Fund.

GENERAL DEBT SERVICE FUND

	FY 2018 Actual	FY 2019 Current Budget	FY 2019 Projected	FY 2020 Budget
Revenues				
Property Taxes	1,667,662	2,329,857	2,329,857	4,610,628
Interest and Other	9,678	2,500	2,500	2,500
Total - Revenues	1,677,340	2,332,357	2,332,357	4,613,128
Expenses				
Debt Service				
Principal Reduction	1,037,399	1,136,341	1,136,341	2,002,312
Interest	1,166,231	1,193,516	1,193,516	2,861,930
Paying Agent Fees	4,232	2,500	2,500	2,500
Total - Expenses	2,207,862	2,332,357	2,332,357	4,866,743
Other Financing Sources				
Transfer In	638,248	-	-	-
Transfer Out	1,152	-	-	-
Total - Other Financing Sources	639,401	-	-	-
NET CHANGE IN FUND BALANCE	108,879	-	-	(253,615)
Beginning Fund Balance	218,657	327,536	327,536	327,536
Ending Fund Balance	327,536	327,536	327,536	73,921

Fund Description

The General Debt Service fund tracks revenue from the ad valorem property tax levy for the payment of debt issued for general governmental functions, such as streets, parks, and facilities.

Revenues

Revenues are comprised of property tax collections based on the interest and sinking portion of the City's tax rate. The FY 2019-20 tax rate will be \$.233583 per \$100 valuation. This rate will generate \$4,610,628 in property tax revenue. The I&S rate is calculated based on annual debt service requirements.

Expenses

Expenditures include principal and interest payments for the bond obligations. The increase includes the additional issuance of the 2019 GO Bonds.

Budget Variances

Increases in future taxable values will offset debt service payments in future years as well as increases to the City's I&S rate when necessary.

GENERAL CAPITAL REPLACEMENT FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Sale of Assets	-	-	-	-
Interest and Other	-	-	-	-
Total - Revenues	-	-	-	-
Expenses				
YMCA Building Repair & Maint.	12,837	20,000	20,000	20,000
Machinery and Equipment	-	-	-	-
Total - Expenses	12,837	20,000	20,000	20,000
Other Financing Sources				
Transfer In	15,000	20,000	20,000	-
Transfer Out	-	(318,000)	(318,000)	-
Total - Other Financing Sources	15,000	(298,000)	(298,000)	-
NET CHANGE IN FUND BALANCE	2,163	(318,000)	(318,000)	(20,000)
Beginning Fund Balance	481,198	483,361	483,361	165,361
Ending Fund Balance	483,361	165,361	165,361	145,361

Fund Description

The Capital Replacement Fund was created in Fiscal Year 2010 to begin setting aside funds to replace aging equipment and worn capital assets, including vehicles and equipment. The Fleet Manager hired in FY 2018-19 is creating a replacement schedule for vehicles and equipment. This schedule will be used to determine purchasing needs in the future.

Revenues

Revenues represent transfers in from the General Fund. The City will continue to set aside money for the YMCA Building Repair and Maintenance expenses per the agreement.

Expenses

The only allocated expenses are related to the YMCA Building Repair and Maintenance. The entire amount is budgeted to give the staff the flexibility to use the funds as needed.

Budget Variances

Transfers from the General Fund will start to increase again in the future based on the replacement schedule put in place.

GENERAL CAPITAL IMPROVEMENTS FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Interest & Other	157,337	35,000	138,000	100,000
Bond Interest	-	-	-	-
Grant Revenue	664,792	147,975	-	750,000
Park Land Fees	-	13,250	13,250	-
Bond Proceeds	7,777,422	16,550,000	23,915,000	37,278,000
Bond Premium	1,116,082	-	1,436,230	-
Other Financing Sources	-	-	585,000	-
Total - Revenues	9,715,633	16,746,225	26,087,480	38,128,000
Expenses				
Fritz Park Improvements				
Construction	53,122	-	-	100,000
FM 1660 N Sidewalks				
Construction	8,306	-	-	-
East Street Reconstruction				
Construction	723,854	112,111	112,111	-
Pavement Management				
Construction	709,515	-	-	500,000
Limmer Loop Improvements				
Construction	100,000	-	100,000	100,000
Justice Center for Public Safety				
Construction	-	200,000	200,000	4,000,000
TAP Project Limmer Loop Sidewalk				
Construction	394,644	859,116	1,135,793	-
CR 119 (Ed Schmidt) Extension				
Construction	500,000	250,000	250,000	250,000
Innovation Business Park				
Planning, Design, Professional Svcs.	-	122,308	15,186	-
Construction	2,004,150	1,981,767	1,981,767	-
Co-Op				
Construction	5,799,865	3,425,000	3,425,000	-
Public Works Pole Barn				
Public Works Pole Barn	-	95,000	95,000	-
Drainage Master Plan				
Planning, Design, Professional Svcs.	150,393	-	-	-
Pollard Park/Brushy Creek - Amphitheater				
Planning, Design & Professional Svcs.	10,058	-	253,000	-
Park at Brushy Creek	3,695,795	-	2,405,530	-
Planning, Design, Professional Svcs. & Construction	-	2,656,725	-	-

	FY 2018 Actual	FY 2019 Current Budget	FY 2019 Projected	FY 2020 Budget
(Expenses Continued)				
Drainage Projects - 2019 GO Bond				
Drainage Projects - 2019 GO Bond	-	420,000	4,400,000	-
Streets/Roads Projects - 2019 GO Bond				
Streets/Roads Projects - 2019 GO Bond	-	956,616	6,500,000	26,500,000
Parks 2019 G.O. Bonds	-	-	4,505,329	-
CR 79 PARK	-	6,500,000	200,000	-
Multiple City Parks Improvements	-	-	-	283,000
Cottonwood Trail	-	-	-	2,725,000
Outdoor Gym Fitness Center/With Shade	-	-	-	120,000
Land Acquisition	-	-	-	6,000,000
Other Services and Charges				
Land	-	7,000	7,000	-
Animal Shelter Expansion	236,857	-	-	-
Bond Issuance Cost	213,355	-	-	-
Total - Expenses	14,599,915	17,585,643	25,585,716	40,578,000
Other Financing Sources				
Transfer In	2,043,000	-	200,000	47,500
Transfer Out	-	(1,020,000)	(1,020,000)	-
Total - Other Financing Sources	2,043,000	(1,020,000)	(820,000)	47,500
NET CHANGE IN FUND BALANCE	(2,841,281)	(1,859,418)	(318,236)	(2,402,500)
Beginning Fund Balance	3,276,042	4,262,075	2,402,657	2,402,657
Ending Fund Balance	434,761	2,402,657	2,084,420	157

Fund Description

The General CIP Fund is a minor governmental fund used by the City to account for the City's general capital improvement projects, including streets, facilities, and park improvement projects. Projects are funded through a combination of transfers in from the General Fund, interest, and bonds.

Revenues

Revenues include Bond Proceeds of \$37,278,000, grant revenue from Texas Parks and Wildlife for parks projects. Other revenues include interest, bond interest, and parkland fees.

Expenses

Ongoing expenses in the amount of \$100,000 for Limmer Loop Rehabilitation will continue to be cash funded from the General Fund until June 2023. These payments are made via an interlocal agreement with the County which is providing the construction.

Other projects include Fritz Park, Limmer Loop Improvements, Justice Center for Public Safety, approved by voters in November 2018 as Proposition C, CRII9 Extension, Streets and Parks 2019 GO Bond projects, Proposition A and B.

Other project balances remaining at the end of the fiscal year are re-appropriated and transferred into the new budget through a budget amendment.

Budget Variances

Fund balance for this fund will fluctuate depending on the timing of projects and bond issuances.

STREETS, DRAINAGE & GROUNDS CONSTRUCTION FUND

	2018-19 Projected	2019-20 Base	2019-20 Enhancements	2019-20 Budget	% Change Projected
Salary & Benefits	1,087,656	1,379,593	-	1,379,593	26.8%
Supplies & Materials	75,832	75,832	-	204,900	170.2%
Repair & Maintenance	291,000	291,000	-	570,000	95.9%
Contractual Services	261,400	261,400	-	150,000	-42.6%
Other/Misc. Expenses	145,250	145,250	-	159,000	9.5%
Capital Outlay	1,312,000	1,312,000	-	1,620,000	23.5%
Debt Services	-	-	-	-	0.0%
Total - Expenses	3,173,138	3,465,075	-	4,083,493	28.7%

Fund Description

The Streets, Drainage and Grounds Construction Fund was a newly created fund for FY 2017-18. The Streets, Drainage and Grounds Construction Fund is a capital improvement fund used by the City to account for the City's capital improvement of streets and drainage specifically. This fund and related projects are funded through bonds. Each year the City Council will determine which streets will be reconditioned.

Revenues

This is a fund created to address street and drainage construction and rehabilitation. Revenues come from a \$4 drainage fee charged to all sewer customers as well as a transfer of bond money.

Expenses

Expenses include personnel and materials needed to fund the repair for streets and for drainage areas. The specialty type of work required for the construction and rehabilitation of streets and drainage requires someone with expertise in the field and special supplies that are costly.

Budget Variances

Fund balance for this fund will fluctuate depending on the timing of projects and bond issuances.

SOLID WASTE FUND

	2017-18 Actual	2018-19 Budget	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues					
Solid Waste Franchise	32,499	32,500	32,500	32,500	32,500
Late Fees	25,878	30,300	30,300	30,300	31,000
Solid Waste User Fees	1,441,693	1,380,138	1,380,138	1,380,138	1,421,542
Total - Revenues	1,500,070	1,442,938	1,442,938	1,442,938	1,485,042
Expenses					
Waste Management	1,276,248	1,326,281	1,326,281	1,326,281	1,366,069
Bad Debt	-	7,500	7,500	-	7,500
Total - Expenses	1,276,248	1,333,781	1,333,781	1,326,281	1,373,569
Other Financing Sources					
Transfer In	-	-	-	-	-
Transfer Out	(90,000)	(445,000)	(609,554)	(569,554)	(540,000)
Total - Other Financing Sources	(90,000)	(445,000)	(609,554)	(569,554)	(540,000)
NET CHANGE IN FUND BALANCE	133,822	(335,843)	(500,397)	(452,897)	(428,527)
Beginning Fund Balance	257,335	453,658	453,658	453,658	431,228
Ending Fund Balance	391,158	117,815	(46,739)	761	2,700

Fund Description

The Solid Waste Fund was created to account for the City's solid waste services. All expenses associated with the City's garbage and recycling services are included in the fund.

Revenues

Revenues for the fund are per the negotiated contract for curbside and recycling services. In addition, the City charges a franchise fee to refuse collection companies that offer commercial services to businesses in Hutto. All commercial services were taken over by Al Clawson Disposal, Inc. as of July 2017.

Expenses

In December 2015 the City entered into contract with Al Clawson Disposal, Inc. to be the sole provider for Residential and Commercial garbage services. By shifting services to a single provider, the City is able to reduce costs for residential and most commercial customers. The contract helps the City reach its strategic goal of 100% recycling.

Budget Variances

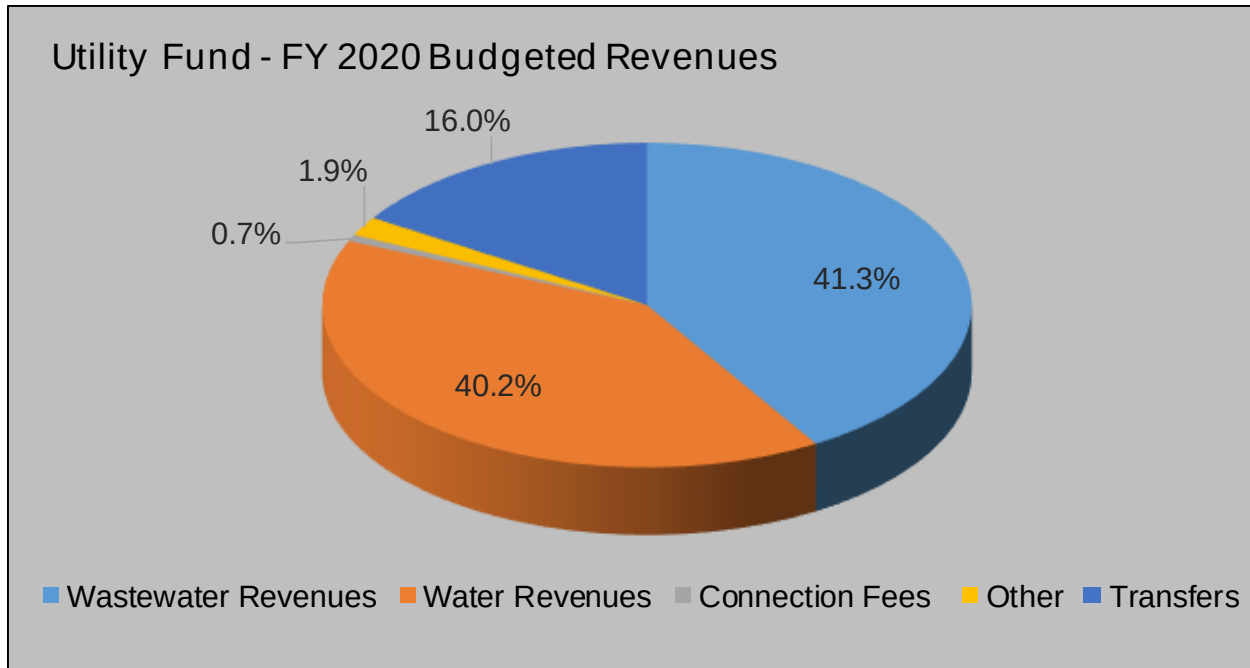
A transfer out to the Utility Fund of \$450,000 is budgeted. The Solid Waste Fund is considered a proprietary fund similar to the Utility Fund.

UTILITY FUND

	FY 2018 Actual	FY 2020 Base	FY 2020 Enhancements	FY 2020 Budget
Revenues				
Water	5,027,665	5,493,378	-	5,493,378
Wastewater	4,990,424	5,647,581	-	5,647,581
Connection Fees	187,300	90,000	-	90,000
Non-Operating Revenue	669,535	260,240	-	260,240
Bond Proceeds	-	-	-	-
Total - Revenues	10,874,924	11,491,199	-	11,491,199
Expenses				
City Administration	-	-	-	-
Information Technology	10,277	8,250	-	7,750
Financial Services				
Utility Billing	836,112	888,170	-	864,170
Public Works & Engineering				
Water & Wastewater	4,495,189	4,133,596	203,076	4,336,671
Heart of Texas	528,769	1,353,600	-	1,353,600
Subtotal - Public Works & Engineering	5,023,958	5,487,196	203,076	5,690,271
Total - Expenses w/o Nondepartmental	5,870,347	6,383,616	203,076	6,562,191
Nondepartmental	39,640	66,283	-	84,283
Total - Expenses	5,909,987	6,449,899	203,076	6,646,474
Transfers (Sources)				
Transfer In	5,680,504	2,184,513	-	2,184,513
Transfer Out	(6,910,008)	(7,032,000)	-	(7,032,000)
Subtotal - Transfers (Sources)	(1,229,504)	(4,847,487)	-	(4,847,487)
NET CHANGE IN WORKING CAPITAL	3,735,433	193,813	(203,076)	(2,762)
Beginning Working Capital	2,489,115	3,794,023		3,794,023
Contingency Reserves (20% Expenses)	1,174,069	1,276,723		1,312,438
Ending Available Working Capital	5,050,478	2,711,114		2,478,823

Fund Description

The Utility Fund accounts for the City's Water and Wastewater Enterprise. It functions as a proprietary fund which operates more like a business. The budget for the Utility Fund, however, uses a modified accrual basis of accounting. Reserves for the Utility Fund are maintained at 20% of the operating budget per the Fiscal and Budgetary Policy.



Revenues

Utility operational revenues total \$11.5 million, which is 6.5% above the FY 2018-19 Projected Year-End Actuals. The increase is a result of customer growth due to new home, business, and commercial construction, as well as a 25% increase in the wastewater rates that was implemented in March 1, 2018. The current housing boom will add new water and wastewater customers to the City's utility system, though a portion of new homes will be serviced by Jonah SUD and Manville WSC as they are outside of the City's water service area. The new Innovation Business Park, Co-Op Entertainment District, and Perfect Game will also increase the consumption of both water and wastewater, adding another revenue component. The number of accounts is expected to grow at approximately 11% for both water and wastewater during the next year.

Water revenues make up the 2nd largest majority of the Utility Fund operating revenue, totaling \$5,493,378. Water revenue is revenue collection for the provision of water to utility customers. This is an increase of 14.5% over the FY 2018-19 Projected Year-End Actuals and is due to anticipated customer growth and average use.

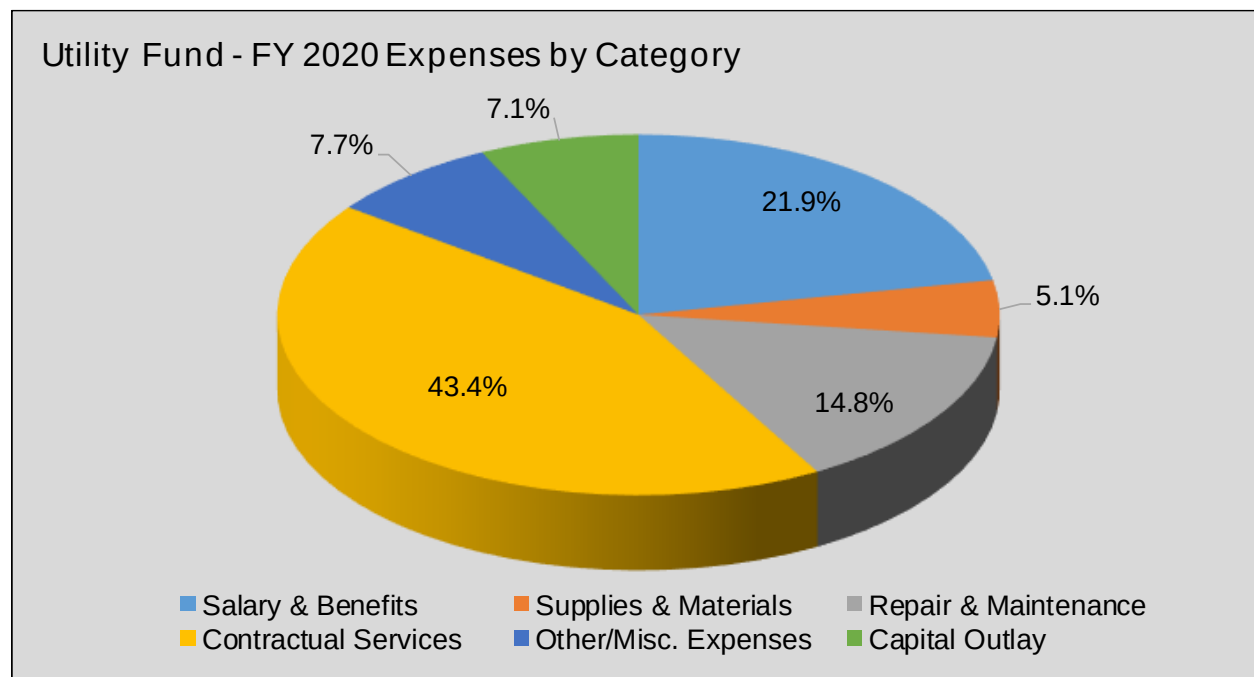
Wastewater revenues are the largest share of the Utility Fund revenue and are budgeted to total \$5,647,581, a 4.5% increase over FY 2018-19 Projected Year-End Actuals. The City implemented a rate increase of 25% in March 2018. The City has more wastewater connections than water connections because water may be provided by Manville Water Supply or Jonah SUD, depending on service location. The City also acts as a wholesale wastewater provider to customers located in Jonah's service area north of Limmer Loop.

Impact Fees (shown as "Transfers In") help cover new growth's impact on the utility system. Impact fees are collected in the Impact Fee Fund and are transferred to the Utility Fund to help offset debt service payments. Impact fees help shift the financial burden of constructing new infrastructure for new growth from existing customers to the new growth that is prompting the infrastructure improvements. Collections are expected to total \$1,500,000 based on new construction trends, anticipated growth and rate model. In addition, there is a transfer in of \$450,000 from the Solid Waste Fund.

Connection fees represent the cost of connecting new customers to the City's utility system. The fee is calculated based on the cost of the meter and the end point, in addition to time and equipment needed to set the meter. Connection fees are conservatively budgeted at \$90,000. Connection fees are only collected when the City of Hutto provides service to the home. Water connection fees would not be collected for homes that are constructed in the Jonah SUD or Manville WSC service areas.

Other revenue is made up of interest, miscellaneous income, and account administrative and late fees, and totals \$260,240.

The number of City water customers has grown an average of 4.58% over the past five years. The number of total accounts is expected to grow by 6.7% in FY 2019-20 as a result of the new commercial and residential customers. The City continues to provide wholesale wastewater service to the approximately 1,030 wastewater customers north of Limmer Loop. This number continues to grow as both the Hutto Highlands and Hutto Park subdivisions continue to expand and grow.



Expenses

Utility Fund expenses are the costs associated with the provision of water and wastewater services to the Hutto customers. The Utility Fund includes thirteen full-time water and wastewater employees as well as two meter technicians, and five customer service personnel. The FY 2019-20 Utility Fund Operating Budget totals \$6,646,474. There is an additional transfer to the debt service fund of \$7,032,000 which is offset by a transfer in from the Impact Fee Fund of \$1,500,000. The transfer from the Impact Fee Fund will fluctuate based on the growth of the City.

Water and wastewater services, totaling \$5.7 million, make up the largest bulk of operating expenses because of water supply, wastewater management agreements, and increased personnel. The FY 2019-20 Water and Wastewater Service budget will increase by 4.6% from the FY 2018-19 Projected Year-End Actuals due to growth of the City. Enhancements include an additional crew leader and utility technician, and a 3% merit/market increase. All enhancements included in the utility fund are for increased productivity, investment in infrastructure, and staff needed to carry out the Council Strategic Plan. The majority of the Utility Fund's budget is appropriated towards Other Services and Charges

because of its water supply contracts and the contract with Brazos River Authority to operate the wastewater treatment plant. The City currently purchases treated water from the City of Taylor and City of Mannville, with the City of Mannville contract ending at the end of this year.

Budget Variances

This section explains the difference between the FY19 Budget and the FY18 Projected Year-End Actual amounts.

	2018-19 Projected	2019-20 Base	2019-20 Enhancements	2019-20 Budget	% Change Projected
Salary & Benefits	1,311,279	1,303,508	153,076	1,456,583	11.1%
Supplies & Materials	354,825	354,825	-	338,825	-4.5%
Repair & Maintenance	980,400	980,400	-	980,400	0.0%
Contractual Services	2,995,154	2,884,949	-	2,884,449	-3.7%
Other/Misc Expenses	501,333	501,333	-	511,333	2.0%
Capital Outlay	424,884	424,884	50,000	474,884	11.8%
Total - Expenses	6,567,875	6,449,899	203,076	6,646,474	16.6%
Transfers Out	(7,501,242)	(7,032,000)	-	(7,032,000)	-6.3%

SALARIES AND BENEFITS will increase 11.1% or about \$145,304 over the FY 2018-19 Projected Year-End Actuals. The increase includes an average 3% merit increase, as well as the addition of one Utility Crewman and one Utility Technician to maintain the City's infrastructure due to all the growth.

SUPPLIES AND MATERIALS are budgeted at \$338,825, which is a decrease of 4.5% over FY 2018-19 Projected Year-End Actuals. The decrease is due to the purchase of meters in the year to be available for inventory reducing the current year's need to order.

REPAIRS AND MAINTENANCE costs will stay flat at \$980,400 over the FY 2018-19 Projected Year-End Actuals. As the city continues to expand, the need for more repair and maintenance will be necessary. The addition of the upcoming capital improvement projects will see this category increase as they come online.

CONTRACTUAL SERVICES make up the majority of Utility expenses. Included in this section are the water supply contracts with the City of Taylor, and Manville (which was renegotiated at the beginning of FY 2018-19), as well as the wastewater treatment agreement with Brazos River Authority. The decrease of 3.7% is due to the renegotiation of the Manville contract. The renegotiated contract allows for a lower price per thousand gallons and the ability to take more water if necessary without a surcharge.

CAPITAL OUTLAY is costs related to new capital costs such as vehicles, facilities, and equipment. This number fluctuates annually depending on capital needs. The number is increasing 11.8% over FY 2018-19 Projected Year End Actuals. This increase is due to the purchase of two vehicles for the two new positions.

TRANSFERS OUT is decreasing 6.3% over the FY 2018-19 Projected Year-End Actuals. There is a transfer of \$7,032,000 to the debt service fund.

UTILITY DEBT SERVICE FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Interest and Other	2,950	2,500	2,500	2,500
Total - Revenues	2,950	2,500	2,500	2,500
Expenses				
Principal Reduction	2,430,750	2,600,934	2,600,934	2,469,694
Interest	1,756,887	4,702,732	4,702,732	4,621,089
Paying Agent Fees	5,000	5,000	5,000	5,000
Total - Expenses	4,192,637	7,308,666	7,308,666	7,095,783
Other Financing Sources				
Transfer In	6,616,164	7,308,666	7,308,666	7,032,000
Transfer Out	-	-	-	-
Total - Other Financing Sources	6,616,164	7,308,666	7,308,666	7,032,000
NET CHANGE IN FUND BALANCE	2,500	2,500	2,500	(61,283)
Beginning Fund Balance	29,764	59,578	59,578	62,078
Ending Fund Balance	59,578	62,078	62,078	795

Fund Description

The Utility Debt Service Fund tracks the revenue set aside for the retirement of certificates of obligation issued for utility improvements. The fund also tracks the payment of principal and interest for outstanding bond obligations. Utility Debt Service is paid using revenues generated by the provision of water and sewer service. The approximate amount needed to pay principal and interest related to the City's indebtedness is transferred in from the Utility Fund.

Revenues

Revenues are transferred in from the Utility Fund totaling \$7,032,000, which is a decrease from the FY 2018-19 Budget. A portion of the debt service is paid using impact fees that are used for debt service payments for eligible capital projects. Debt service requirements are paid using water and wastewater user fees and other collected revenue.

Expenses

Debt service payments are generally made in February and August of each year. Expenses include principal reduction \$2,469,694 and interest \$4,621,089 on existing obligations. The decrease in overall expenses for the proposed budget year FY 2019-20 over FY 2018-19 is due to some of the older obligations being paid down.

Budget Variances

Only the annual debt service requirement is transferred to the Utility Debt Service Fund each year. The Debt Analysis Section provides more information regarding the City's outstanding and proposed debt issuances.

UTILITY CAPITAL REPLACEMENT FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Sale of Assets	-	-	-	-
Interest and Other	-	-	-	-
Total - Revenues	-	-	-	-
Expenses				
Vehicles	-	-	-	-
Machinery and Equipment	-	-	-	-
Total - Expenses	-	-	-	-
Other Financing Sources				
Transfer In	50,000	50,000	50,000	-
Transfer Out	(45,833)	-	-	-
Total - Other Financing Sources	4,167	50,000	50,000	-
NET CHANGE IN FUND BALANCE	4,167	50,000	50,000	-
Beginning Fund Balance	350,000	354,167	354,167	404,167
Ending Fund Balance	354,167	404,167	404,167	404,167

Fund Description

The Capital Replacement Fund was created to track the cost of replacing aged and worn capital assets including vehicles and equipment and begin setting aside funds to replace aging equipment. The recently hired Fleet Manager is creating a replacement schedule for vehicles and equipment.

Revenues

No transfer is budgeted for FY 2019-20 to the Utility Capital Replacement fund. Once a replacement schedule is implemented transfers will resume.

Expenses

Expenses will include replacement equipment and machinery used by the City's utility system. The City plans to build up the fund balance to be used to replace aging and worn capital assets.

Budget Variances

This fund was created in Fiscal Year 2010. Fund balance is expected to increase over the next few years as the City sets aside funds to replace aging assets.

IMPACT FEES FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Water Impact Fees	379,046	782,496	450,000	782,500
Wastewater Impact Fees	453,844	722,304	550,000	717,500
Total - Revenues	832,890	1,504,800	1,000,000	1,500,000
Expenses				
Capital Improvements				
Water	-	-	-	-
Wastewater	-	-	-	-
Debt Service	-	-	-	-
Total - Expenses	-	-	-	-
Other Financing Sources				
Transfer In	-	-	-	-
Transfer Out	-	(1,504,800)	(1,000,000)	(1,500,000)
Total - Other Financing Sources	-	(1,504,800)	(1,000,000)	(1,500,000)
NET CHANGE IN FUND BALANCE	832,890	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	832,890	-	-	-

Fund Description

The Impact Fees Fund is used to manage the collection and use of impact fees for the City's Water and Wastewater Capital Improvement Projects. The City began collecting impact fees in the fall of 2006. The Impact Fee Study was last conducted in 2013. The City transfers collected impact fees to the Utility Fund to help pay for debt service related to capital projects. Any fund balance left at the end of the year is due to the timing of collections.

Revenues

Revenues are calculated based on anticipated development of subdivisions and commercial sites. Impact fees are assessed at the time a property is platted and paid at the time the building permit is issued. Impact fee collections are expected to increase in line with the increase in new growth currently occurring in Hutto. The City currently assesses the following impact fees:

For lots platted prior to February 2013:

*Water - \$3,625 per service unit equivalent
unit equivalent*

Wastewater - \$2,128 per service unit equivalent

For lots platted after February

Water - \$4,363 per service

*Wastewater - \$1,068 per service unit
equivalent*

Expenses

Eligible impact fee collections will be transferred to the Utility Fund to support eligible debt service payments.

Budget Variances

The Impact Fee Fund was created in 2008 to appropriately account for revenues and expenses related to impact fees under Chapter 395 of the Texas Water Code. Collected impact fees are transferred to the Utility Fund for eligible expenses.

COURT FEES FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Court Technology Fees	6,232	7,000	7,000	3,500
Court Security Fees	4,674	5,100	5,100	5,100
Court Training Fees	353	500	500	500
Total - Revenues	11,258	12,600	12,600	9,100
Expenses				
Court Technology	12,515	13,000	13,000	-
Court Security	11,340	19,750	19,750	250
Court Training	-	500	-	-
Total - Expenses	23,855	33,250	32,750	250
Other Financing Sources				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
Total - Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	(12,597)	(20,650)	(20,150)	8,850
Beginning Fund Balance	26,947	2,704	2,704	(8,800)
Ending Fund Balance	14,350	(17,946)	(17,446)	50

Fund Description

The Court Fees special revenue fund tracks fees that are allowed to be collected on certain Class C Misdemeanors in Municipal Court. These fees must only be used for specific purposes outlined in the law, including Court Security, Technology, and Training.

Revenues

Court fees are special Municipal Court revenues collected in accordance with state law to enhance Court security, technology, and training. A total of \$9,100 has been budgeted for FY2019-20.

Expenses

The special revenues may only be used for expenses related to Court technology, security, and training. Only \$250 is budgeted as the funds were depleted in the previous year for the warrant officer.

Budget Variances

The Court Fee Funds summary includes Court Technology, Security, and Training Funds. Fund balance will fluctuate depending on the timing of projects.

HOTEL TAX FUND

	2017-18 Actual	2018-19 Actual	2018-19 Projected	2019-20 Budget
Revenues				
Hotel Occupancy Tax	118,921	139,577	250,000	250,000
Miscellaneous Income	-	-	-	-
Total - Revenues	118,921	139,577	250,000	250,000
Expenses				
Historical Restoration & Museums	-	-	-	-
Convention & Visitor's Bureau (10-15%)	-	-	5,000	5,000
Promotion of the Arts (>15%)	3,665	-	-	-
Advertising	77,000	-	-	-
Sporting Event Promotion	131,250	-	-	-
Sports Facility Rehabilitation	-	-	-	-
Signage	-	-	-	-
Total - Expenses	211,915	-	5,000	5,000
Other Financing Sources				
Transfer In	-	-	-	-
Transfer Out	-	-	(250,000)	(250,000)
Total - Other Financing Sources	-	-	(250,000)	(250,000)
NET CHANGE IN FUND BALANCE	(92,994)	139,577	(5,000)	(5,000)
Beginning Fund Balance	168,805	75,811	75,811	70,811
Ending Fund Balance	75,811	215,388	70,811	65,811

Fund Description

The Hotel Occupancy Tax Fund was created in 2008 to better manage revenue and expenses related to the Hotel Occupancy Tax collected by the City of Hutto. State law stipulates special restrictions for the expenditure of Hotel Occupancy Tax revenue. The City Council adopted a Hotel Tax Use Policy in 2009 defining how hotel tax revenues may be used. The Policy stipulates that funds may be used for any of the following functions so long as the action aids in bringing overnight tourists to Hutto:

- Convention and Visitor's Bureau functions - 15%
- Promotion of the Arts - 15%
- Historical Restoration and Museums - No limit
- Sporting Event Promotion - No limit
- Enhancement of Existing Sports Facilities - No limit
- Signage (directional signage for tourists) - No limit

Revenues

Revenues represent the 7% Hotel Occupancy Tax allowed by state law. The City's first major hotel opened in 2008. A second hotel opened in 2015, increasing the City's hotel tax collections.

Expenses

The City implemented a Hotel Tax Use Policy in 2009 to outline how hotel/motel tax revenues may be used in accordance with state law. In 2014 the Hotel Tax Use Policy was amended to allow for businesses intending to promote the City of Hutto to visitors through a public project or event to also apply for funding. The application process has been revised to have applicants apply during a designated time annually rather than throughout the year, allowing for improved budgetary planning and further clarification to applicants. The application packet has also been modified to include a cover letter, overview, checklist, application revisions, a copy of Chapter 35I of the Texas Tax Code, and a lodging directory. Funding is at the discretion of the City Council. The Downtown and Tourism Manager oversees the use of the funds in accordance with state law and city policy.

\$5,000 is spent on Convention and Visitor's Bureau. The fund supports expenses incurred on an annual webpage for Hutto on www.TourTexas.com, which allows the City to receive visitor leads and mail brochures when requested. The Economic & Convention department utilizes the additional funding for printing brochures, online banner ads on Tour Texas, as well as other placed ads (such as in the Houston House & Home), to market events such as Christmas Fair/Old Town Christmas Weekend and the Home & Garden Show. In the FY 2018-19 Projected Year-End Budget and FY 2019-20 Budget (through a transfer to a special events special revenue fund), the City has committed \$250,000 to promote the KOKE FEST. The first festival was held in August 2017 and brought more than 5,000 attendees to the City. The City and KOKE FM committed to a seven-year agreement to continue the festival and it will continue for six more years. The first year was held at the Gin Co-Op, and beginning in FY 2018-19, it was held and will continue to be held at the Park at Brushy Creek, which houses a 10,000-seat amphitheater and other amenities.



Budget Variances

Actual expenses will be based on applications from community organizations for use of the funds.

PEG FUND

	2017-18 Actual	2018-19 Amended	2018-19 Projected	2019-20 Budget
Revenues				
PEG Capital Fees	48,933	37,595	37,595	38,723
Total - Revenues	48,933	37,595	37,595	38,723
Expenses				
Technology Equipment and Supplies	36,228	52,350	44,888	75,000
Professional Services	-	12,000	4,219	25,500
Communication Services	-	-	-	-
Total - Expenses	36,228	64,350	49,107	100,500
NET CHANGE IN FUND BALANCE	12,705	(26,755)	(11,512)	(61,777)
Beginning Fund Balance	81,790	113,089	113,089	101,577
Ending Fund Balance	94,495	86,334	101,577	39,800

Fund Description

The Public Education, and Government Channel Fund (PEG Fund) accounts for cable franchise fee payments used for the provision of a public educational, and governmental access channel in accordance with state law.

Revenues

The City of Hutto, through a state franchise agreement, receives franchise fees equal to 1% of gross cable provider revenues to support certain expenses in providing a public access channel. The estimated FY 2019-20 revenue of \$38,723 is a conservative estimate in growth based on historical revenue.

Expenses

Use of PEG revenues is regulated by state law. In short, the franchise fee may only be used to pay capital costs associated with operating a public access channel. With the construction of the new City Hall and larger City Council Chambers an increase in expenses was seen in both FY 2018-19 and again in FY 2019-20 to equip the Chambers for public broadcasting.

Budget Variances

The PEG Fund was created through a budget amendment in FY2014 to account for revenues and expenses in accordance with the state franchise agreement.

RED LIGHT CAMERA FUND

	2017-18 Actual	2018-19 Actual	2018-19 Projected	2019-20 Budget
Revenues				
Red Light Cameras	5,498	4,736	-	10,000
Grant Revenue	-	-	-	-
Total - Revenues	5,498	4,736	-	10,000
Expenses				
Attorney Services	2,235	702	4,000	4,000
Other Contracted Services	3,843	-	6,000	6,000
Pay to ATS	-	-	-	-
Other Supplies and Materials	-	-	-	-
Remittance to State	-	-	-	-
Total - Expenses	6,079	702	10,000	10,000
Other Financing Sources				
Transfer In	-	-	-	-
Transfer Out	-	-	-	-
Total - Other Financing Sources	-	-	-	-
NET CHANGE IN FUND BALANCE	(581)	4,034	(10,000)	-
Beginning Fund Balance	95,947	95,370	95,370	85,370
Ending Fund Balance	95,370	99,400	85,370	85,370

Fund Description

The Red-Light Camera Fund tracked revenues and expenses associated with the City's former red-light cameras. The City no longer uses the red-light cameras due to a determination that red-light camera usage was not legal.

Revenues

The City of Hutto occasionally received a payment from an older ticket issued.

Expenses

There are still some attorney service fees coming through this fund for defending the red light camera lawsuits.

SPECIAL EVENTS FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Special Event Revenue	-	250,000	250,000	250,000
Total - Revenues	-	250,000	250,000	250,000
Expenses				
Promotion of the Arts	-	500,000	500,000	500,000
Total - Expenses	-	500,000	500,000	500,000
Other Financing Sources				
Transfer In	-	250,000	250,000	250,000
Transfer Out	-	-	-	-
Total - Other Financing Sources	-	250,000	250,000	250,000
NET CHANGE IN FUND BALANCE	-	-	-	-
Beginning Fund Balance	-	-	-	-
Ending Fund Balance	-	-	-	-

Fund Description

The Special Events Fund is a special revenue fund used to account for the large events that are to be revenue generators at the new amphitheater that is being constructed at The Park at Brushy Creek. These events should be self-sustaining, and, as such, this fund will be used to track each event in order to determine profitability in regard to cash flows for each of the events.

Revenues

Revenues will consist of ticket sales, parking fees, fees charged to vendors and others to sell goods at the events as well as all other types of revenue associated with events such as concerts. Additionally, a portion of the hotel occupancy tax funds will be transferred over in the amount of \$250,000 to fund the KOKE Festival each year, which includes entertainment, advertising, and sporting events.

Expenses

Expenses will be comprised of the necessary costs associated with concerts and other events, including talent acquisition, staging needs, staffing, policing, etc.

PARK IMPROVEMENT FUND

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Interest	6,210	1,200	1,200	2,500
Park Land Fees	192,724	200,000	200,000	200,000
Total - Revenues	198,933	201,200	201,200	202,500
Expenses				
Park Improvements & Structures	-	30,000	30,000	-
Parks Master Plan	47,909	-	-	-
Total - Expenses	47,909	30,000	30,000	-
Other Financing Sources				
Transfer In	-	-	-	-
Transfer Out	-	(200,000)	(200,000)	-
Total - Other Financing Sources	-	(200,000)	(200,000)	-
NET CHANGE IN FUND BALANCE	151,024	(28,800)	(28,800)	202,500
Beginning Fund Balance	315,792	466,816	466,816	438,016
Ending Fund Balance	466,816	438,016	438,016	640,516

Fund Description

The Park Improvement Fund is used to account for funds received and expended for purchase of land, improvements, and construction of parks and recreational facilities.

Revenues

Revenues will consist of parkland fees received by developers in lieu of creating parks in their developments.

Expenses

Expenses will be comprised of the necessary costs associated with purchase of the land, improvements, and construction of parks and recreational facilities.

THE LANDING PID #5

	2017-18 Actual	2018-19 Budget	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues					
Interest	535	-	-	720	-
Miscellaneous Revenue	75,000	-	-	-	-
Total - Revenues	75,535	-	-	720	-
Expenses					
Attorney Services	-	-	-	2,009	-
Miscellaneous Expense	-	-	-	72,991	-
Professional Services	-	-	-	-	-
Total - Expenses	-	-	-	75,000	-
NET CHANGE IN FUND BALANCE					
	75,535	-	-	(74,280)	-
Beginning Fund Balance	-	75,535	75,535	75,535	1,255
Ending Fund Balance	75,535	75,535	75,535	1,255	1,255

Fund Description

The Landing PID #5 is used to account for funds received and expended for the administration of the Public Improvement District #5.

Revenues

Revenues will consist of developer receipts.

Expenses

Expenses will be comprised of the necessary costs such as attorney, professional fees and miscellaneous related expenses.

CROSS CREEK/MERITAGE PID #2

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Interest	356	-	900	-
PID Creation Revenue	50,000	-	55,000	-
Total - Revenues	50,356	-	55,900	-
Expenses				
Attorney Services	-	-	33,874	-
Miscellaneous Expense	-	-	-	-
PID Expense	-	-	50,000	-
Total - Expenses	-	-	83,874	-
NET CHANGE IN FUND BALANCE				
	50,356	-	(27,974)	-
Beginning Fund Balance				
	-	50,356	75,535	47,561
Ending Fund Balance				
	50,356	50,356	47,561	47,561

Fund Description

The Cross Creek/Meritage PID #2 is used to account for funds received and expended for the administration of the Public Improvement District #2.

Revenues

Revenues will consist of developer receipts.

Expenses

Expenses will be comprised of the necessary costs such as attorney, professional fees and miscellaneous related expenses.

THE CO-OP PID #1

	2017-18 Actual	2018-19 Budget	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues					
Interest	-	-	-	-	-
Miscellaneous Revenue	94,770	-	-	86,720	-
Total - Revenues	94,770	-	-	86,720	-
Expenses					
Attorney Services	113,326	-	-	83,805	-
Miscellaneous Expense	-	-	-	-	-
PID Expense	-	-	-	10,000	-
Total - Expenses	113,326	-	-	93,805	-
NET CHANGE IN FUND BALANCE					
	(18,556)	-	-	(7,085)	-
Beginning Fund Balance					
	-	(18,556)	(18,556)	(18,556)	(25,641)
Ending Fund Balance					
	(18,556)	(18,556)	(18,556)	(25,641)	(25,641)

Fund Description

The Co-Op PID #1 is used to account for funds received and expended for the administration of the Public Improvement District #1.

Revenues

Revenues will consist of developer receipts.

Expenses

Expenses will be comprised of the necessary costs such as attorney, professional fees and miscellaneous related expenses.

MUSTANG CREEK/PACKSADDLE PID #3

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Interest	-	-	-	-
Miscellaneous Revenue	-	-	75,000	-
Total - Revenues	-	-	75,000	-
Expenses				
Attorney Services	-	-	-	-
Miscellaneous Expense	-	-	-	-
PID Expense	-	-	-	-
Total - Expenses	-	-	-	-
NET CHANGE IN FUND BALANCE				
	-	-	75,000	-
Beginning Fund Balance				
	-	-	-	75,000
Ending Fund Balance				
	-	-	75,000	75,000

Fund Description

The Mustang Creek/Packsaddle PID #3 is used to account for funds received and expended for the administration of the Public Improvement District #3.

Revenues

Revenues will consist of developer receipts.

Expenses

Expenses will be comprised of the necessary costs such as attorney, professional fees and miscellaneous related expenses.

315/RSI/COTTON CREEK PID #4

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Interest	-	-	935	-
Miscellaneous Revenue	-	-	25,000	-
Total - Revenues	-	-	25,935	-
Expenses				
Attorney Services	-	-	1,078	-
Miscellaneous Expense	-	-	-	-
PID Expense	-	-	-	-
Total - Expenses	-	-	1,078	-
NET CHANGE IN FUND BALANCE				
	-	-	24,857	-
Beginning Fund Balance				
	-	-	-	24,857
Ending Fund Balance				
	-	-	24,857	24,857

Fund Description

The 315/RSI/COTTON CREEK PID #4 is used to account for funds received and expended for the administration of the Public Improvement District #4.

Revenues

Revenues will consist of developer receipts.

Expenses

Expenses will be comprised of the necessary costs such as attorney, professional fees and miscellaneous related expenses.

SPORTS HEALTH DISTRICT PID #6

	2017-18 Actual	2018-19 Current Budget	2018-19 Projected	2019-20 Budget
Revenues				
Interest	-	-	-	-
Miscellaneous Revenue	-	-	30,000	-
Total - Revenues	-	-	30,000	-
Expenses				
Attorney Services	-	-	24,525	-
Professional Services	-	-	2,900	-
PID Expense	-	-	-	-
Total - Expenses	-	-	27,425	-
NET CHANGE IN FUND BALANCE				
	-	-	2,576	-
Beginning Fund Balance				
	-	-	-	2,576
Ending Fund Balance				
	-	-	2,576	2,576

Fund Description

The Sports Health District PID #6 is used to account for funds received and expended for the administration of the Public Improvement District #6.

Revenues

Revenues will consist of developer receipts.

Expenses

Expenses will be comprised of the necessary costs such as attorney, professional fees and miscellaneous related expenses.

Enhancements

The FY 2019-20 Budget General Fund enhancements for personnel, equipment and vehicles is \$970,437. During the budget process departments turn in a base budget for the fiscal year, along with enhancement requests. Enhancements are considered items that would be above and beyond a base, or flat budget.

Fiscal Year 2019-2020 Summary - Enhancement Requests					
	Description of Request	Net Cost/(Income)		# FTEs	
		Requested	Approved	Requested	Approved
Human Resources					
	Compensation Study	75,000	48,000	-	-
Subtotal - Human Resources		75,000	48,000	-	-
Communications					
	Full-time Multimedia Specialist Intern	44,945	44,945	1.0	1.0
	Social Media Software	7,000	8,000	-	-
	Training & Development	5,000	5,000	-	-
Subtotal - Communications		56,945	57,945	1.0	1.0
Information Technology					
	Staff Growth - Increased IT Demand	73,171	60,000	-	-
	Planning: Disaster Recovery / Business Continuity / ITMP	49,999	50,000	-	-
Subtotal - Information Technology		123,170	110,000	-	-
Public Safety					
	One Sergeant and Two Traffic Officers (Positions will start last quarter of FY20)	279,544	78,917	3.0	3.0
	Clothing & Uniforms	15,000	15,000	-	-
	Technology Equipment	30,000	30,000	-	-
	Communication Equipment	15,000	25,655	-	-
	Patrol Equipment	16,000	16,000	-	-
	Three Patrol Vehicles	84,000	84,000	-	-
	Ten Communication Staff for Justice Center (Will start last quarter of FY20)	755,084	198,503	10.0	10.0
Subtotal - Public Safety		1,194,628	448,075	13.0	13.0
Parks					
	Removable Fence	1,500	1,500	-	-
	iPAD minis	1,500	1,500	-	-
	Vehicle	25,000	30,000	-	-
Subtotal - Parks		28,000	33,000	-	-
Recreation					
	Recreation Attendent	45,363	45,363	1.0	1.0
	Vehicles	100,000	30,000	-	-
Subtotal - Recreation		145,363	75,363	1.0	1.0
Fleet & Fleet Maintenance					
	Mechanic, Truck & Tools	99,027	99,027	1.0	1.0
Subtotal - Fleet & Fleet Maintenance		99,027	99,027	1.0	1.0
Facility & Facility Maintenance					
	Personnel, Machinery & Equipment	99,027	99,027	1.0	1.0
TOTAL		1,821,160	970,437	17.0	17.0

The FY 2019-20 Budget Utility Fund enhancements for personnel, equipment and vehicles is \$203,075. During the budget process departments turn in a base budget for the fiscal year, along with enhancement requests. Enhancements are considered items that would be above and beyond a base, or flat budget.

Fiscal Year 2019-2020 Summary - Enhancement Requests					
	Description of Request	Net Cost/(Income)		# FTEs	
		Requested	Approved	Requested	Approved
Public Works					
	Personnel - W&WW Utility Technicians	115,204	67,640	2.0	1.0
	Personnel - W&WW Utility Crewmen	200,491	85,435	4.0	1.0
	Equipment - W&WW Utility Crew Trucks	60,000	50,000	-	-
	Public Works	375,695	203,075	6.0	2.0
Resources Needed - Personnel, Equipment & Vehicles		375,695	203,075	6.0	2.0

FISCAL AND BUDGETARY POLICY

Amended March 21, 2019

OVERVIEW AND STATEMENT OF PURPOSE

The City of Hutto has an important responsibility to its citizens and customers to carefully account for public funds, to manage City finances wisely and to plan for the adequate funding of services desired by the public. The Fiscal and Budgetary Policy, as outlined below, is adopted by the City Council annually and considered the basis for financial management, planning and budget preparation. The policy guides both the City of Hutto and its component unit, the Hutto Economic Development Corporation.

The broad purpose of the Fiscal and Budgetary Policy is to enable the City to achieve and maintain a long-term stable and positive financial condition, and provide guidelines for the day-to-day planning and operations of the City's financial affairs. The City's financial management, as directed by this Policy, is based upon the foundation of integrity, prudent stewardship, planning, accountability and full disclosure.

The scope of this policy generally spans areas of financial planning, operating and capital budgeting, revenue management, expenditure control, asset management, pay philosophy, accounting and financial reporting, debt management and reserves. This is done in order to:

- A. Demonstrate to the citizens of Hutto, the City's bond holders, other creditors and the bond rating agencies that the City is committed to a strong fiscal operation;
- B. Provide a common vision for financial goals and strategies for current and future policy-makers and staff;
- C. Fairly present and fully disclose the financial position of the City in conformity to Generally Accepted Accounting Principles (GAAP); and
- D. Demonstrate compliance with finance-related legal and contractual practices in accordance with the Texas Local Government Code, bond covenants and other legal mandates.

FINANCIAL PLAN

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. Multi-year budgeting provides a means to identify the impact of implementing new programs and projects on future budgets. The Financial Plan is the City's long-range operations and capital plan. The plan includes all of the operating departments of the General Fund and Utility Fund as well as the Capital Improvement Funds of the City. The plan is reviewed and updated annually.

- A. **Capital Improvements Program** – The Capital Improvements Plan (CIP) outlines the major utility infrastructure, streets and drainage, facilities, parks and other improvements needed to serve the citizens, renovate and rehabilitate existing infrastructure and facilities, meet growth related needs and comply with state and federal regulations.
 - I. **Preparation** – The City Engineer, with the support of the Financial Services, coordinates the annual update and adoption of the multi-year CIP as a part of the annual budget process. In accordance with the City Charter (Charter, section 12.04), the CIP will be delivered to and reviewed by the Planning and Zoning Commission whose recommendation(s) will be presented to City Council. The CIP includes all costs associated with the design, rights of way, acquisition and construction of a project, as well as the estimated operating and maintenance costs, which impacts future operating budgets. The following guidelines will be utilized in developing the CIP:
 - Needed capital improvements and major maintenance projects are identified through life cycle system models, repair and maintenance records, and growth demands.
 - A team approach will be used to prioritize CIP projects, whereby City staff from all operational areas provide input and ideas relating to each project and its effect on operations.

- Citizen involvement and participation will be solicited in formulating the capital budget through website solicitation.
 - Review the existing City Master Plans to ensure capital improvement projects support the City's long-range goals.
2. Financing Programs – Where applicable, impact fees, assessments, pro-rata charges or other fees should be used to fund capital projects which have a primary benefit to specific, identifiable property owners. Short-term financing options, such as Capital Leasing, may also be considered. Long-term debt financing may also be explored to acquire major assets with an expected life equal to or exceeding the average life of the debt issue. Factors related to the issuance of debt will include the following:
- Legal constraints on debt capacity and financing alternatives,
 - Essentiality of the proposed capital improvement and the economic cost of delay,
 - Willingness and financial ability to pay for the capital improvement,
 - Determination of the ability to fund through a pay-as-you-go system,
 - Assess current interest rate environment for borrowing and investment, as well as other market conditions, and reserve requirements,
 - Financial condition of the City,
 - The types, availability and stability of revenues to be pledged for repayment of the debt,
 - Type of debt to be issued, and
 - The nature and asset life of the capital projects
3. Control – All capital project expenditures must be appropriated in the capital budget. The Chief Financial Officer or City Manager must certify the availability of resources before any right of way easement is negotiated or before any capital project contract is presented to the Council for approval.
4. Reporting – Periodic financial reports will be prepared to enable the Department Directors to manage their capital budgets and to enable Financial Services to monitor and control the budget as authorized. Capital project status reports will be provided to Council on a frequent basis.
- B. Operations Plan – The plan will include estimated operating expenses, the cost of new programs being contemplated, and staffing needs for the period.
- C. Revenues and Financing Plan – Financial Services will develop conservative, multi-year revenue forecasts based upon current and known future revenue streams. The Plan will illustrate the impact of the Capital and Operations Plans on the property tax rate, utility rates and other fees. Sensitivity analyses may be used in order to react to low-medium-high growth environments that would allow for more aggressive investment in infrastructure and conversely time to react to economic slowdown.
- D. Performance Measures – Department Directors will develop program performance measures to evaluate the impact of new programs and growth on the departments. Existing programs will also be evaluated as a part of the multi-year planning process and annual budget process to determine whether certain programs should continue to be funded. International City Managers' Association (ICMA) Insights program participation will be utilized to establish, track and compare performance measures.

ANNUAL OPERATING BUDGET

Budgeting is an essential element of the financial planning, control and evaluation process of municipal government. The "operating budget" is the City's annual financial operating plan. The annual budget includes all of the operating departments of the general fund, proprietary funds, debt service funds, special revenue funds and capital improvement funds of the City.

- A. **Planning** – The budget process will include City Council participation in the identification of major policy issues. The budget process will be an extension of the strategic planning process for the City and will allow for citizen input.
- B. **Preparation** – The Charter (Section 8.02) requires "On or before the 15th day of August each fiscal year, the City Manager shall submit to the City Council a budget for the ensuing fiscal year and an accompanying message." The City Council shall adopt the budget on or before the last day of the last month of the current fiscal year.
 - I. **Proposed Budget** – A proposed budget shall be prepared by the City Manager and delivered to the City Council per the City Charter.
 - a. In accordance with the Charter (Section 8.04), the budget shall provide a complete financial plan for the ensuing fiscal year, in a form the City Manager or Council deems desirable, and the budget shall include goals and objectives, a capital budget, enterprise funds and appropriations.
 - b. In accordance with the Charter (Section 8.05), the City will publish in a newspaper of general circulation in the City and on the City website, a general summary of the budget, as well as the date, time and location the budget will be available for public inspection. At a minimum, the publication notice must be provided at least two weeks prior to availability.
 - c. A copy of the proposed budget will be filed with the City Secretary upon submission to the City Council, which must be at least 30 days prior to the Council's vote.
 - 2. **Adoption** – City Council will hold a public hearing, and subsequently adopt by Ordinance the final budget. The budget will be effective for the fiscal year beginning October 1st.
 - 3. **Standards for Publication** – The City will utilize the criteria outlined in the Government Finance Officers Association (GFOA) Distinguished Budget Program for the presentation of the budget document. The budget document will be submitted annually to the GFOA for evaluation and consideration for the Distinguished Budget Presentation Award.
 - 4. **Budget Calendar** – The timeline for budget adoption is guided by City Charter and state Truth in Taxation laws. The deadline for the chief appraiser to certify appraisal rolls to taxing units is July 25. After certification, City Council must discuss the tax rate, and if the maximum rate under consideration will exceed the rollback rate or effective tax rate, they must take a record vote and schedule a public hearing. If required, a Notice of Public Hearing on Tax Increase must be published at least 7 days prior to the first public hearing. If required, the second public hearing must be no earlier than 3 days after the first public hearing and is also when the tax rate adoption meeting will be scheduled and announced (must be 3-14 days from the date of the second hearing). Notice of Tax Revenue Increase must be published before the meeting to adopt tax rate (at least seven days, if available). The meeting to adopt tax rate must be held 3-14 days after the second public hearing, and the tax rate must be adopted before September 30th.
- C. **Revenue Estimates** – In order to maintain a stable level of services, the City shall use a conservative, objective and analytical approach when preparing revenue estimates. The process shall include the analysis of probable economic changes and their impacts on revenues, historical collection rates and trends in revenues. This approach should reduce the likelihood of actual revenues falling short of budget estimates during the year, which could otherwise result in mid-year service reductions.
- D. **Balanced Budget** – The goal of the City is to balance the operating budget with current revenues, whereby, current revenues match and fund on-going expenditures/expenses. Excess balances in the

operating funds from previous years may be used for non-recurring expenditures/expenses or for capital expenditures.

- E. **Reporting** – Summary financial reports will be presented to the City Council monthly at a regular City Council meeting. These reports will be in a format appropriate to enable the City Council to understand the overall budget and financial status.
- F. **Control and Accountability** – Each Department Director, appointed by the City Manager, will be responsible for the administration of his/her departmental budget. This includes accomplishing the Goals and Objectives adopted as part of the budget and monitoring each department budget for compliance with spending limitations. Department Directors may request a transfer of funds within a department budget. All transfers of appropriation or budget amendments require either City Council or City Manager approval as outlined in Section V.C. Further expenditure control guidance is located in Section V of this policy.
- G. **Budget Amendments** – The *Charter (Section 8.07)* provides a method to amend appropriations. The City Council may authorize:
 - 1. **Supplemental Appropriations** – If the City Manager certifies that revenues are available in excess of those estimated in the budget, an amendment ordinance may be prepared for City Council approval.
 - 2. **Emergency Appropriations** – To meet public emergency affecting life, health, property, or the public peace, or to avoid a material cost or public expense, the City Council may adopt an emergency appropriation.
 - 3. **Reduction of Appropriations** – If at any time during the fiscal year it appears probable that expected revenues will be insufficient to finance expenditures for which appropriations have been authorized, the City Council may adopt an ordinance to reduce appropriations.
- H. **Contingency Appropriations** – The budget may include contingency appropriations within designated operating department budgets. These funds are used to offset anticipated but amount unknown expenditures, unexpected maintenance or other unanticipated expenses that might occur during the year, including insurance deductibles, unexpected legal expenses, and equipment repairs.
- I. **Outside Agency Funding** – The City Council may fund a number of outside agencies and organizations that provide core services for the citizens of Hutto. The amount of funding received by each agency depends upon Council direction and the availability of funds. The City Council may designate up to 0.75% of the estimated General Fund revenues during the budget process.
 - 1. **Funding Process** – A standardized process for application, review, monitoring, and reporting will be provided by the City. All agencies are required to submit applications for funding to the City during the budget process. Applications will include the following:
 - a. Information about the organization including organization's purpose, charter, board of directors, etc.
 - b. Copy of organization's financial policies
 - c. Copy of prior year's tax filing demonstrating non-profit status
 - d. Copy of prior year's audit or financial review for organizations whose operating budget exceeds \$100,000 annually
 - e. If applicable, a list and description of what prior year City funding was used for and program measures that indicate the increased success of the program due to the funding
 - 2. Funding of non-profit agencies through public funds require enhanced guidelines for spending and operations which shall include:
 - a. Funding will typically be used for specific programs, rather than for general operating costs, and demonstrates the program's sustainability beyond a three-year funding period.

- b. The City shall have the ability to review financial reports to monitor how public funds are utilized by an organization.
 - c. Other items may be addressed by the City Council as specified in each organization's Outside Agency Funding Agreement.
- 3. The Williamson County Crisis Center (Hope Alliance), Williamson County Children's Advocacy Center and the Williamson County and Cities Health District will be considered a budgeted line-item. All other outside agencies and organizations will go through the Outside Agency Funding process.
- 4. The City Council will review requests from other agencies and award based upon available funding. Applications will be evaluated on the following criteria:
 - a. Number of Hutto citizens served by the organization;
 - b. Type of service provided and whether other organizations in the community provide the service;
 - c. Availability of other funding sources for the organization;
 - d. Demonstration of ability to adhere to the guidelines outlined by this policy; and
 - e. The City Council prefers to allocate funding based upon the following guideline:
 - Education – 10%
 - Quality of Life – 30%
 - Social Services – 60%
 - Public Health and Safety – The City Council may provide additional funding above the designated 0.75% to support governmental organizations that provide public health and safety services to the Hutto Community. (For example, membership in the Williamson County and Cities Health District)

All funded agencies shall be required to submit quarterly reports with performance data unless otherwise specified.

- J. **Periodic Program Reviews** – The City Manager and Department Directors will periodically review programs for efficiency and effectiveness. Programs not meeting efficiency and/or effectiveness objectives shall be brought up to required standards or be subject to reduction or elimination.
- K. **Budget Contingency Plan** – The City will take immediate corrective action at any time during the fiscal year if an operating deficit is projected at year end. General guidelines for managing revenue shortfalls resulting from factors such as local and economic downturns that affect the City's revenue streams are:
 - I. **Immediate Action** – Once a budgetary shortfall is projected, the City Manager will take the necessary actions to offset any revenue shortfall with a reduction in current expenses. The City Manager may:
 - a. Freeze all new hire and vacant positions except those deemed to be a necessity
 - b. Review all planned capital expenditures
 - c. Delay all "non-essential" spending or equipment replacement purchases
 - 2. **Further Action** – If the above actions are insufficient to offset the revenue deficit and the shortfall continues to increase, the City Manager will further reduce operating expenses to balance the variance. The City Manager may ask Department Directors for recommendations on reductions of service levels in order to reduce expenditures to balance the budget. Any resulting service level reductions, including workforce reductions, will be addressed by the City Council.

REVENUE MANAGEMENT

- A. **Optimum Characteristics** – The City will strive for the following optimum characteristics in its revenue system:
 - I. **Revenue Adequacy** – The City should require there be a balance in the revenue system; i.e., the revenue base will have the characteristics of fairness and neutrality as it applies to cost of service, willingness to pay, and ability to pay.

2. Realistic and Conservative Estimates - Revenues will be estimated realistically, and conservatively, taking into account the volatile nature of various revenue streams.
 3. Administration - The benefits of a revenue source should exceed the cost of levying and collecting that revenue. Where appropriate, the City will use the administrative processes of State, Federal or County collection agencies in order to reduce administrative costs.
 4. Diversification and Stability - A diversified revenue system with a stable source of income shall be maintained. Diversification of revenue sources is intended to mitigate instabilities in revenue sources due to factors such as economic and weather variations.
- B. Other Considerations** - The following considerations and issues will guide the City in its revenue policies concerning specific sources of funds:
1. Non-Recurring Revenues - One-time or non-recurring revenues shall not be used to finance current ongoing operations. Non-recurring revenues shall be used only for non-recurring expenditures.
 2. Property Tax Revenues - All real and business personal property located within the City will be estimated at a collection rate of 98% of the taxable value for any given year based on the current appraisal supplied by the Williamson County Appraisal District.
 3. Investment Income - Earnings from investments will be distributed to the funds in accordance with the equity balance of the fund from which the invested monies were provided.
 4. User-Based Fees and Service Charges - For services associated with a user fee or charge, the direct and/or indirect costs of that service will be offset by a fee where possible. The City will review fees and charges at least every two to three years to ensure that fees provide adequate coverage for the cost of services. The City Council will determine how much of the cost of a service should be recovered by fees and charges.
 5. Utility Fund Rates - The City will review and adopt utility rates as needed to generate revenues required to fully cover operating expenses, meet the legal requirements of all applicable bond covenants and provide for an adequate level of working capital.
- Additionally, enterprise activity rates will include transfers to and receive credits from other funds as follows:
6. Administrative Cost Recovery - Administrative costs shall be charged to all funds for services of general overhead, such as administration, financial services, customer billing, legal and other costs as appropriate. These charges will be determined through an indirect cost allocation following accepted practices and procedures.
 7. Revenue Monitoring - Revenues as they are received will be regularly compared to budgeted revenues, variances will be investigated and if material will be included in the quarterly report to the City Council.

C. Funding Alternatives

1. Grants - The City shall seek to obtain grants which are consistent with the City's current and future priorities and objectives. The City Council must authorize acceptance of any grant funding. Potential grants will be examined for any matching requirements and the source of those requirements identified. Grant applications will be reviewed by Financial Services to ascertain funding sources, outcomes and other relevant information before the information is presented to the City Council. The City shall recover indirect costs to the maximum allowable by the funding source and may waive or reduce indirect costs if doing so will significantly increase the effectiveness of the grant. Grant-funded programs and associated positions will be terminated as directed by the City Council when grant funds are no longer available, unless alternate funding is identified.

2. Leases – The City may authorize the use of lease financing for certain operating equipment when it is determined that the cost benefit of such an arrangement is advantageous to the City. The accounting treatment of leases will change in 2020. The policy will be updated at that time.
3. Impact Fees – The City will impose impact fees as allowable under state law for both water and wastewater services. These fees will be calculated in accordance with statute and reviewed at least every two to three years. All fees collected will fund projects identified within the Fee study and as required by state laws.
- D. Liabilities and Receivables – Procedures will be followed to maximize discounts and reduce penalties offered by creditors. Current liabilities will be paid within 30 days of receiving the goods or services or invoice. Accounts Receivable procedures will target collection for a maximum of 30 days of service. Receivables aging past 120 days will be sent to a collection agency. The Chief Financial Officer is authorized to write-off non-collectible accounts that are delinquent for more than 180 days, provided proper delinquency procedures have been followed, and include this information in the annual report to the City Council.

EXPENDITURE POLICIES

- A. Appropriations – The point of budget control is at the department level budget for all funds. The Department Directors shall manage budgets to ensure that appropriations are not exceeded. Budgets are approved by the Council within a departmental or program budget category (personnel costs, supplies, maintenance, operations/maintenance and capital).
- B. Central Control – No recognized or significant salary or capital budgetary savings in any Department shall be spent by the Department Director without prior authorization from the City Manager. Budget savings realized in this manner can be transferred by the City Manager, without further Council action.
- C. Budget Transfers – The *Charter (Section)* provides that the City Manager may transfer balances within departments and programs. A Department Director may request a transfer between line items, or categories of items through the City Manager. Financial Services will make the adjustment upon approval from the City Manager.
- D. Purchasing – All City purchases of goods or services will be made in accordance with the City's current Procurement Policy and with State law. In accordance with Texas Local Government Code, Subchapter B, Sections 252.021 and 252.043, the City shall make award to the lowest responsible bidder or to the bidder who provides goods or services at the best value for the municipality. Council may delegate authority to a designated representative in determining the appropriate method of purchase. State law requires any purchase of goods or materials over \$50,000 be formally bid or procured through an approved cooperative. The City's Procurement Policy follows State Law by requiring multiple quotes for most purchases over \$3,000. The City's Procurement Policy requires all contracts greater than \$50,000 annually be approved by the City Council. The following shows a summary of approval requirements for purchases.
 - I. Local Preference – In accordance with Chapter 271.9051 of the Local Government Code, the City Council may choose to enter into a contract for construction services in an amount of less than \$100,000 or a contract for other purchases in an amount of less than \$500,000 with the lowest bidder, or the bidder whose principal place of business is in the municipality if the governing body determines that the local bidder offers the best combination of contract price and additional economic development opportunities, provided that this bid is within 5% of the lowest bid price received from the lowest bidder whose business is not within the City limits. The determination that the local bidder offers the City the best combination of contract price and additional local economic development opportunities will be made in writing.
 2. Interlocal Cooperation in Delivery of Services – In order to promote the effective and efficient delivery of services, the City shall work with other local jurisdictions to share on an

equitable basis the cost of services, to share facilities and to develop joint programs to improve service to its citizens.

3. Conflict of Interest – The City will comply with all conflict of interest requirements as mandated by the Texas Government Code and Local Government Code.
- E. Prompt Payment – All invoices approved for payment by the proper City authorities shall be paid within thirty (30) calendar days of receipt of goods or services or invoice date, whichever is later in accordance with State law. The City will take advantage of all purchase discounts, when possible.

PAY PHILOSOPHY

The City's goal as an employer is to attract and retain quality employees who provide exemplary public service to our community in an effective and efficient manner.

- A. Adequate Staffing – Staffing levels will be adequate for the operations and programs of the City to be conducted efficiently and effectively. In order to provide continuing services to a growing population, as well as add new services, staffing levels will be evaluated by the City Manager regularly to determine workloads. Workload allocation alternatives, such as contract labor and contracted services, will be explored before adding additional staff.
- B. Market Adjustments – The City shall utilize salary survey data, as well as compensation data from other benchmark cities, as a reference for making market-based adjustments. Market-based adjustments are based upon the job duties and job descriptions of the position, not on performance of the employee within the position. Benchmark cities are identified by the City Council based on parameters such as population, proximity to Hutto, growth rate, and tax base. The cities selected are: Belton, Cedar Park, Cibolo, Georgetown, Kyle, Leander, Little Elm, Pflugerville, Round Rock, Schertz, Seguin and Taylor.
- C. Merit Adjustments – The City utilizes a merit-based pay and step-pay plan as a part of the overall compensation system. Council may fund merit increases annually during the budget process to aid in retaining and rewarding quality employees for productivity and job performance. These merit-based adjustments are recommended by the employee's immediate supervisor and reviewed by both the Department Director and the City Manager. Employees may receive a merit increase upon approval of the City Manager based upon performance, or when other situations warrant this type of increase, such as a reclassification due to additional job duties.

CAPITAL MAINTENANCE AND REPLACEMENT

The City shall maintain a Capital Replacement Fund to provide financial resources to replace aging fleet and equipment. Only fleet and equipment included on the City's Fixed Assets inventory will be included on the replacement schedule. Funding will be set aside each year through the annual budget process to fund the future replacement of fleet and equipment.

ACCOUNTING, AUDITING AND FINANCIAL REPORTING

- A. Accounting – The City is responsible for the recording and reporting of its financial affairs, both internally and externally. The City's Chief Financial Officer is responsible for establishing the structure for the City's Chart of Accounts and for assuring that procedures are in place to properly record financial transactions and report the City's financial position.
- B. Audit of Accounts – In accordance with the *Charter Section 8.14*, an independent audit of the City accounts will be performed annually. The auditor is retained by and is accountable directly to the City Council.
- C. External Reporting – Upon completion and acceptance of the annual audit by the City's auditors, the City shall prepare a written Comprehensive Annual Financial Report (CAFR) which shall be presented to the City Council within 180 calendar days of the City's fiscal year end. The CAFR shall be prepared in accordance with GAAP and shall be presented annually to the GFOA for evaluation and consideration for the Certificate of Achievement in Financial Reporting. If City staffing limitations

preclude such timely reporting, the Chief Financial Officer will inform the City Council of the delay and the reasons therefore.

RISK AND ASSET MANAGEMENT

- A. **Risk Management** – The City will utilize programs to prevent and/or reduce the financial impact to the City due to claims and losses. Transfer of liability for claims through transfer to other entities through insurance and/or by contract will be utilized where appropriate. Prevention of loss through the safety program and the employee health program will be employed.
- B. **Investments** – The City Council has formally approved a separate Investment Policy for the City of Hutto that meets the requirements of the Public Funds Investment Act (PFIA), Section 2256 of the Texas Government Code. This policy is reviewed annually by the City Council and applies to all financial assets held by the City.
- C. **Cash Management** – The City shall maintain a comprehensive cash management program to include the effective collection of all accounts receivable, the prompt deposit of receipts to the City's depository, the payment of obligations, and the prudent investment of idle funds in accordance with this policy.

X. DEBT MANAGEMENT

The City of Hutto recognizes the primary purpose of capital facilities is to support provision of services and mobility to its residents. Using debt financing to meet the capital needs of the community must be evaluated according to efficiency and equity. Efficiency must be evaluated to determine the highest rate of return for a given investment of resources. Equity is resolved by determining who should pay for the cost of capital improvements. In meeting demand for additional services, the City will strive to balance the needs between debt financing and "pay as you go" methods. The City realizes that failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects on the City's long-range financial condition.

The City will issue debt only for the purpose of acquiring or constructing capital assets, including equipment, for the general benefit of its citizens and to allow it to fulfill its various purposes as a city.

- A. **Usage of Debt** – Long-term debt financing will be considered for multi-year capital improvements of which future citizens will benefit. Alternatives for financing will be explored prior to debt issuance and include, but not limited to:

- Grants
- Use of Reserve Funds
- Use of Current Revenues
- Contributions from developers and others
- Leases
- Impact Fees

When the City utilizes long-term financing, it will ensure that the debt is soundly financed by conservatively-projected revenue sources. The financing period will not exceed the useful life of the improvement and the cost benefit of the improvement, including interest costs, will be positive to the community.

B. **Types of Debt** –

- I. **General Obligation Bonds (GO)** – General obligation bonds must be authorized by a vote of the citizens of Hutto. They are used only to fund capital assets of the general government and will not to be used to fund operating needs of the City. The full faith and credit of the City as well as the City's ad valorem taxing authority back general obligation bonds. Conditions for issuance of general obligation debt include:

- When the project will have a significant impact on the tax rate;
- When the project may be discretionary or nonessential even though it is routine in nature; or

- When the project falls outside the normal bounds of projects the City has typically done.
2. Certificates of Obligation, Contract Obligations (CO) – Certificates of obligation or contract obligations may be used to fund capital requirements that are not otherwise covered either by general obligation or revenue bonds. Debt service for CO bonds may be either from general revenues (tax-supported) or supported by a specific revenue stream(s) or a combination of both. Typically, the City may issue CO bonds when the following conditions are met:
 - When the proposed debt will have minimal impact on future effective property tax rates;
 - When the projects to be funded are within the normal bounds of city capital requirements, such as for roads, parks, various infrastructure and City facilities; and
 - When the average life of the obligation does not exceed the useful life of the asset(s) to be funded by the issue; or
 - When the project or capital item is determined to be nondiscretionary or essential to the City.

Certificates of obligation will be used with prudent care and judgment by the City Council. Every effort will be made to ensure public participation in decisions relating to debt financing.

3. Self-supporting General Obligation Debt – Refers to general obligation debt including CO bonds issued for a specific purpose and repaid through dedicated revenues other than ad valorem taxes. The annual debt requirements are not included in the property tax calculation. The Utility Fund issues this type of debt.
 4. Internal Borrowing between City funds – The City can authorize use of existing long-term reserves as “loans” between funds. The borrowing fund will repay the loan at a rate consistent with current market conditions. The loan will be repaid within ten (10) years. The loan will be considered an investment of working capital reserves by the lending fund.
 5. Short-term Borrowing – The City may authorize the issuance of Public Property Finance Contractual Obligations (PPFCOs) or Limited Tax Notes (Notes) which are short-term obligations for the acquisition of personal public property, such as equipment. PPFCOs and Notes are payable from either ad valorem taxes or another dedicated revenue stream. Each issuance will be assessed to ensure cost effectiveness and the repayment schedule will not exceed the useful life of the asset. Multiple equipment acquisitions can and should be grouped in a single PPFCO or Note issue in order to develop economies of scale. Notes are limited to a 7-year term.
 6. Revenue Bonds – Revenue bonds may be issued to provide for the capital needs of any activities where the capital requirements are necessary for the continuation or expansion of a service. The improved activity shall produce a revenue stream to fund the debt service requirements. The average life of the obligation should not exceed the useful life of the asset(s) to be funded by the bond issue and will generally be limited to no more than twenty (20) years.
- C. Method of Sale – The City will use a competitive bidding process in the sale of bonds unless conditions in the bond market or the nature of the issue warrant a negotiated sale. In such situations, the City will publicly present the reasons for the negotiated sale. The City will rely on the recommendation of a financial advisor and Chief Financial Officer in the selection of the underwriter or direct purchaser.
 - D. Disclosure – Full disclosure of operating costs along with capital costs will be made to the bond rating agencies and other users of financial information. The City staff, with assistance of the financial advisor and bond counsel, will prepare the necessary materials for presentation to the rating agencies and will aid in the production of the Preliminary Official Statements. The City will take responsibility for the accuracy of all financial information released.
 - E. Federal Requirements – The City will maintain procedures to comply with arbitrage rebate and other Federal requirements.

- F. **Debt Structuring** – The City will issue bonds with maturity not to exceed the useful life of the asset acquired. The structure should approximate overall level debt service and tax rate or revenue source stability unless operational matters dictate otherwise. Market factors, such as the effects of tax-exempt designations, the cost of early redemption options and the like, will be given consideration during the structuring of long-term debt instruments.
- G. **Debt Coverage Ratio** – Refers to the number of times the current combined debt service requirements or payments would be covered by the current operating revenues net of on-going operating expenses of the City's Utility. The City will maintain a minimum debt service coverage ratio of 1.0 times for these utilities as a whole.
- H. **Reimbursement Resolutions** – The City may utilize reimbursement resolutions for debt financings as a tool to manage its debt issues, due to arbitrage requirements and project timing. In so doing, the City uses its capital reserve "cash" to delay bond issues until such time when issuance is favorable and beneficial to the City.

XI. FINANCIAL CONDITIONS, RESERVES, AND STABILITY RATIOS

The City of Hutto will maintain budgeted minimum reserves in the ending working capital/fund balances to provide a secure, healthy financial base for the City in the event of a natural disaster or other emergency, allow stability of City operations should revenues fall short of budgeted projections and provide available resources to implement budgeted expenditures without regard to actual timing of cash flows into the City.

- A. **Operating Reserves** – In accordance with the Charter Section 8.04, the City is mandated to maintain a 10% reserve. Per the Fiscal and Budgetary policy, the City will maintain emergency reserves at a minimum of 20% of net budgeted operating expenditures. Net budgeted operating expenditure is defined as total budgeted expenditures less interfund transfers and charges, general debt service (tax supported), direct cost for purchased power and payments from third party grant funds.

- 1. **General Fund** – The unobligated fund balance in the General Fund should equal at least 20%.
- 2. **Utility Fund** – Working capital reserves in these funds should be 20%.

Reserve requirements will be calculated as part of the annual budget process and any additional required funds to be added to the reserve balances will be appropriated within the budget. Funds in excess of the minimum reserves may be expended for City purposes at the will of the City Council once it has been determined that use of the excess will not endanger reserve requirements in future years.

- B. **Capital Project Funds** – Every effort will be made for all monies within the Capital Project Funds to be expended within thirty-six (36) months of receipt. The fund balance will be invested, and income generated will offset increases in construction costs or other costs associated with the project. Capital project funds are intended to be expended totally, with any unexpected excess to be transferred to the Debt Service fund to service project-related debt service.
- C. **Debt Service Funds for Ad Valorem Tax Obligations** – This fund holds receipts from ad valorem property taxes levied to pay debt service on outstanding ad valorem tax obligations. Due to the nature of the source of funds, monies held within this fund are stable. Balances are maintained in this fund to ensure that debt service payments may be made in a timely manner and to comply with ordinances authorizing such outstanding debt obligations.
- D. **Investment of Reserve Funds** – The reserve funds will be invested in accordance with the City's investment policy.
- E. **Sales Tax Excess** – Due to the volatile nature of sales tax revenue, collections over and above the estimated sales tax revenue amount should be used to fund non-recurring expenses, such as (but not limited to) equipment purchases, capital improvement projects, or transfers to the capital replacement fund.

HUTTO BOARDS & COMMISSIONS

Hutto Economic Development Corporation. Voters approved the creation of the 4A Hutto Economic Development Board in May 1996. The Board makes recommendations to the Council on the use of a 1/2 cent 4A Sales Tax to support economic development. Board members are appointed by the Council. All corporate powers are under the authority of the Board of Directors. The Board shall consist of seven (7) persons, with terms of each director seat being for three (3) years.

Historic Preservation Commission. The Historic Preservation Commission makes recommendations to the Council in regard to designation of historic sites or districts within the City. Members are appointed by the Council. Five (5) members are appointed for staggered terms of two (2) years. A member of City staff, appointed by Council, shall serve as an ex-officio member and as secretary to the Commission and act as the Local Preservation Officer.

Parks Advisory Board. The Parks Advisory Board makes recommendations to the Council in regard to park and recreational developments. Members are appointed by the Council. The Board shall consist of seven (7) members.

Library Advisory Board. The Library Advisory Board makes recommendations to the Council in regard to the City's Library operations.

Planning & Zoning Commission. The Planning and Zoning Commission makes recommendations to the Council in regard to zoning changes as well as the growth and development of the City. The Planning and Zoning Commission also annually makes recommendations to the City Council regarding the City's Five-Year Capital Improvements Plan. Members are appointed by Council. Seven (7) members serve on the Commission.

Zoning Board of Adjustments. The Board hears and decides appeals in regard to complaints made towards a City Administrative Officer, Department or Board. The Board also acts on applications submitted for variance or special exception to City zoning regulations. Five (5) members are appointed by the Council.

Hutto Ethics Commission. The Hutto Ethics Commission was created in 2007 to render advice and opinions on potential conflicts of interest or violations at the request of a City official. The Commission consists of five (5) members appointed by the City Council to staggered terms of two (2) years, all of whom shall reside in the City. All vacancies filled for the unexpired term and all members shall hold office until successor is appointed by the Council.

Building and Standards Commission. The Hutto Building and Standards Commission was created in 2015 to hear appeals and render decisions upon rulings by the building official when requests for modification or a variation have been made and denied. The commission will also serve as the fire code board of appeals.

GLOSSARY

This document contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader, a budget glossary follows:

ACCRUAL BASIS. The basis of accounting under which transactions are recognized when they occur, regardless of the timing of related cash flows.

ACCRUED EXPENSES. Expenses incurred but not due until a later date.

AD VALOREM TAXES. (Current) All property, real personal, mixed tangible, intangible, annexations, additions, and improvements to property located within the taxing unit's jurisdiction that are subject to taxation on January 1 of the current fiscal year. Following the final passage of the appropriations ordinance, the City Council sets the tax rate and levy for the current fiscal year beginning October 1 and continuing through the following September 30.

AD VALOREM TAXES. (Delinquent) All taxes are due on receipt of bill and are delinquent if not paid before February 1st of the fiscal year in which it is imposed.

AD VALOREM TAXES. (Penalty and Interest) A delinquent tax incurs a penalty of six (6%) percent of the amount of the tax for the first calendar month it is delinquent, plus one (1%) percent for each additional month of portion of the month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent.

APPROPRIATION. A legal authorization granted by a legislative body to make expenditures and to incur obligations for specific purposes.

ASSESSED VALUATION. A value that is established for real or personal property for use as a basis for levying property taxes. (Note: Property values are established by the Williamson County Appraisal District.)

ASSET. Resources owned or held which have monetary value.

AUDIT. A comprehensive review of the manner in which the government's resources were actually utilized. A certified public accountant issues an opinion over the presentation of financial statements, tests the controls over the safekeeping of assets and makes recommendations for improvements where necessary.

BASE BUDGET. The on-going expense for personnel, operating services and the replacement of supplies and equipment to maintain service levels. The base budget does not include new programs or projects, which are approved on an individual basis.

BOND. A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of the principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects (such as buildings, streets, and water and sewer improvements).

BUDGET. A financial plan of projected resources and proposed expenditures for a given period.

BUDGET CALENDAR. The schedule of key dates or milestones that the City follows in the preparation, adoption, and administration of the budget.

BUDGET CATEGORY. A group of expenses related by function. The City uses five budget categories including: Salaries and Benefits, Supplies and Materials, Repair and Maintenance, Other Services and Charges, and Capital Outlay.

BUDGET CONTINGENCY PLAN. The Fiscal and Budgetary Policy outlines operating procedures for managing revenue shortfalls resulting from factors such as local and economic downturns.

BUDGETED FUNDS. Funds that are planned for certain uses but have not been formally or legally authorized by the legislative body. The budget document that is submitted for Council approval is composed of budgeted funds.

CAPITAL EXPENDITURES. Outflows of spend-able resources for the acquisitions of long-term assets.

CAPITAL IMPROVEMENTS PLAN. A five-year planning document that outlines the capital projects within the next five years and includes information regarding funding, project description and scheduling, and status. The City Council annually adopts a CIP as part of the budget process.

CAPITAL OUTLAYS. Expenditures that result in the acquisition of or addition to fixed assets.

CASH BASIS. A basis of accounting under which transactions are recognized only when cash changes "hands".

CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN). The jurisdictional boundary of the City's water and/or wastewater service area.

CERTIFICATES OF OBLIGATION. See definition of bond.

CHARRETTE. A facilitated planning retreat process that brings together multiple parties to create initial ideas and designs for projects.

CONTINGENCY. A budgetary appropriation reserve set aside for emergencies or unforeseen expenditures not budgeted.

CONTINGENCY RESERVES. A portion of the budgeted ending fund balance or working capital that is not available for appropriation. The intent of the reserves is to provide flexibility, should actual revenues fall short of budgeted revenues and to provide adequate resources to implement budgeted expenditures without regard to the actual cash flow of the fund.

COST ACCOUNTING. That method of accounting that provides for assembling and recording of all the elements of cost incurred to accomplish a purpose, to carry on an activity or operations, or to complete a unit of work or a specific job.

CURRENT TAXES. Taxes that are levied and due within the current year.

DEBT SERVICES. Principal and interest obligations for bonds and other debt instruments according to a pre-determined payment schedule.

DEFICIT. (1) The excess of the liabilities of a fund over its assets. (2) The excess of expenditures over revenues during an accounting period; or, in the case of proprietary funds, the excess of expense over income during an accounting period.

DELINQUENT TAXES. Taxes that remain unpaid on and after the date on which a penalty for non-payment is assessed.

DEPARTMENT. An administrative segment of the City consisting of multiple divisions that is organized by function and service provided.

DEPRECIATION. The process of estimating and recording the lost usefulness, expired useful life or diminution of service from fixed asset that cannot or will not be restored by repair and will be replaced. The cost of the fixed asset's lost usefulness is the depreciation, or the reserve cost, in order to replace the item at the end of its useful life.

DIVISION. A separately budgeted segment of a department.

EFFECTIVE TAX RATE. The effective tax rate is the tax rate required to produce the same amount of taxes for the current year as the previous year. The rate is calculated by subtracting taxes on property lost this year from

the prior year's taxes total. This number is divided by the current value of property taxed in the prior year. Multiplying this number by 100 will produce the effective tax rate.

ENCUMBRANCES. Commitments related to unperformed (executory) contracts for goods or services.

ENHANCEMENTS. Newly requested budgeted amounts that will result in a new or expanded level of service over the previous year.

ETJ. The Extra-Territorial Jurisdiction is the contiguous area just beyond the city limits where a city may apply its development standards and regulations. A city's ETJ is determined by population.

ESD#3. Williamson County Emergency Services District #3 provide fire protection services to the Hutto area. The entity is independent of the City and levies a maximum ad valorem tax of \$0.1 per \$100 of property valuation. The organization is also referred to as "Hutto Fire and Rescue." The City has an interlocal agreement with the organization for services provided to the Hutto citizens

EXPENDITURE. This term refers to the outflow of funds paid or to be paid for an asset obtained or goods and services obtained regardless of when the expense is actually paid. This term applies to all funds. Note: An encumbrance is not an expenditure. An encumbrance reserves funds to be expended when goods or services are received.

EXPENSES. Charges incurred (whether paid immediately or unpaid) for operation, maintenance, interest and other charges.

FISCAL YEAR. The time period designated by the City signifying the beginning and ending period for recording financial transactions. The City of Hutto has specified October 1 to September 30 as its fiscal year.

FIXED ASSETS. Assets of a long-term character which are intended to continue to be held or used, such as land, building, and improvements other than buildings, machinery and equipment.

FRANCHISE FEE. This is a charge paid by businesses for the use of City streets and public right of way and is in lieu of all other municipal charges, fees, street rentals, pipe taxes or rentals, easement or other like franchise taxes, inspections fees, and/or charges of every kind except Ad Valorem and special assessment taxes for public improvements.

FULL-TIME EQUIVALENT. The numeric breakdown of city positions. A regular full-time employee (40 hours per week) equals one (1.0) full-time equivalent. Part-time positions are calculated as 0.5 full-time equivalents, and seasonal staff positions are considered 0.25 full-time equivalents.

FUND. An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. Eight commonly used funds in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

FUND BALANCE. Fund balance is the excess of assets over liabilities and is therefore also known as surplus funds.

GENERAL FUND. The fund used to account for all financial resources except those required to be accounted for in another fund.

GENERAL OBLIGATION BONDS. Bonds that finance a variety of public projects such as streets, building, and improvements. These bonds are backed by the full faith and credit of the issuing government.

GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP). Uniform minimum standards of and guidelines to financial accounting and reporting. These principles: govern the form and content of the basic financial statements of an entity; encompass the conventions, rules, and procedures necessary to define accepted

accounting practice at a particular time; include not only broad guidelines of general application, but also detailed practices and procedures; and, provide a standard by which to measure financial presentations.

GOVERNMENTAL FUNDS. Funds, within a governmental accounting system, that support general tax supported governmental activities.

GRANTS. Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

GROWTH GUIDANCE PLAN. The Growth Guidance Plan includes a statement of strategic priorities/policies adopted by the City Council that are intended to guide the growth and development of the City until 2030.

HOTEL/MOTEL TAX. Pursuant to State law, a tax is levied upon the cost of occupancy of any room or space furnished by any hotel/motel. The current rate of taxation is 13% (7% of which is paid to the City and budgeted for limited uses and 6% of which is collected by the State).

IMPACT FEES. Fees assessed to developers to help defray a portion of the costs that naturally result from increased development. By Texas law, these fees must be used for capital acquisition or debt service relating to capital projects.

INTERFUND TRANSFERS. Amounts transferred from one fund to another.

INTERNAL SERVICE FUND. A fund to account for any service that services other funds in the government.

INVESTMENTS. Securities and real estate held for the generation of revenue in the form of interest, dividends, rentals, or lease payments. The term does not include fixed assets used in governmental operations.

LEVY. (Verb) To impose taxes, special assessments, or special charges for the support of governmental activities. (Noun) The total amount of taxes, special assessments, or special charges imposed by a government.

LONG-TERM DEBT. Debt with a maturity of more than one year after the date of issuance.

MODIFIED ACCRUAL BASIS. The accrual basis of accounting adapted to the governmental fund type spending measurement focus. Under this basis, revenues are recognized when they become both "measurable" and "available to finance expenditures within the current period". Expenditures are recognized when the related fund liability is incurred except for: (1) inventories of materials and supplies which may be considered expenditures either when purchased or when used; (2) prepaid insurance and similar items which need not be reported; (3) accumulated unpaid vacation, sick pay, and other employee benefit amounts which need not be recognized in the current period, but for which larger-than-normal amounts which need not be recognized in the current period, but for which larger-than-normal accumulations must be disclosed in the notes to the financial statements; (4) interest on special assessment indebtedness which may be recorded when due rather than accrued, if approximately offset by interest earning on special assessment levies; and (5) principal and interest on long-term debt which are generally recognized when due.

OPERATING BUDGET. A plan of current year expenditures and the proposed means of financial acquisition, spending, and service delivery activities of government are controlled.

OPERATING TRANSFERS. All interfund transfers other than residual equity transfers.

ORDINANCE. A formal legislative enactment by the governing board of a municipality. If an ordinance is not in conflict with any higher form of law, such as a state statute of constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter is less formal and has a lower legal "status". Ordinarily, statutes or characters will specify or imply those legislative actions that must be by ordinance and those which may be by resolution. Revenue raising measures such as these required for imposition of taxes, special assessments and service charges, universally require ordinances.

PERFORMANCE MEASURES. Performance measures are specific quantitative and qualitative indicators that report on the progress of activities and goals. Measures include inputs (the resources required to complete objectives), outputs (the number of units produced), efficiency measures (the number of units produced per input), and outcome measures (the end result of the objective).

PROGRAM DESCRIPTION. A description of the nature of service delivery provided at a particular level of funding.

PROGRAM GOALS. Goals identify the end result the department/division desires to achieve with its activities, but goals are often ongoing and may not be achieved in one year.

PROPERTY TAX. Property taxes are levied on both real and personal property according to the property's valuation and the tax rate.

PROPRIETARY FUND. Funds, within a governmental accounting system, that operate like business entities. These funds are characterized as either enterprise or internal service funds.

RESERVE. A portion of fund restricted for a specific purpose and is, therefore, not available or recommended for general appropriation.

RETAINED EARNINGS. An equity account reflecting the accumulated earnings of an enterprise or internal service fund.

REVENUE BONDS. Bonds for which principal and interest are payable exclusively from earnings from an Enterprise Fund. In addition to a pledge of revenues, such bonds sometimes contain a mortgage on the Enterprise Fund's property.

REVENUES. (1) Increases in governmental fund type net current assets from other than expenditure refunds and residual equity transfers. Under NCGA Statement I, general long-term debt proceeds and operating transfers in are classified as "other financing sources" rather than revenues. (2) Increases in proprietary fund type net total assets from other than expense refunds, capital contributions, and residual equity transfers. Under NCGA Statement I, operating transfers in are classified separately from revenues.

SALES TAX. A general "sales tax" is levied on all persons and businesses selling merchandise in the City limits on a retail basis. The current sales tax rate for the City is 8.25% (with only 1.5% rebated to the City from the State).

SERVICE CHARGES. Service charges are allocated to all Enterprise Fund activities (e.g., water/sewer) for indirect management and administrative support provided by General Fund departments.

SURPLUS. The excess of the assets or resources of a fund over its liabilities or obligations.

TAXES. Compulsory charges levied by a government for the purpose of financing services performed for the common benefit of the public. This term does not include specific charges made against particular persons or property for current or permanent benefits such as special assessments (neither does the term include charges for services rendered only to those paying such charges as, for example, sewer service charges).

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY (TCEQ). The Texas Commission on Environmental Quality monitors the City's utility system for safety and compliance with state law.

TEA 2I. The Transportation Equity Act 2I provided grant funding to the City for the Cottonwood Trail Phase II project.

TEXAS WATER DEVELOPMENT BOARD (TWDB). The City of Hutto is seeking low-interest funding for the Brushy Creek Wastewater Interceptor capital project from the Texas Water Development Board's Clean Water Program.

UNENCUMBERED BALANCE. The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purchases.

WORKLOAD MEASURES. Workload measures reflect major activities of the division/department in terms of quantity of work accomplished. They should be able to be tracked with a reasonable amount of time and effort.

UNIFIED DEVELOPMENT CODE (UDC). The Unified Development Code is a comprehensive document that outlines all development related codes and ordinances for the City.

ACRONYMS & ABBREVIATIONS

APA. American Planning Association.

AP. Accounts Payable.

AR. Accounts Receivable.

ARRA. American Recovery and Reinvestment Act.

AWWA. American Waterworks Association.

BRA. Brazos River Authority.

CAFR. Comprehensive Annual Financial Report.

CAMPO. Capitol Area Metropolitan Planning Organization.

CAPCOG. Capitol Area Council of Governments.

CCN. Certificate of Convenience and Necessity (water and wastewater).

CDBG. Community Development Block Grant.

CIP. Capital Improvements Plan.

CMO. City Manager's Office Division.

CO BOND. Certificates of Obligation Bond.

COLA. Cost of Living Adjustment.

CTLS. Central Texas Library System

CWSRF. Clean Water State Revolving Fund.

EECBG. Energy Efficiency & Conservation Block Grant.

EIS. Executive Information Systems.

ESD#3. Emergency Services District Number 3.

ETR. The Effective Tax Rate.

ETJ. The Extra-Territorial Jurisdiction.

EWCHC. Eastern Williamson County Higher Education Center.

FTE. Full-time Equivalent.

FY. Fiscal Year.

GO BOND. General Obligation Bond.

GAAP. Generally Accepted Accounting Principles.

GASB. Governmental Accounting Standards Board.

GFOA. Government Finance Officers Association.

GGP. Growth Guidance Plan.

GIS. Geographic Information System.

GPD. Gallons per day.

GPS. Global Positioning System.

HEDC. Hutto Economic Development Corporation.

HISD. Hutto Independent School District.

HOT. Heart of Texas Water Supply.

HPC. Historic Preservation Commission.

HR. Human Resources.

I&S. Interest and Sinking.

ICMA. International City Managers Association.

IT. Information Technology.

ISF. Internal Service Fund

Jonah SUD. Jonah Service Utility District

KHB. Keep Hutto Beautiful Commission.

LCRA. Lower Colorado Rivera Authority.

LS. Lift Station.

MGD. Million gallons per day.

MOU. Memorandum of Understanding.

O&M. Operations and Maintenance.

ODP. Organizational Development Plan.

P&Z. Planning and Zoning Commission.

PAFR. Popular Annual Financial Report.

PID. Public Improvement District

PO. Purchase Order.

PY. Prior Fiscal Year

RFP. Request for Proposal.

RFQ. Request for Qualifications.

SCADA. Supervisory Control and Data Acquisition.

SECO. State Energy Conservation Office.

TCEQ. Texas Commission on Environmental Quality.

TEA 2I. The Transportation Equity Act for the 21st Century.

TIF/TRZ. Tax Increment Financing or Tax Re-investment Zone.

TLETS. Texas Law Enforcement Telecommunication System.

TML. Texas Municipal League.

TMLIRP. Texas Municipal League Intergovernmental Risk Pool.

TMRS. Texas Municipal Retirement System.

TSLA. Texas State Library Association.

TWC. Texas Workforce Commission.

TWDB. Texas Water Development Board.

TXDOT. Texas Department of Transportation.

UB. Utility Billing.

UCR. Uniform Crime Report.

UDC. Unified Development Code.

WCCAC. Williamson County Children's Advocacy Center.

WCCHD. Williamson County and Cities Health District.

WILCO. Williamson County.

WWTP. Wastewater Treatment Plant.

YAC. Youth Advisory Commission.

Regular City Council
AGENDA ITEM
6.B.



To: City Council Workshop
Subject: Consideration and possible action regarding Outside Agency Funding allocations.(Michel Sorrell)
Meeting: Regular City Council - 15 Aug 2019
Department: Finance
Staff Contact: Michel Sorrell

BACKGROUND INFORMATION:

The Outside Agency applicants are present at the August 15, 2019 City Council meeting to give their presentations for funding requests. The following are the funding requests from the applicants.

<u>Organization</u>	<u>Amount Requested</u>
Keep Hutto Beautiful	\$12,000.00
Hutto Education Foundation	\$15,000.00
Hutto Resource Center	\$68,000.00
Hutto Family YMCA-Srs	\$5,000.00
Hutto Family YMCA-campaign	\$10,000.00
The TSTC Foundation	\$25,000.00
Opportunities for WBC	\$10,000.00
A Legends Lyfe Foundation	\$5,000.00
The Sandbox at Madeline's Place	\$10,882.00
Round Rock Area Serving Ctr	\$10,000.00
Hutto Lutheran-Feeding 5000	\$15,000.00
TOTAL	\$185,885.00

FINANCIAL IMPACT:

City staff estimates of total of \$136,142 available for funding for outside agencies. This amount is based on .75% of estimated General Fund revenues. The outside agency application requests total \$185,885. Allocations are determined by the City Council and awarded on August 22, 2019 for the Fiscal Year 2019-2020 which begins October 1, 2019.

Outside Agency Funding

	2015-16 Approved	2016-2017 Approved	2017-18 Approved	2018-19 Approved	2019-20 Requests	Notes:
CASA Williamson County	-	-	-			
Hutto Has Heart	15,000	15,000	20,000	40,000	-	Now Hutto Resource Center
Hutto Community Food Pantry	8,000	9,000	10,000	13,200	-	Combined W/Hutto Has Heart now Hutto Resource Center
Hutto Resource Center					68,000	
Hutto Area Chamber of Commerce	12,500	10,500	25,000	25,000	-	FY19 Gave back to City to support EDC Efforts
Texas Success Scholarship Campaign Foundation	-	-		25,000	25,000	
Feeding the 5000 Program	-	-	10,000	12,000	15,000	
Round Rock Area Serving Center	10,000	5,000	10,000	10,000	10,000	
Williamson-Burnet County Opportunities (Meals on Wheels)	8,000		5,000	10,000	10,000	
Weekend LunchBox Program	3,000	6,000	15,000	-	-	
Keep Hutto Beautiful Foundation			3,634	10,000	12,000	
Hutto Education Foundation	-	2,500	5,000	5,000	15,000	
A Legends Lyfe Foundation	-	-	-	-	5,000	New Requestor
The Sandbox at Madeline's Place	-	-	-	-	10,882	New Requestor
Hutto Family YMCA - Seniors	-	-	-	-	5,000	New Program
Hutto Family YMCA-Campaign	-	-	-	-	10,000	New Program
Hutto Family YMCA - Annual	2,500	2,500	5,000	-	-	
Hutto Family YMCA - FNL	2,500	2,500	5,000	-	-	
Hutto Family YMCA - MEND	2,500	2,500	5,000	-	-	
TOTAL REQUESTED	66,500	55,500	118,634	150,200	185,882	
Outside Agency Available Funds = .75% of Revenues					136,140	
Under/(Over)					(49,742)	

PER FISCAL AND BUDGETARY POLICY THE ITEMS BELOW ARE NOW IN A BUDGETED LINE ITEM

	2015-16 Approved	2016-2017 Approved	2017-18 Approved	2018-19 Requested	2018-19 Recommended	Notes:
Social Services						
Williamson County Children's Advocacy Center	15,000	15,000	15,000	15,000	15,000	Budgeted Line Item Per Fiscal & Budgetary Policy
Williamson County Crisis Center (Hope Alliance)	15,000	15,000	15,000	15,000	15,000	Budgeted Line Item per Fiscal & Budgetary Policy
Social Services Total	30,000	30,000	30,000	30,000	30,000	
Public Safety						
WCCHD	49,750	49,750	49,750	56,005	56,005	Budgeted Line Item Per Fiscal & Budgetary Policy
Public Safety Total	155,185	155,185	155,185	56,005	56,005	
TOTAL BUDGETED LINE ITEM OUTSIDE AGENCY	185,185	185,185	185,185	86,005	86,005	
Under/(Over)						

Regular City Council
AGENDA ITEM
7.A.



To:

Subject: Consideration and possible action approving the minutes of the August 15, 2019 Regular Council Meeting

Meeting: Regular City Council - 22 Aug 2019

Department: City Secretary

Staff Contact: Lacie Hale, City Secretary



**CITY COUNCIL
MEETING MINUTES
AUGUST 15, 2019**

The Hutto City Council met in a regular session on Thursday, August 15, 2019, in Council Chambers, City Hall, 500 W. Live Oak, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Gaul called the session to order at 7:14 p.m.

ROLL CALL

Members of the City Council present were Mayor Doug Gaul, Mayor Pro-tem Tom Hines, Councilmember Scott Rose, Councilmember Mike Snyder, Councilmember Peter Gordon, Councilmember Patti Martinez and Councilmember Tanner Rose.

Members of staff that were present were Odis Jones, City Manager; Michel Sorrell, Assistant City Manager; Byron Frankland, Assistant City Manager; Paul Hall, Chief of Police; Michel Sorrell, Chief Financial Officer; Ashley Lumpkin, Executive Director Infrastructure & Development Services; Jessica Bullock, Director of Economic Development; Emily Parks, Assistant to the City Manager; Tony Host, Executive Director of Community Services; and Lacie Hale, City Secretary.

PLEDGE OF ALLEGIANCE

Mayor Gaul led the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENT

Ron McGee, of 609 Morning Dove,

Lucas Evans

Paul Martin

Andrew Bos

James Guzman

PUBLIC HEARING

- 6.A. Open and conduct the first public hearing to hear testimony regarding the proposed ad valorem tax rate.

Public Hearing was held from 7:39 pm to 7:39 pm. No one spoke.

No Council action was taken.

- 6.B. Consideration of a public hearing and possible action on the first reading of an ordinance amending the Code of Ordinances (2014 Edition), Chapter 16 , Article 16.02 Unified Development Code (UDC) Chapter 10 Section 10.202.2: Definitions, Section 10.605.3 and 10.605.10 General Provisions. (Ashley Lumpkin)

Public Hearing was held from 7:38 pm to 7:38 pm. No one spoke.

No Council action was taken.

- 6.C. Open and conduct the second public hearing regarding the proposed annexation of the TK Industrial Park, 35.51 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on CR 108. (Ashley Lumpkin)

Public Hearing was held from 7:39 pm to 7:39 pm. No one spoke.

No Council action was taken.

- 6.D. Open and conduct the second public hearing regarding the proposed annexation of the No-Count LLC Tracts, 157.0848 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on CR 119 and also on CR 108. (Ashley Lumpkin)

Public Hearing was held from 7:40 pm to 7:41 pm.

Jaquelyn Walburg shared that the homeowners are in favor of a development agreement over annexation.

No Council action was taken.

- 6.E. Open and conduct the second public hearing regarding the proposed annexation of the M. Moore Family Farms Tracts, 528.774 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on CR 132 and also on Limmer Loop. (Ashley Lumpkin)

Public Hearing was held from 7:42 pm to 7:42 pm. No one spoke.

No Council action was taken.

- 6.F. Open and conduct the second public hearing regarding the proposed annexation of the Limmer-Walnut Comer Tracts, 552.648 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on FM 1660 South. (Ashley Lumpkin)

Public Hearing was held from 7:43 pm to 7:43 pm. No one spoke.

No Council action was taken.

- 6.G. Open and conduct the second public hearing regarding the proposed annexation of the Fritz Tract, 5.9753 acres, more or less , of land, and to establish base zoning as AG (Agriculture), located on CR 132. (Ashley Lumpkin)

Public Hearing was held from 7:43 pm to 7:44 pm. No one spoke.

No Council action was taken.

- 6.H. Open and conduct the second public hearing regarding the proposed annexation of the Chandler Comer Subdivision, 26.303 acres, more or less , of land, and to establish base zoning as AG (Agriculture), located at the southwest corner of Chandler Road and FM 1660 North. (Ashley Lumpkin)

Public Hearing was held from 7:45 pm to 7:45 pm. No one spoke.

No Council action was taken.

CONSENT AGENDA ITEMS

- 7.A. Consideration and possible action with respect to a resolution authorizing the publication of notice of intention to issue City of Hutto, Texas combination Tax and Revenue Certificates of Obligation; authorizing the preparation of offering documents by public financial management and other matters related thereto.
- 7.B. Consideration and Possible Action Regarding Five Year Renewal of CenturyLink Contract for phone services. (David Reeves , Information Technology Manager)
- 7.C. Consideration and possible action on a resolution approving the proposed Riverwalk South Preliminary Plat, 118.97 acres, more or less, of land, 464 residential lots, located on CR 138. (Ashley Lumpkin)
- 7.D. Consideration and possible action on a resolution authorizing the City Manager to prepare a Municipal Service Plan for the proposed annexation of the Hutto EDC Megasite, 451.355 acres, more or less, of land located on US 79 East at FM 3349. (Ashley Lumpkin)
- 7.E. Consideration and possible action on a resolution expressing official intent to reimburse certain expenditures of the City of Hutto, Texas.
- 7.F. Consideration and possible action on a resolution authorizing the City Manager to prepare a Municipal Service Plan for the proposed annexation of Durango Downs, 105.2 acres, more or less, of land located on FM 1660 North. (Ashley Lumpkin)

- 7.G. Consideration and possible action on a resolution authorizing the City manager to prepare a Municipal Service Plan for the proposed annexation of Covered Bridge, 77.92 acres, more or less, of land located on CR 138. (Ashley Lumpkin)
- 7.H. Consideration and possible action on approving a new credit card processor, Open Edge, that interfaces with the current software provider INCODE.
- 7.I. Consideration and possible action approving the minutes of the August 1, 2019 Regular Council Meeting.

Motion: Councilmember Gordon made a motion to remove agenda items 7A and 7E from the consent agenda. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

Motion: Mayor Pro-tem Hines made a motion to accept the rest of the consent agenda as presented. Councilmember Martinez seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

Motion: Mayor Pro-tem Hines made a motion to approve agenda item 7A on the consent agenda. Councilmember Martinez seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

Motion: Councilmember Gordon made a motion to accept item 7E as written. Councilmember Scott Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

RESOLUTIONS

8.A. Consideration and possible action on a resolution regarding the Open Meetings Act by Place 6 City Councilmember Tanner Rose during the August 1, 2019 City Council meeting. (Mike Shaunessy, City Attorney)

Motion: Councilmember Scott Rose made a motion move forward with no action. Councilmember Gordon seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez

Action: The motion passed with 6 ayes, 0 nays

Councilmember Tanner Rose recused himself.

8.B. Consideration and possible action to investigate the Place 3 Office of City Councilmember Mike Snyder in accordance with Section 3.16 of the City Charter for interference with the day to day operations, contract(s) and daily affairs for the City and to take appropriate action to prevent such. (Mike Shaunessy, City Attorney)

Motion: Councilmember Gordon made a motion to table agenda item 8.B. to the meeting on August 22. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Councilmember Scott Rose

Councilmember Peter Gordon
Councilmember Tanner Rose

Nayes Mayor Pro-tem Tom Hines
 Councilmember Patti Martinez

Action: The motion passed with 4 ayes, 2 nays

Councilmember Snyder recused himself.

8.C. Consideration and possible action on a resolution to authorize the City Manager to execute a contract amendment with ACDI Clawson Disposal, Inc. (Byron Frankland, Assistant City Manager)

Motion: Councilmember Scott Rose made a motion to approve 8.C. as presented. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
 Mayor Pro-tem Tom Hines
 Councilmember Scott Rose
 Councilmember Mike Snyder
 Councilmember Peter Gordon
 Councilmember Patti Martinez
 Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

8.D. Consideration and possible action on a resolution of the City of Hutto, Texas nominating individuals for each position on the Williamson County Appraisal District Board of Directors. (Michel Sorrell, Assistant City Manager/CFO)

Motion: Councilmember Martinez made a motion to appoint Rufus Honeycutt to the Williamson County Appraisal District Board of Directors. Councilmember Gordon seconded the motion.

Vote: Ayes Mayor Doug Gaul
 Mayor Pro-tem Tom Hines
 Councilmember Scott Rose
 Councilmember Mike Snyder
 Councilmember Peter Gordon
 Councilmember Patti Martinez
 Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

8.E. Consideration and possible action on resolution regarding City Council pay

Motion: Councilmember Snyder made a motion to set Council pay at \$800. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Councilmember Mike Snyder
Councilmember Tanner Rose

Nayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Peter Gordon
Councilmember Patti Martinez

Action: The motion failed with 2 ayes, 5 nays

CITY MANAGER COMMENTS

9.A. Budget and Tax Rate Review and Discussion. (Michel Sorrell, Assistant City Manager/CFO)
-Police Budget Report
-Engineer's Budget Report

No Council action was taken.

9.B. Presentation of the City Financials for the Month of July 2019 as required by the fiscal and budgetary policy. (Michel Sorrell, Assistant City Manager /CFO)

No Council action was taken.

OTHER BUSINESS

10A. Consideration of and possible appointments to City Boards and Commissions

Motion: Councilmember Tanner Rose appoint April Willis to the Ethics Board.
Councilmember Scott Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Turner
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

ADJOURNMENT

There being no further business to be heard, the meeting was adjourned at 12:53 a.m.

CITY OF HUTTO

Doug Gaul, Mayor

ATTESTED:

Lacie Hale, City Secretary



**CITY COUNCIL
MEETING MINUTES
AUGUST 15, 2019**

The Hutto City Council met in a regular session on Thursday, August 15, 2019, in Council Chambers, City Hall, 500 W. Live Oak, Hutto, TX 78634.

CALL SESSION TO ORDER

Mayor Gaul called the session to order at 7:14 p.m.

ROLL CALL

Members of the City Council present were Mayor Doug Gaul, Mayor Pro-tem Tom Hines, Councilmember Scott Rose, Councilmember Mike Snyder, Councilmember Peter Gordon, Councilmember Patti Martinez and Councilmember Tanner Rose.

Members of staff that were present were Odis Jones, City Manager; Michel Sorrell, Assistant City Manager; Byron Frankland, Assistant City Manager; Paul Hall, Chief of Police; Michel Sorrell, Chief Financial Officer; Ashley Lumpkin, Executive Director Infrastructure & Development Services; Jessica Bullock, Director of Economic Development; Emily Parks, Assistant to the City Manager; Tony Host, Executive Director of Community Services; and Lacie Hale, City Secretary.

PLEDGE OF ALLEGIANCE

Mayor Gaul led the Pledge of Allegiance and the Texas Pledge.

PUBLIC COMMENT

Ron McGee, of 609 Morning Dove,

Lucas Evans

Paul Martin

Andrew Bos

James Guzman

PUBLIC HEARING

- 6.A. Open and conduct the first public hearing to hear testimony regarding the proposed ad valorem tax rate.

Public Hearing was held from 7:39 pm to 7:39 pm. No one spoke.

No Council action was taken.

- 6.B. Consideration of a public hearing and possible action on the first reading of an ordinance amending the Code of Ordinances (2014 Edition), Chapter 16 , Article 16.02 Unified Development Code (UDC) Chapter 10 Section 10.202.2: Definitions, Section 10.605.3 and 10.605.10 General Provisions. (Ashley Lumpkin)

Public Hearing was held from 7:38 pm to 7:38 pm. No one spoke.

No Council action was taken.

- 6.C. Open and conduct the second public hearing regarding the proposed annexation of the TK Industrial Park, 35.51 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on CR 108. (Ashley Lumpkin)

Public Hearing was held from 7:39 pm to 7:39 pm. No one spoke.

No Council action was taken.

- 6.D. Open and conduct the second public hearing regarding the proposed annexation of the No-Count LLC Tracts, 157.0848 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on CR 119 and also on CR 108. (Ashley Lumpkin)

Public Hearing was held from 7:40 pm to 7:41 pm.

Jaquelyn Walburg shared that the homeowners are in favor of a development agreement over annexation.

No Council action was taken.

- 6.E. Open and conduct the second public hearing regarding the proposed annexation of the M. Moore Family Farms Tracts, 528.774 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on CR 132 and also on Limmer Loop. (Ashley Lumpkin)

Public Hearing was held from 7:42 pm to 7:42 pm. No one spoke.

No Council action was taken.

- 6.F. Open and conduct the second public hearing regarding the proposed annexation of the Limmer-Walnut Comer Tracts, 552.648 acres, more or less, of land , and to establish base zoning as AG (Agriculture), located on FM 1660 South. (Ashley Lumpkin)

Public Hearing was held from 7:43 pm to 7:43 pm. No one spoke.

No Council action was taken.

- 6.G. Open and conduct the second public hearing regarding the proposed annexation of the Fritz Tract, 5.9753 acres, more or less , of land, and to establish base zoning as AG (Agriculture), located on CR 132. (Ashley Lumpkin)

Public Hearing was held from 7:43 pm to 7:44 pm. No one spoke.

No Council action was taken.

- 6.H. Open and conduct the second public hearing regarding the proposed annexation of the Chandler Comer Subdivision, 26.303 acres, more or less , of land, and to establish base zoning as AG (Agriculture), located at the southwest corner of Chandler Road and FM 1660 North. (Ashley Lumpkin)

Public Hearing was held from 7:45 pm to 7:45 pm. No one spoke.

No Council action was taken.

CONSENT AGENDA ITEMS

- 7.A. Consideration and possible action with respect to a resolution authorizing the publication of notice of intention to issue City of Hutto, Texas combination Tax and Revenue Certificates of Obligation; authorizing the preparation of offering documents by public financial management and other matters related thereto.
- 7.B. Consideration and Possible Action Regarding Five Year Renewal of CenturyLink Contract for phone services. (David Reeves , Information Technology Manager)
- 7.C. Consideration and possible action on a resolution approving the proposed Riverwalk South Preliminary Plat, 118.97 acres, more or less, of land, 464 residential lots, located on CR 138. (Ashley Lumpkin)
- 7.D. Consideration and possible action on a resolution authorizing the City Manager to prepare a Municipal Service Plan for the proposed annexation of the Hutto EDC Megasite, 451.355 acres, more or less, of land located on US 79 East at FM 3349. (Ashley Lumpkin)
- 7.E. Consideration and possible action on a resolution expressing official intent to reimburse certain expenditures of the City of Hutto, Texas.
- 7.F. Consideration and possible action on a resolution authorizing the City Manager to prepare a Municipal Service Plan for the proposed annexation of Durango Downs, 105.2 acres, more or less, of land located on FM 1660 North. (Ashley Lumpkin)

- 7.G. Consideration and possible action on a resolution authorizing the City manager to prepare a Municipal Service Plan for the proposed annexation of Covered Bridge, 77.92 acres, more or less, of land located on CR 138. (Ashley Lumpkin)
- 7.H. Consideration and possible action on approving a new credit card processor, Open Edge, that interfaces with the current software provider INCODE.
- 7.I. Consideration and possible action approving the minutes of the August 1, 2019 Regular Council Meeting.

Motion: Councilmember Gordon made a motion to remove agenda items 7A and 7E from the consent agenda. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

Motion: Mayor Pro-tem Hines made a motion to accept the rest of the consent agenda as presented. Councilmember Martinez seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

Motion: Mayor Pro-tem Hines made a motion to approve agenda item 7A on the consent agenda. Councilmember Martinez seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

Motion: Councilmember Gordon made a motion to accept item 7E as written. Councilmember Scott Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

RESOLUTIONS

8.A. Consideration and possible action on a resolution regarding the Open Meetings Act by Place 6 City Councilmember Tanner Rose during the August 1, 2019 City Council meeting. (Mike Shaunessy, City Attorney)

Motion: Councilmember Scott Rose made a motion move forward with no action. Councilmember Gordon seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Martinez

Action: The motion passed with 6 ayes, 0 nays

Councilmember Tanner Rose recused himself.

8.B. Consideration and possible action to investigate the Place 3 Office of City Councilmember Mike Snyder in accordance with Section 3.16 of the City Charter for interference with the day to day operations, contract(s) and daily affairs for the City and to take appropriate action to prevent such. (Mike Shaunessy, City Attorney)

Motion: Councilmember Gordon made a motion to table agenda item 8.B. to the meeting on August 22. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Councilmember Scott Rose

Councilmember Peter Gordon
Councilmember Tanner Rose

Nayes Mayor Pro-tem Tom Hines
 Councilmember Patti Martinez

Action: The motion passed with 4 ayes, 2 nays

Councilmember Snyder recused himself.

8.C. Consideration and possible action on a resolution to authorize the City Manager to execute a contract amendment with ACDI Clawson Disposal, Inc. (Byron Frankland, Assistant City Manager)

Motion: Councilmember Scott Rose made a motion to approve 8.C. as presented. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
 Mayor Pro-tem Tom Hines
 Councilmember Scott Rose
 Councilmember Mike Snyder
 Councilmember Peter Gordon
 Councilmember Patti Martinez
 Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

8.D. Consideration and possible action on a resolution of the City of Hutto, Texas nominating individuals for each position on the Williamson County Appraisal District Board of Directors. (Michel Sorrell, Assistant City Manager/CFO)

Motion: Councilmember Martinez made a motion to appoint Rufus Honeycutt to the Williamson County Appraisal District Board of Directors. Councilmember Gordon seconded the motion.

Vote: Ayes Mayor Doug Gaul
 Mayor Pro-tem Tom Hines
 Councilmember Scott Rose
 Councilmember Mike Snyder
 Councilmember Peter Gordon
 Councilmember Patti Martinez
 Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

8.E. Consideration and possible action on resolution regarding City Council pay

Motion: Councilmember Snyder made a motion to set Council pay at \$800. Councilmember Tanner Rose seconded the motion.

Vote: Ayes Councilmember Mike Snyder
Councilmember Tanner Rose

Nayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Peter Gordon
Councilmember Patti Martinez

Action: The motion failed with 2 ayes, 5 nays

CITY MANAGER COMMENTS

9.A. Budget and Tax Rate Review and Discussion. (Michel Sorrell, Assistant City Manager/CFO)
-Police Budget Report
-Engineer's Budget Report

No Council action was taken.

9.B. Presentation of the City Financials for the Month of July 2019 as required by the fiscal and budgetary policy. (Michel Sorrell, Assistant City Manager /CFO)

No Council action was taken.

OTHER BUSINESS

10A. Consideration of and possible appointments to City Boards and Commissions

Motion: Councilmember Tanner Rose appoint April Willis to the Ethics Board. Councilmember Scott Rose seconded the motion.

Vote: Ayes Mayor Doug Gaul
Mayor Pro-tem Tom Hines
Councilmember Scott Rose
Councilmember Mike Snyder
Councilmember Peter Gordon
Councilmember Patti Turner
Councilmember Tanner Rose

Action: The motion passed with 7 ayes, 0 nays

ADJOURNMENT

There being no further business to be heard, the meeting was adjourned at 12:53 a.m.

CITY OF HUTTO

Doug Gaul, Mayor

ATTESTED:

Lacie Hale, City Secretary

Regular City Council
AGENDA ITEM
8.A.



To: City Council
Subject: Consideration and possible action on a resolution approving the proposed Star Ranch Concept Plan Revision #2, 2.02 acres, more or less, of land, one commercial lot, located on Winterfield Drive and Gattis School Road. (Ashley Lumpkin)
Meeting: Regular City Council - 22 Aug 2019
Department: Development Services
Staff Contact: Ashley Lumpkin,

BACKGROUND INFORMATION:

The Star Ranch development area is located outside of the City limits in the Extraterritorial Jurisdiction (ETJ). This area is subject to a Strategic Partnership Agreement and Limited Purpose Annexation (SPA/LPA) which includes a Concept Plan and sets vesting to the 2002 Subdivision Ordinance. Over the course of development, some land uses shown on the Concept Plan have been modified and reduced the area of non-residential development. These changes prompted the City to execute a Memorandum of Understanding (MOU) with Tack Development in February 2018. The MOU, in part, required the applicant to make several of the updates included in the Revised Concept Plan, approved in 2018, as well as designated Parcel 31 as "Retail". At this time, the applicant requests approval of the revised Concept Plan for Parcel 31 to allow Retail, Convenience Store, and Fuel Sales.

The Concept Plan was updated previously to reflect patio-style residential product on a portion of Parcel 21 and the entirety of Parcel 22. While the existing SPA/LPA is specific to state what levels of Concept Plan amendments are permitted and the approval process for amendments, the MOU now takes precedence to ensure the overall mix of land uses is similar to the original intent of the mix of land uses throughout the development.

The current requested change by the applicant is to allow the use of a Retail/Convenience Store/Fuel Sales to be allowed on Parcel 31, at the northwest corner of Winterfield Drive and Gattis School Road. Essentially, this expands the uses allowed as the Unified Development Code defines retail and fuel states separately and the MOU states the development must follow the current development codes of Hutto.

Summary of Request

The Revised Star Ranch Concept Plan includes only Parcel 31, which is at the northwest corner of Winterfield Drive and Gattis School Road.

Public Comments

All property owners within 200-feet have been notified by mail of the revised Concept Plan.

FINANCIAL IMPACT:

There is no financial impact.

RECOMMENDATION:

The Concept Plan has been amended several times since 2005. The modifications complied with the 10% density increase limit provided in the SPA/LPA. Although a municipality often has limited control over development patterns in the ETJ, this master-planned development is different as it functions, partially, as part of the City. Thus, with the combined SPA/LPA, subdivision platting authority, and the MOU, the City can exercise some additional land use control as it relates to the SPA/LPA areas and mix of commercial uses within that area. However, density and land use control are expressly prohibited in State Law (see attached excerpt 212.003).

Although the development pattern has changed from the original conceptual master plan and this proposed change further defines retail, neither the City nor Williamson County have land use controls to disallow the proposed changes.

Because the Concept Plan is directly tied to the SPA/LPA agreement and the MOU, these revisions have only been reviewed by City staff.

ATTACHMENTS:

[\(Res\)StarRanchConceptRev#2\(Complete\)](#)

RESOLUTION NO.

**A RESOLUTION APPROVING THE PLAT KNOWN AS "STAR RANCH
CONCEPT PLAN REVISION #2"; IN THE CITY OF HUTTO, WILLIAMSON
COUNTY, TEXAS.**

WHEREAS, the Texas Local Government Code Chapter 212 and the City of Hutto Subdivision Ordinance requires the Planning and Zoning Commission to take action to recommend to the City Council whether or not to approve or disapprove a subdivision plat within thirty (30) days of the date an application is accepted, and;

WHEREAS, the Texas Local Government Code Chapter 212 and the City of Hutto Subdivision Ordinance requires the City Council take action to approve or disapprove a subdivision plat within thirty (30) days of the date of presentation at Planning and Zoning Commission, and;

WHEREAS, the Development Services Department and the City Engineer have reviewed the above referenced plat for compliance with statute and engineering standards, and;

WHEREAS, if City Council fails to take action on this plat within the prescribed thirty (30) day period, the plat is granted statutory approval, Now therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

that the Hutto City Council hereby approves the resolution for the plat known as "Star Ranch Concept Plan Revision #2", a copy of same being attached hereto as "Exhibit A" and incorporated herein for all purposes.

CONSIDERED and RESOLVED on this the **22nd** day of the month **August, 2019**.

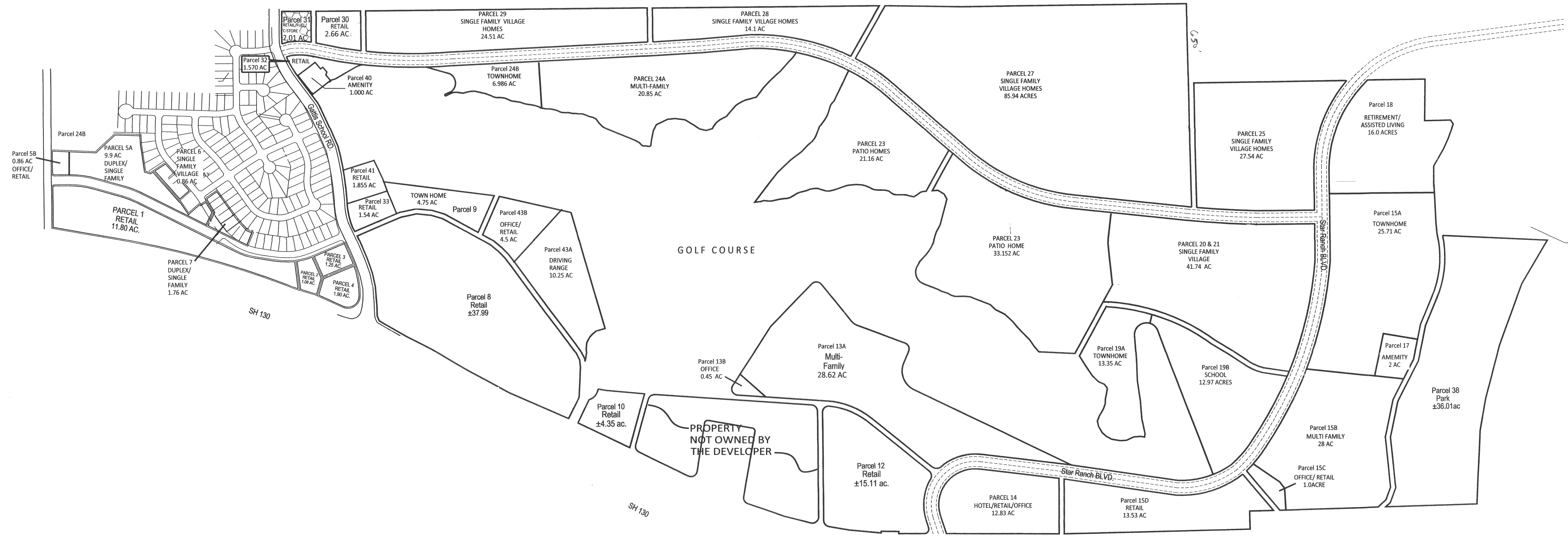
THE CITY OF HUTTO, TEXAS

Doug Gaul, Mayor

ATTEST:

Lacie Hale, City Secretary

STAR RANCH CONCEPT PLAN REVISION #2

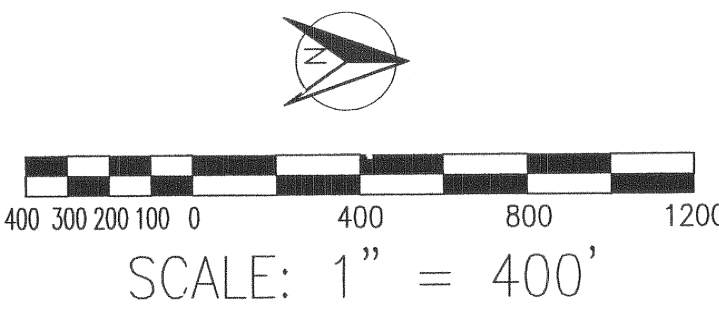


THE ONLY PARCEL AFFECTED BY THIS REVISION IS PARCEL 31.

STAR RANCH CONCEPTUAL MASTER PLAN FEBRUARY 2018

LAND USE	CURRENT ACRES	ORIG. ACRES	DIFFERENCE FROM ORIGINAL CONCEPT ACRES
OFFICE/ RETAIL	33.30	12.12	+21.18
HOTEL/RETAIL/OFFICE	12.83	12.83	0
RETAIL/CONVENIENCE STORE	76.61	163.04	-86.43
TOWNHOMES	42.98	58.76	-15.78
PATIO HOME	54.31	44.88	+9.43
SINGLE FAMILY VILLAGE	194.69	172.78	+21.91
SF - ESTATE	0	80.15	-80.15
MULTI-FAMILY	77.47	89.65	-12.18
AMENITY	3.00	4.7	-1.7
SCHOOL	12.97	10.10	+2.87
PARK	36.01	36.01	0
GOLF	179.02	183.56	-4.54
DRIVING RANGE	10.25	14.75	-4.5
ROW	2.86	2.86	0
DUPLEX/SINGLE FAMILY	11.66	0	+11.66
OFFICE	0.45	0	+0.45
ASSISTED LIVING	16.00	0	+16.00
TOTAL	765.42	886.19	-120.77

AREA REMOVED DUE TO DIFFERENT OWNERSHIP = 120.73



DEVELOPER INFORMATION:

TACK DEVELOPMENT LTD & STAR GOLF PARTNERS, LTD
TIM TIMMERMAN
2490 FM 685
HUTTO, TX 78634

Received 7/19/19



DATE: 07/19/2019
RANDALL JONES & ASSOCIATES ENGINEERING, INC.
 2900 JAZZ STREET, ROUND ROCK, TEXAS, 78664
 (512) 836-4793 FAX: (512) 836-4817 F-9784

RJ SURVEYING & ASSOCIATES, INC.
 2900 JAZZ STREET, ROUND ROCK, TEXAS, 78664
 (512) 836-4793 FAX: (512) 836-4817

F-10015400

Regular City Council
AGENDA ITEM
8.B.



To: City Council
Subject: Consideration and possible action on a resolution authorizing the City Manager to execute three professional service agreements with DCS Engineers for the design of; the Glenwood Lift Station Decommissioning, Interceptor and Two New Lift Stations; Transmission and Distribution Pumping Stations; and Transmission and Distribution Waterline Improvements including bidding and construction phase services for an amount not to exceed \$3,853,569.44. (Samuel Ray)
Meeting: Regular City Council - 22 Aug 2019
Department: Engineering
Staff Contact: Samuel Ray,

BACKGROUND INFORMATION:

In early 2019 the city began a study with the support of our consultant DCS Engineers to take an in depth evaluation of the current state of the cities water and wastewater infrastructure as well as determining the improvements necessary to support the projected city of tomorrow. Based on the result of that study and In order to meet water and wastewater demands of a growing city and to maintain within regulatory requirements set forth by the Texas Commission on Environmental Quality the infrastructure improvements described in the three proposals from DCS Engineers are essential. The proposed wastewater improvements include the decommissioning of the Glenwood Lift Station, construction of a gravity wastewater interceptor and two new lift stations one each at the Hutto Central and South Wastewater Treatment Facilities. The proposed water improvements include the construction of four pumping stations; one at Shiloh, one in-line pumping station along the Heart of Texas transmission line and two at Frame Switch (one to serve each pressure plane within the cities distribution system). The proposals for work from DCS Engineers include the design of all above stated projects including bidding assistance and construction phase services.

FINANCIAL IMPACT:

This project will be funded by 2019 Certificate of Obligation Bond funds and a reimbursement resolution was passed on August 15th.

POLICY IMPLICATIONS:

Aligns with Infrastructure and Growth Strategic Focus Area

RECOMMENDATION:

Staff Recommends Approval.

ATTACHMENTS:

[Resolution - DCS Engineers Waster ans Wastewater Design Agreements](#)
[DCS Engineers - Wastewater Design Agreement](#)

[DCS Engineers - Waterline Design Agreement](#)
[DCS Engineers - Pump Station Design Agreement](#)
[2019 DCS Engineers Technical Memo for Water and Wastewater Study](#)

RESOLUTION NO. R-

**A RESOLUTION APPROVING THE CITY MANAGER TO
EXECUTE THREE PROFESSIONAL SERVICES
AGREEMENTS WITH DCS ENGINEERS FOR THE DESIGN
OF WATER AND WASTEWATER PROJECTS.**

WHEREAS, the City consulted with DCS Engineers to perform a detailed analysis of water and wastewater systems identifying the need for construction of water and wastewater improvements, and;

WHEREAS, the City requires compliance with TCEQ water and wastewater rules, and;

WHEREAS, the current and projected growth of the city will cause demand of water and wastewater services to exceed the capacity of those systems without improvements, and;

WHEREAS, the proposed improvements will become valuable assets to the city providing service and benefits to the city for many years after completion, and;

WHEREAS, the City will use funding from the 2019 Certificate of Obligation Bonds for the payment of these agreements;

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

The Hutto City Council hereby authorizes the City Manager to execute three professional service agreements with DCS Engineers for the design of wastewater, waterline and pump station improvements for an amount not to exceed \$3,853,569.44.

CONSIDERED and RESOLVED on this the **22nd** day of **August, 2019**.

THE CITY OF HUTTO, TEXAS

Doug Gaul, Mayor

ATTEST:

Lacie Hale, City Secretary

PROFESSIONAL SERVICES AGREEMENT

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

THIS PROFESSIONAL SERVICE AGREEMENT ("Agreement") dated this _____ day of _____, 2019.

BETWEEN:

CITY OF HUTTO

City of Hutto
500 West Live Oak Street
Hutto, TX 78634

(The "City")

PROFESSIONAL

DCS Engineering, LLC
1101 S. Capital of Texas Highway, Suite G-
100,
Austin, TX 78746

(The "Professional")

1. PURPOSE:

The City of Hutto, a Texas municipality, desires to enter into a service agreement with DCS Engineering, LLC, a Texas Limited Liability Corporation authorized to do business in the State of Texas, for the design of the Glenwood Lift Station Decommissioning, Interceptor, and Two New Lift Stations project as described in **Appendix "A"** and other necessary services (the "Services") in accordance with this Agreement. The Services in this Agreement will be utilized for the City of Hutto.

2. BACKGROUND:

- a. The Professional represents that it is in all respects, qualified, experienced, licensed, and able to provide the necessary Services to the City.
- b. The City is of the opinion that the Professional has the necessary qualifications, experience, licensing, and abilities to provide the necessary Services to the City.
- c. The Professional agrees to provide such Services to the City on the terms and conditions set out in this Agreement with the necessary skill and care ordinarily provided by competent professionals practicing under the same or similar circumstances and professional license, and will do so as expeditiously as is prudent considering the ordinary professional skill and care of a competent professional.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the City and the Professional (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

3. SERVICES PROVIDED/SCOPE OF SERVICES

- a. Professional shall perform the Services as more particularly described in the Scope of Services in **Appendix "A,"** which is attached and incorporated by reference and made a part of this Agreement. The work as described in the Scope of Services is basic services and constitutes

DCS Engineering, LLC, Professional Services

the "Project." Unless otherwise provided in the Scope of Services, the anticipated submittal of all Project deliverables is immediately upon completion of the Project.

- b. The Quality of Services provided under this Agreement shall be of the level of professional care, quality and skill normally exercised by Professionals regularly performing this type of service.
- c. The Professional shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- d. The Professional may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.
- e. Professional will advise City as to the necessity of City's providing or obtaining from others special data or special services required in connection with the Project (provided the data and services are not to be provided hereunder).
- f. The Services may also include any other tasks which the Parties may agree upon in writing (see Section 4 titled "Changes to Project Work; Additional Work"). The Professional hereby agrees to provide such Services to the City.
- g. In the case of any conflicts between the terms of this Agreement and the wording contained within the Scope of Services, this Agreement shall govern. The Scope of Services is intended to detail the technical scope of services and contract time only and shall not dictate Agreement terms.

4. CHANGES TO PROJECT WORK; ADDITIONAL WORK

- a. **Changes to Work:** Professional shall make such revisions to the Scope of Services that has been completed as are necessary to correct any errors or omissions as may appear in such work. If the City finds it necessary to make changes to previously satisfactorily completed Scope of Services or parts thereof, the Professional shall make such revisions if requested and as directed by the City and such services will be considered as additional work and paid for as specified under the following paragraph.
- b. **Additional Work:** The City retains the right to make changes to the Scope of Services at any time by a written order. Work that is clearly not within the general description of the Scope of Services under this Agreement must be approved in writing by the City by supplemental agreement before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Scope of Services governing the Project and therefore constitutes additional work, the Professional shall promptly notify the City of that opinion, in writing. If the City agrees that such work does constitute additional work, then the City and the Professional shall execute a supplemental agreement for the additional work and the City shall compensate the Professional for the additional work on the basis of the rates contained in the Scope of Services. If the changes deduct from the extent of the Scope of Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by Professional not previously approved as additional work shall be at risk of the Professional.
- c. **Budget Limitations:** It is expressly understood and agreed by Professional that additional compensation may require Hutto City Council approval and is subject to the current budget year limitation.

5. PERSONNEL, EQUIPMENT, SUPPLIES AND LICENSES

DCS Engineering, LLC, Professional Services

- a. The Professional represents that it has or will secure at its own expense all personnel, equipment, tools, and supplies required in performing the Services under this Agreement. Any reimbursement for qualifying expenses under this Agreement is governed by Section 14(c) of this Agreement titled "Reimbursement of Expenses" and **Appendix B**.
- b. The Professional is responsible for providing any and all personnel needed to fulfill the Services in this Agreement, including hiring any assistants. Any hired assistants will be the sole employees of the Professional, and are not employees of the City.
- c. All of the Services required hereunder will be performed by the Professional or under its supervision.
- d. None of the work or Services covered by this Agreement shall be subcontracted or assigned without the prior written approval of the City.
- e. Professional warrants that it is fully licensed under all applicable local, state, and federal laws to perform the Services to be provided hereunder, and that solely the Professional is responsible for any fees or costs associated with obtaining or maintaining those licenses to perform the Services under this Agreement.

6. CONTROL

- a. It is agreed by the Parties that the City has no right of control or direction over the manner, means, and methods that the Professional will use in completing the Services of this Agreement. The Professional is free to set its own hours including:
 - i. Working Schedules;
 - ii. Vacation Times;
 - iii. Meetings with employers or employees; and
 - iv. Submissions of reports of any kind to employers.

7. VACATIONS AND TRANSPORTATION:

- a. The Professional must provide its own transportation for itself and its employees. The City will not provide reimbursement for travel and transportation expenses.
- b. Any vacation time, holidays, sick leave, or training is the sole expense of the Professional and will not be paid by the City.

8. NO TRAINING PROVIDED:

- a. The City will not provide any training for either the Professional, its employees or assistants, or subcontractors.

9. TIME OF PERFORMANCE:

- a. **Commencing Services:** The Services of the Professional are to commence immediately, or as soon as practicable, after the execution of this Agreement and upon the proper approval and documents issued by the City, including the issuance of a Notice to Proceed, and shall be completed no later than the time specified in **Appendix A**.
- b. **Completion of Services:** The prompt completion of the services under the Scope of Services is critical to the City. City has reviewed the Scope of Services and determined that the Scope of Services provides sufficient time for the Professional to perform the Scope of Services. Unnecessary delays in providing the Scope of Services shall be grounds for dismissal of the Professional and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Professional prior to the time of termination. The Scope of Services shall provide, in either calendar days, work days or by providing a final date, a time of completion prior to which the Professional shall have completed all tasks and services described in the Scope of Services as specified in **Appendix A**.

DCS Engineering, LLC, Professional Services

10. TERM OF AGREEMENT:

- a. The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect until satisfactory completion of the Scope of Services, subject to earlier termination as provided in this Agreement. The Term may be extended with written consent of the Parties.

11. REPORTING:

- a. The City's primary representative for this Agreement shall be Mr. Samuel Ray, P.E. The City Manager shall be an alternate representative. The City shall not be liable for Professional's expenses incurred in reliance on directions received from any other municipal officer or employee. The Professional's representative shall be Mr. Darren C Strozewski, P.E. Reliance by the City on representations by any other person shall be at the City's own risk.

12. RECORDS:

- a. During performance and after termination of this Agreement, each party shall make available to the other Party for inspection and copying, all records, whether external or internal, having any relevance to this Agreement.

13. PERFORMANCE/ETHICS:

- a. The Parties agree to do everything necessary, and within reason, to ensure that the terms of this Agreement take effect.
- b. Professional shall discharge its duties fairly, impartially, and maintain a standard of conduct that competently serves the City and the interests of the City. Professional shall at all times exercise unbiased judgment when performing its duties under this Agreement.

14. COMPENSATION:

- a. The Professional shall be paid in the manner set forth in **Appendix B** and as provided herein. However, nothing contained in this Agreement shall require City to pay for any work that is unsatisfactory as determined by City in its employee's reasonable judgment or which is not submitted in compliance with the terms of this Agreement. City will not be required to make any payments to Professional when Professional is in default under this Agreement, nor shall this paragraph constitute a waiver of any right, at law or in equity, which City may have if Professional is in default, including the right to bring legal action for damages or for specific performance of this Agreement. Waiver of any default under this Agreement by City shall not be deemed a waiver of any subsequent default.
- b. **Billing Period:** The Professional may submit monthly, or less frequently, an invoice for payment based on the estimated completion of the described tasks and approved work schedule. Subject to Chapter 2251, Texas Government Code (the "Prompt Payment Act"), payment is due within thirty (30) days of the City's receipt of the Professional's invoice in proper form and content. Interest on overdue payments shall be calculated in accordance with the Prompt Payment Act.
- c. **Reimbursable Expenses:** Any and all reimbursable expenses related to the Project shall be included in the Scope of Services (**Appendix A**) and accounted for in the total contract amount. If these items are not specifically accounted for in **Appendix A** they shall be considered a part of the total Agreement amount.

15. TERMINATION OF AGREEMENT:

- a. This Agreement may be terminated:
 - i. By the mutual agreement and consent of both Professional and City;

DCS Engineering, LLC, Professional Services

- ii. By either Party, upon the failure of the other Party to fulfill its obligations as set forth in either this Agreement or a Scope of Services issued under this Agreement;
 - iii. By the City, immediately upon notice in writing to the Professional, as consequences of the failure of Professional to perform the services contemplated by this Agreement in a timely or satisfactory manner; or
 - iv. By the City, at will and without cause upon not less than thirty (30) days written notice to the Professional.
- b. If the City terminates this Agreement pursuant to Section 9(b) or subsection 15(A)(ii) or (iii), above, the Professional shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those services that have been timely and adequately performed by the Professional considering the actual costs incurred by the Professional in performing the work to date of termination, the value of the work that is nonetheless useable to the City, the cost to the City of employing another Professional to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed at time of termination. In the event of termination not the fault of the Professional, the Professional shall be compensated for all basic and additional services actually performed prior to termination, together with any reimbursable expenses then due.

16. NO RIGHT TO DISMISS:

- a. The Professional cannot be dismissed or terminated unless there is a breach of this Agreement, or as stipulated in Section 15 of this Agreement.

17. TRADE SECRETS:

- a. Trade secrets (the "Trade Secrets") include but are not limited to any data or information, technique or process, tool or mechanism, formula or compound, pattern or test results relating to the business of the City, which are secret and proprietary to the City, and which give the business a competitive advantage where the release of that Trade Secret could be reasonably expected to cause harm to the City.
- b. The Professional agrees that it will not disclose, divulge, reveal, report or use, for any purpose, any Trade Secrets which the Professional has obtained, except as authorized by the City or as required by law. The obligations of confidentiality will apply during the Term and will survive indefinitely upon termination of this Agreement.

18. OWNERSHIP OF INTELLECTUAL PROPERTY AND DOCUMENTS:

- a. **Intellectual Property:**
 - i. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, is a "work made for hire" and will be the sole property of the City. The use of the Intellectual Property by the City will not be restricted in any manner.
 - ii. The Professional may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the City. The Professional will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.
- b. **Documents:**

DCS Engineering, LLC, Professional Services

- i. Upon completion or termination of this Agreement, all final documents prepared by the Professional or furnished to the Professional by the City shall be delivered to and become the property of the City. All final drawings, charts, calculations, plans, specifications, and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to the City without restriction or limitation on the further use of such materials PROVIDED, HOWEVER, THAT SUCH MATERIALS ARE NOT INTENDED OR REPRESENTED TO BE SUITABLE FOR REUSE BY THE CITY OR OTHERS. ANY REUSE WITHOUT PRIOR VERIFICATION OR ADAPATATION BY THE PROFESSIONAL FOR THE SPECIFIC PURPOSE INTENDED WILL BE AT THE CITY'S SOLE RISK AND WITHOUT LIABILITY TO THE PROFESSIONAL. Where applicable, Professional shall retain all pre-existing proprietary rights in the materials provided to the City but shall grant to the City a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to the City under or pursuant to this Agreement.

19. RETURN OF PROPERTY:

- a. Upon the expiration or termination of this Agreement, the Professional will return to the City any property, documentation, records, or confidential information which is the property of the City.

20. CAPACITY/INDEPENDENT CONTRACTOR:

- a. In providing the Services under this Agreement, it is expressly agreed that the Professional is acting as an independent contractor and not as an employee. The Professional and the City acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively an Agreement for Service.
- b. The City is not required to pay, or make any contributions to, any social security, local, state, or federal tax, unemployment compensation, worker's compensation, insurance premium, profit-sharing, pension, or any other employee benefit for the Professional during the Term. The Professional is responsible for paying, and complying with reporting requirements for, all local, state, and federal taxes related to payments made to the Professional under this Agreement and those of the Professional's employees and assistants.
- c. The parties intend that an independent contractor/City relationship be created by this Agreement. City is interested only in the results to be achieved, and the conduct and control of the work will lie solely with the Professional. Professional is not considered to be an agent or employee of the City for any purpose, and the employees and assistants of the Professional are not entitled to any benefits that the City provides for its employees. Professional shall not represent, either expressly or through implication, that Professional is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Professional.
- d. It is understood that the City does not agree to use the Professional exclusively. It is further understood that the Professional is free to contract for similar services to be performed for others while it is under contract with the City.

21. CONFLICTS OF INTEREST:

- a. Professional agrees that no employee of the City who has exercised or will exercise any authority over the specifications, procurement, supervision, or payment for this Agreement, and no member of the employee's immediate family, has had or will have any direct or indirect financial interest in this Agreement. If the Professional learns of any such interest, the

DCS Engineering, LLC, Professional Services

Professional shall, without delay, inform the City Attorney or one of the officers specified in Section 11 of this Agreement titled "Reporting."

22. NON-COLLUSION:

- a. Professional represents and warrants that Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Professional further agrees that Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the services performed by Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Professional, Professional shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Professional under or pursuant to this Agreement.

23. FORCE MAJEURE:

- a. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornadoes] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

24. NOTICE:

- a. All notices, requests, demands, or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

If to the City:

- i. Odis Jones, City Manager
Cara Hanna, City Attorney
City of Hutto
500 West Live Oak Street
Hutto, TX 78634

If to the Professional:

- ii. Darren C Strozewski, P.E.
1101 S. Capital of Texas Hwy, Bldg G-100
Austin, TX 78634
Telephone: (512) 614-6171

or to such other address as either Party may notify the other in writing, and will be deemed properly delivered (a) immediately upon being served personally, (b) three (3) days after being

DCS Engineering, LLC, Professional Services

deposited with the postal service if served by registered mail, or (c) the following day after being deposited with an overnight courier.

25. PROFESSIONAL'S SEAL:

- a. To the extent that the Professional has a professional seal, it shall be placed on all documents and data furnished by the Professional to the City. All work and services provided under this Agreement will be performed in a good and workmanlike fashion and shall conform to the accepted standards and practices of the Professional's industry. The plans, specifications and data provided by Professional shall be adequate and sufficient to enable those performing the work using the documents prepared by the Professional under the Scope of Services to perform the work as and within the time contemplated by the City and Professional. The City acknowledges that Professional has no control over the methods or means of work nor the costs of labor, materials or equipment. Unless otherwise agreed in writing, any estimates of costs by the Professional are for information purposes only and are not guarantees.

26. RIGHT TO AUDIT:

- a. City shall have the right to examine and audit the books and records of Professional at any reasonable time. Such books and records will be maintained in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of the Agreement.

27. RISK:

- a. The Professional shall perform the work under this Agreement at its own risk. The Professional assumes all responsibility for the condition of tools, equipment, materials, and job site.

28. INSURANCE REQUIREMENTS:

- a. The Professional has secured and shall maintain insurance for the risks and in the amounts specified in **Appendix C**. The Professional and its insurance carrier waive subrogation against the City.

29. COMPLIANCE WITH LAWS

- a. The Professional shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations effective at the time of this Agreement. When required, the Professional shall furnish the City with satisfactory proof of compliance.
- b. **Prevailing Wage Requirements:**
 - i. Professional agrees under this Agreement to comply with Texas Government Code Chapter 2258 and to pay (and ensure subcontractors pay) prevailing wage rates to any workers and laborers used in connection with the services stipulated under this Agreement. This includes paying at least the applicable prevailing wage rates for public work activities performed under this Agreement, complying with overtime and working hour requirements, complying with apprenticeship obligations, and complying with payroll record keeping requirements or other obligations as required by law. Professional agrees to use the wage rates as determined by the locality in which the work is being performed. The City of Hutto currently uses Williamson County rates as determined by the Department of Labor found at <https://www.wdol.gov/wdol/scafiles/davisbacon/tx.html>. Professional further agrees to make payroll records electronically available during reasonable business

DCS Engineering, LLC, Professional Services

hours so that the City may ensure prevailing wages are being paid in connection to this Agreement. By signing this Agreement, Professional understands and agrees that failure to pay workers and laborers may result in criminal and civil penalties, the payment to the City of a sixty dollar (\$60.00) fine for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates required under law, and/or the City withholding payment of entire Compensation amounts for the time the City determines whether a violation of Chapter 2258 has occurred. Professional understands that any fees collected by the City may be used to offset any costs associated with the administration of Chapter 2258.

30. MODIFICATION OF AGREEMENT:

- a. Any amendment or modification of this Agreement, including any increase or decrease in the amount of Professional's compensation, or additional obligation(s) assumed by either Party in connection with this Agreement will only be binding if evidenced in writing and agreed to and signed by each Party or an authorized representative of each Party.

31. ASSIGNMENT:

- a. The Professional will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior written consent of the City.

32. SUBLETTING:

- a. The Professional shall not sublet or transfer any portion of the work under this Agreement or any Scope of Services issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Services. The approval or acquiescence of the City in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor.

33. ENTIRE AGREEMENT:

- a. All Parties mutually agreed to the terms of this Agreement. The Agreement should not be construed in favor of or against one Party. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement. This Agreement contains the entire agreement between the Parties; there are no other terms, promises, conditions, or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the Parties.

34. ENUREMENT:

- a. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators, and permitted successors and assigns.

35. TITLES/HEADINGS:

- a. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

36. CHOICE OF LAW/JURISDICTION:

- a. This Agreement will be governed by and construed in accordance with the laws of the State of Texas. For any claims or disputes regarding this Agreement, venue is proper in Williamson County, Texas.

37. DISPUTE RESOLUTION:

- a. The parties agree that, prior to instituting any litigation or other proceeding arising from a dispute

DCS Engineering, LLC, Professional Services

under this Agreement, the parties will first attempt to resolve the dispute by taking the following steps:

- i. A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute.
- ii. If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute.
- iii. If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

38. INDEMNITY:

- a. Professional agrees to indemnify and hold harmless the City for any liability for damage to the extent such damage is caused by or results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the indemnitor or the indemnitor's agent, consultant under contract, or another entity over which the indemnitor exercises control, pursuant to Texas Local Government Code Section 271.904(a), as applicable.

39. SEVERABILITY:

- a. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

40. COUNTERPARTS

- a. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

41. EXHIBITS:

- a. All exhibits and appendices to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

42. WAIVER:

- a. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions. Either City or the Professional shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended.

43. DISCLOSURE OF BUSINESS RELATIONS/AFFILIATIONS; CONFLICT OF INTEREST QUESTIONNAIRE

- a. Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

DCS Engineering, LLC, Professional Services

IN WITNESS WHEREOF the Parties have duly affixed their signatures and executed this Agreement on this _____ day of _____.

CITY: PROFESSIONAL

By: _____	By: 
Name: _____	Name: <u>Darren C Strozewski, P.E.</u>
Title: _____	Title: <u>Principal</u>

APPROVED AS TO FORM:

By: _____
Attorney for the City of Hutto

APPENDIX A: SCOPE OF SERVICES

DCS ENGINEERING, LLC for GLENWOOD LIFT STATION DECOMMISSIONING, INTERCEPTOR, AND TWO-NEW LIFT STATIONS

SCOPE OF SERVICES

Title: Glenwood Lift Station Decommissioning, Interceptor, and Two New Lift Stations

1. Specific Project Data

A. Description:

This project involves decommissioning the Glenwood Lift Station, installation of approximately 10,500 feet of 30-inch sanitary sewer interceptor pipe along Cottonwood Creek and FM 1660, construction of a new lift station at the Central WWTP with approximately 180 feet of force main, and construction of a new lift station at the South WWTP with about 200 ft of forcemain. The gravity interceptor will be designed to collect all flow from the Glenwood Lift Station and convey it to the South WWTP. Additionally, the interceptor will be sized to accommodate all currently undeveloped land within its sub basin per the 2018 Wastewater Master Plan and the flows from the future decommissioning of the Creekside Estates Lift Station. Wastewater will flow south, along the west side of Cottonwood Creek through the new interceptor, cross under the future FM 1660 road with steel casing installed by open cut, cross existing FM 1660 via bore and jack, travel east to the South WWTP site in the City's existing easement, and turn south on the WWTP site to the proposed lift station. The proposed lift station on the Central WWTP site will pump raw sewage through the existing repurposed Glenwood 8" and 12" force mains and discharge into the old Glenwood Lift Station wet well and thence to the proposed interceptor to the South WWTP. The Central WWTP lift station will divert/balance flows generated by Perfect Game's events between the two WWTP's so that a temporary raw sewage equalization basin is not constructed at the Central WWTP.

The engineering process will include work needed to evaluate the wastewater interceptor sizing and ultimate service areas; and lift station depths and phasing to reach the ultimate number of planned pumps/capacity so that proposed items are incorporated into the ultimate WWTP on-site lift station facilities. Surveying, environmental evaluations of the routes and lift station sites, geotechnical, permitting, design (civil, structural, electrical, traffic control), bidding, and construction administration are included in the attached scope of services. Approximately, \$1.8 million of the project funds will be from previously approved Texas Water Development Board (TWDB) loans which the City has already secured. These loans will be used to fund the design phase for all the above described facilities with the remaining funds used toward the construction of these facilities. DCS will prepare required additional engineering documents and manage the TWDB funding process. Services provided for TWDB are included in ITEM 7.0 of the attached scope.

DCS anticipates easement acquisition as part of this project since some of the work is anticipated to be outside existing easements, City owned land, or within existing public rights of way. Easements will not be created for portions of the interceptor alignments that are within existing City owned lands. Coordination and easement exhibit creation is included for easements across four tracts. DCS will coordinate access within existing TXDOT and County right-of-ways. DCS will work closely with City of Hutto to coordinate and support the necessary easement acquisitions for this project.

The engineer's opinion of most probable construction cost for the facilities reflects current market conditions and the conceptual design's scope of construction work required to implement the project. The Glenwood Lift Station Decommissioning, Interceptor, and Two New Lift Stations project

DCS Engineering, LLC, Professional Services

engineer's opinion of most probable construction cost including 15% contingency but excluding easement and professional engineering fees equals \$7,417,000. The total estimated cost for easement acquisition for the Interceptor, with the associated third party professional services is estimated to add \$115,000 for a construction and easement project cost of \$7,532,000, which excludes professional engineering fees. Costs will be confirmed in the first step of the below project.

- B. Number of Construction Contracts: This project will be designed and constructed under a single construction contract.

2. **Services of Engineer**

For this project, the Engineer shall provide the following scope of work related to the engineering design of:

- Approximately 10,500 linear feet of 30-inch sanitary sewer interceptor by open cut construction
- Approximately 100 linear feet of 30-inch sanitary sewer via boring and jacking FM 1660
- Sanitary sewer stub outs as required to serve surrounding developments
- Decommissioning of the Glenwood lift station and associated 14" forcemain tied the 20" Enclave Forcemain.
- One new lift station with emergency generator sized for the ultimate number of pumps and horsepower at the South WWTP site with about 200 ft of forcemain
- One new lift station with emergency generator sized for the ultimate number of pumps and horsepower at the Central WWTP site with about 180 ft of forcemain tied to the existing 8" and 12" forcemains coming from the Glenwood Lift Station

ITEM 1.0 - PROJECT MANAGEMENT

1.1 Management Plan

The ENGINEER shall prepare a Management Plan, which shall include the project Scope of Work, organization responsibilities, communications procedures, schedule, budget, quality control process, and billing.

1.2 Subconsultant Management

The ENGINEER shall provide management of Subconsultants including coordination of their project services. The list of sub-consultants is included under Section 4.

1.3 Project Meetings

The ENGINEER shall conduct project meetings to obtain input and decisions from City staff. ENGINEER shall be responsible for developing meeting agendas and shall prepare the material as needed to achieve the meeting objectives. ENGINEER shall prepare meeting minutes and submit them electronically to the City Engineer. Specific meetings planned for project management purposes are as follows:

1.3.1 Project Kickoff Meeting: The ENGINEER shall conduct a project kickoff meeting at the City offices to introduce the project team members, review project goals and objectives, discuss project elements and responsibilities, delineate communications procedures, and review the project schedule. ENGINEER shall identify any information needed from City staff to complete the work.

1.3.2 Preliminary Design Workshop/30 Percent Design Review: The ENGINEER shall conduct a workshop at the City office during the preliminary design phase. Items to be discussed during the workshop may include, but not be limited to, sanitary sewer alignments, utility conflicts, technical issues, easement acquisition, decisions needed from City staff, etc.

1.3.3 60 Percent Design Review: The ENGINEER shall conduct a 60 Percent design review at the City office after submittal and City review of the 60 percent plans. The purpose of this meeting is to collect and discuss city comments on the 60 percent design plans, identify any decisions needed from City staff, etc.

1.3.4 90 Percent Design Review: The ENGINEER shall conduct a 90 percent design review at the City office after submittal and City review of the 90 percent plans and

- specifications. The purpose of this meeting is to collect and discuss city comments on the 90 percent design plans, identify any decisions needed from City staff, etc.
- 1.3.5 Monthly Status Meetings: The ENGINEER shall conduct monthly status meetings at the City office during the course of the work. Items to be discussed during the monthly meeting may include, but not be limited to, progress reports, technical issues, policy interpretations, anticipated challenges, decisions needed from City staff, goals, invoices, etc. The City Engineer shall schedule the meetings and may cancel or call for additional meetings as needed.
 - 1.4 Quality Assurance/Quality Control
The ENGINEER shall provide Quality Assurance/Quality Control by having a senior representative of the ENGINEER review the final plans and specifications with their comments addressed prior to submitting the final review plans and specifications to the City.
 - 1.5 Project Schedule
The ENGINEER shall prepare a Project Schedule in order to identify the critical path(s) and challenges within the implementation of the Project.
 - 1.6 Engineer's Opinion of Most Probable Cost
The ENGINEER will prepare an "Opinion of Most Probable Cost" which shall include the estimated construction cost for the interceptor at the conclusion of the Preliminary Design, 90% Plan Submittal, and Final Submittal of work. Additional costs will be included for easements and "soft" costs (engineering fees, surveying fees, legal fees, permitting fees, etc.) associated with the final design and easement acquisition.

ITEM 2.0 - STUDY AND REPORT SERVICES

- 2.1 Rights of Entry for anticipated Easements: Research the ownership and mailing address of each property owner along the proposed route(s), prepare "right of entry letters", mail, and file owner's response. The City will inform each property owner (prior to mailing the letters) about the importance of gaining access onto their properties in order to conduct field investigations, surveys, soil sampling, etc. through the duration of the engineering work. We have found that when the right of entry is personally discussed with each property owner (in lieu of merely sending them a "form" letter), the property owners are much more amenable to granting the entrance rights. We desire for the City to secure rights of entry as soon as possible after authorization to begin work is given to DCS.
- 2.2 Floodplain Delineation including cross-section determination, cross-section development, channel profiling, hydrologic modeling, hydraulic modeling, 100-year water surface profiling, and hydraulic report are explicitly excluded from this scope of work. We understand the FEMA FIRM map is being updated by the City via a channel improvement project for Cottonwood Creek. We will obtain and use the limits of the new 100-year flood plain from the City/City's consultant. Information used will include: 100-year floodplain limits, floodway, and 100-year water surface elevations at the designated creek cross sections as shown on the FIRM map. This information will be used to establish the horizontal and vertical locations of the proposed manhole rims and vent elevations along the proposed interceptor route. Moreover, if a landowner intends to reclaim acreage within the 100-year floodplain limits at a future date, DCS will adjust the interceptor alignment to account for this but only if hydraulic model results, showing the new horizontal limits of the 100-year floodplain with associated 100-year water surface elevations, are provided to DCS in a sealed engineering report by a State of Texas licensed professional engineer.
- 2.3 Wastewater Flows
 - 2.3.1 The last update to the City wastewater flow projections and CIP list update was in January 2019 by DCS. Per previous conversations with the City, the 6 month update is due to occur at this time. Thus, growth projections, updated land use plan, and living unit equivalent (LUE) densities will be updated by DCS as part of this project. This information will be used in various portions of the proposed engineering effort including ultimate wastewater demands for the proposed sanitary sewer interceptor.

- 2.3.2 The wastewater analysis will include work needed to evaluate the wastewater interceptor sizing, location, service area stub-outs/flow injection points, and entire interceptor service area, including the existing developed and undeveloped areas that will contribute flow during the lifetime of the interceptor using the updated flow projections mentioned above. Wastewater flows will be modeled to calculate the capacity for the proposed wastewater interceptors at critical points along the route to confirm pipe size, depth, and slope are adequate to serve the sub-basins. This interceptor will not be oversized to convey the interim flows from the proposed Central WWTP to the South WWTP. The available hydraulic capacity of the pipe up to 100% capacity will be utilized to convey flows during this interim condition to the South WWTP.
- 2.4 Route Wastewater Interceptor
 - 2.4.1 The ENGINEER will research and obtain applicable documents for ownership, deeds, utility or other easements within subject parcels, and public right-of-ways for use in establishing the routes of the interceptor.
 - 2.4.2 The ENGINEER will prepare a schematic map of the proposed routes utilizing CAPCOG aerial photographs, City of Hutto Lidar data, City GIS data, FEMA floodplain delineation, parcel maps, preliminary design considerations, and record drawings of previous infrastructure projects in the vicinity. Based on this work, the ENGINEER and City will define routes for the interceptors and sewer stub-outs.
 - 2.4.3 Utilizing the latitude and longitude coordinates obtained from above, the ENGINEER will hike the alignments using a handheld GPS, and field stake the recommended alignments and lift station locations for review with City and/or each property owner. ENGINEER will make adjustments to the field staked alignment based upon field observations and City/property owner input. The ENGINEER will document the alignment with digital photographs for future reference.
 - 2.4.4 The ENGINEER shall coordinate with the official maps for the Edwards Aquifer Recharge and Transition Zones located at TCEQ and the Edwards Underground Water District.
 - 2.4.5 The ENGINEER shall coordinate the interceptor design with plans and specifications, design completed or underway by others, of any projects within the vicinity that may impact the interceptor. City shall provide ENGINEER with one copy of the plans and specifications for any project identified as impactful.
- 2.5 Interceptor and Lift Station Activation Plan
 - 2.5.1 ENGINEER shall incorporate into the Final Design the measures required to serve existing or proposed wastewater flows which require service as part of the completion of the interceptor and lift stations. The timing and sequencing of the decommissioning of the Glenwood Lift Station and its forcemains with emergency generator will be included in this work. Infrastructure, phasing, and a sequence of construction plan to accommodate the selected scenario will be identified in the construction sequence in the plans and/or scope of work specification. The plan will also identify activation time frames for new systems to come on-line and begin operating; and identify specific details requiring attention for a smooth transition.

ITEM 3.0 - PRELIMINARY DESIGN SERVICES

- 3.1 Surveying
 - 3.1.1 Topographic Survey – Prepare a topographic survey of the interceptor route, Central WWTP Lift Station, and South WWTP Lift Station with associated forcemains. As part of the easement and topographic survey, street right of ways; and property boundaries will be established as required for easement preparation. All surface features will be located along with underground utilities as marked in the field by the Texas One-Call System. This survey scope of work is based on the below items:

- a. Wastewater Interceptor to South WWTP: Approximately 7,000 linear feet comprised of an 80 ft width for the portion of the interceptor from the Glenwood Lift Station to FM 1660 and FM 1660 to the proposed South WWTP LS. Obtaining the top bank on only the nearest side of Cottonwood Creek; and an associated creek flow line along the entire route of the interceptor (where applicable). Additional area amounting to approximately 1.2 ac on the Central WWTP site will be surveyed for the force main and lift station. Existing survey from the Enclave force main project will be used for the interceptor alignment along FM 1660.
 - b. Sanitary Sewer Stub-outs: Topographic surveying of these future extensions is specifically excluded from this proposal. The ENGINEER shall use City Lidar data in his preliminary design of these stub-outs to confirm ample depth is provided to achieve service to the far reaches of the individual sub-basins of the interceptor's service area that the stub-outs are intended to serve.
- 3.1.2 Prepare Easements – Prepare a metes and bounds description along with an accompanying drawing of each temporary and permanent easement to be used as an attachment to each easement document (as prepared by the City's legal counsel and/or easement acquisition firm). This proposal is limited to the acquisition of a total of 4 permanent easements with an adjoining temporary easement for sanitary sewer interceptor, sanitary sewer stub-outs, and construction access. Two construction laydown areas will be provided to the Contractor within the limits of the City's existing South WWTP site; and the Central WWTP site. If additional easements are deemed necessary for the project, then additional scopes and fees will be prepared for the quantity of additional easements that are required. Temporary and permanent easement limits will not be staked in the field as part of this work.
 - 3.1.3 Borehole locations from the geotechnical investigation will be surveyed at the time the topographic survey is conducted.
 - 3.1.4 Three permanent benchmarks shall be established for the project using existing structures (i.e. bridges, inlets, headwalls, etc) or set in new poured concrete posts that are approximately eight feet deep. The locations will be coordinated and agreed to with the City during this phase of the work. These permanent bench marks shall be used in proposed and future construction projects. Horizontal control shall be on the Texas State Plane Coordinate System, NAD 83, Central Zone Grid Coordinates by utilizing GPS static observations and OPUS solutions to achieve second-order accuracy. The vertical control shall be based on NAVD 88 vertical datum by utilizing GPS static observations. A brass survey cap including permanent magnet, a minimum of 2" diameter, shall be cast, epoxied, or grouted into the top of the structure. The following information shall be stamped into the survey cap: a) precise northing and easting marking the point being monumented, b) registration number of the surveyor in charge, and c) monument number assigned by the City.
 - 3.1.5 The survey shall also include the establishment of temporary benchmarks with horizontal and vertical control points using the same coordinate system.
 - 3.1.6 A tree survey shall be conducted in accordance with the City of Hutto standard requirements for 8" diameter trees and larger. For areas where the interceptor work will be in proximity to, but will not have the potential to demolish existing trees, the brush lines/tree line shall be obtained.
 - 3.1.7 Utility Potholing – Potholing of existing utilities in unpaved areas to confirm horizontal and vertical locations is specifically excluded from this scope of work. If potholing is deemed necessary during the project, then a contract amendment will be necessary. If potholing is performed, locations will be based on record drawing locations of existing wet utility lines. No dry utilities (phone, cable, gas, electric) will be potholed. The pothole locations will be surveyed by the project surveyor. Potholing information previously obtained as part of the Enclave Forcemain project to cross the gas line on FM 1660 will be utilized.

3.2 Geotechnical Investigation

- 3.2.1 The ENGINEER will manage and coordinate the efforts of the Geotechnical Engineer for the geotechnical analysis for the Project. Boreholes shall be drilled at five (5) strategic locations for the wastewater interceptor. Drill depths will be up to 30 ft below natural ground along the route in order to establish the basis of design for the pipeline, trench design, embedment, backfill, manholes, bore & jack operations, and appurtenances. All 5 of these borings will be drilled to 20 ft to 30 ft deep for the interceptor spaced at about 1,000 foot intervals. The proposed lift stations shall have one (1) boring each at a depth of 75' on the South WWTP site and 50' on the Central WWTP site. Total drilled depth is 255 ft. Geotechnical Engineer shall provide soil data required to calculate a recommendation on pipe stiffness and embedment to be used for the various depths of bury. The pipelines are anticipated to be constructed in Austin Limestone or Taylor Clay. Groundwater depths and cave in depths will be recorded and included in the report for all the bores. Borings taken along FM 1660 from previous geotechnical investigations performed for the City in past projects will be used where the depths exceed the flowline of the proposed interceptor.
- 3.2.2 The Geotechnical Engineer shall provide recommendations for precast concrete manholes and fiberglass reinforced manholes via open cut construction on the interceptor.
- 3.2.3 The Geotechnical Engineer shall prepare one (1) report for use in the design and construction of the interceptor which will further detail the soil conditions for the basis of design, bidding, and construction.

3.3 Environmental Considerations

The ENGINEER shall conduct environmental evaluations of the proposed interceptor route related to Section 404 permitting, endangered species, and archeology.

3.3.1 Section 404 Permitting

The ENGINEER shall determine the impacts to jurisdictional areas and regulatory permitting requirements as a result of the proposed interceptor and lift stations. An on-site investigation will be required to conduct a jurisdictional determination for the presence of waters of the U.S. regulated under Section 404 of the Clean Water Act. The purpose of the jurisdictional determination is to identify waters of the U.S. as outlined in the U.S. Army Corps of Engineers' (USACE) Regulatory Program Regulations Section 33 CFR 328.2 that may be potentially impacted by the proposed facility.

ENGINEER shall provide a preliminary jurisdictional determination (PJD) report identifying any jurisdictional water of the U.S. To provide the PJD report, ENGINEER will perform the following subtasks:

- a. Investigate the proposed project routes and delineate all waters of the U.S. including their adjacent wetlands;
- b. Locate all jurisdictional waters and adjacent wetlands and delineate with a handheld GPS device;
- c. Prepare a PJD report including maps of delineated jurisdictional areas;
- d. Identify and quantify potential impacts to waters of the U.S. including wetlands;
- e. Provide a summary letter detailing Section 404 permitting options, if potential impacts to jurisdictional areas are identified.
- f. This project is not expected to be permitted under *Nationwide Permit No. 12 – Utility Line Activities*. If it is determined that this is required, ENGINEER shall prepare an additional scope and fee for the services which will include but not be limited to the following: ENGINEER shall coordinate Section 404 permitting with the USACE, if notification to the USACE for a 404 permit is required for the project. IES will prepare a pre-construction notification for submittal to the U.S. Army Corps of Engineers (USACE), if necessary. This task will include coordination with the USACE in order to obtain the 404 nationwide permit,

which would include compliance with the general conditions for nationwide permits such as archaeological survey, coordination with other state and federal review agencies as necessary, and a mitigation plan detailing compensatory mitigation proposed for impacts to jurisdictional waters of the U.S., if necessary.

3.3.2 Endangered Species

The ENGINEER shall manage and direct the Environmental Consultant to provide to the City of Hutto a letter report of an assessment for any potential threatened or endangered species as listed by the U.S. Fish and Wildlife Service and state natural resources as defined by the Texas Parks and Wildlife Department.

3.3.3 Archeological Survey

The ENGINEER shall manage and direct the Environmental Consultant to perform an archeological survey along the route and at the lift station sites in compliance with the Texas Antiquities Code and the National Historic Preservation Act.

3.3.4 City/County Ordinances and Regulations

The ENGINEER shall review the ordinances, guidelines, and regulations of the City of Hutto and Williamson County to determine and/or verify that the proposed interceptor is in compliance with such rules and regulations. The pipeline corridors will be surveyed for the presence of unusual soil discoloration, vegetation anomalies, or unusual odors from the proposed easement and adjacent tracts that could indicate hazardous materials contamination. Should any of these conditions be observed during the survey, the ENGINEER may recommend that a Phase I Environmental Site Assessment be conducted according to current standards of ASTM International under separate scope and budget.

3.4 Easement Requirements

3.4.1 Easement Identification

The ENGINEER will identify the land parcels, tracts, and lots from which easements will be required. A map will be prepared identifying each affected tract of land with a unique identifier and will include the current ownership, acreage, and recordation information based upon deed records obtained from the Williamson County Appraisal District.

3.4.2 Easement Width Recommendations

Based upon the preliminary plan and profile of the interceptor, the ENGINEER will recommend minimum easement widths required along the alignments of the Project. These easements and their corresponding widths will be clearly depicted on the preliminary plan view/layout drawings.

3.4.3 Preparation of the Easement Document

The City or its third party representative will meet with land owners, negotiate easement terms, coordinate, manage, and direct the preparation of the easement document for review, comment, approval from Hutto's City Attorney, and submit easement documents for official filing. The ENGINEER will provide the easement exhibit as described in this scope of work for attachment to this document.

3.4.4 Preliminary Estimate of Land Values

The City will work with their Land Appraiser to prepare a preliminary estimate of the land values and associated easement values for the Project. The ENGINEER will obtain these easement values from the City for inclusion in the project's overall cost.

3.4.5 Landowner Meetings

The City or its third party representative will meet with each affected property owner along the route of the interceptor to discuss the merits or concerns of the alignment. ENGINEER will incorporate results of these meetings into design of the project.

3.4.6 Interceptor Route Adjustments

Based upon the outcome of the landowner meetings described in 3.4.5, appropriate alignment adjustments may be made where deemed possible and/or practical to accommodate the property owners.

3.4.7 Attorney Services

- During the course of the Work, the need for additional services related to the right of entry described above may be identified which require the services of a real property attorney. These potential services will be provided and paid for by the City.
- 3.4.8 Additional Services

This proposal does not include services related to the condemnation of any of the easements. If condemnation proceedings do occur, then we will negotiate said services at the appropriate time.
 - 3.5 Coordination with Regulatory Agencies, Private Utilities, and Potential Utility Customers
 - 3.5.1 Regulatory Agencies

The ENGINEER shall identify the regulatory agencies for which permitting of construction activities will be required and shall meet with, and coordinate with these agencies to brief them on the particulars associated with this Project and gather permitting information which will be useful in ordinance compliance and final design. The ENGINEER will prepare and process permits required by outside agencies. The City shall be responsible for permit fees and signatures as necessary for processing. Williamson County, TXDOT, TCEQ, and the City of Hutto will be coordinated with for work within right of ways regarding proposed interceptor.
 - 3.5.2 Williamson County

The ENGINEER shall coordinate crossings of Williamson County right-of-ways with the Area Engineer in order to brief them on the Project and to determine if they have any concerns or objections regarding the proposed construction. The County's concerns will be incorporated into the preliminary and final design of the interceptor.
 - 3.5.3 Texas Department of Transportation

The ENGINEER shall coordinate crossings of TxDOT highways with the Area Engineer's Office in order to brief them on the Project and to determine if they have any concerns or objections regarding the proposed construction. Concerns will be incorporated into the preliminary and final design of the interceptor.
 - 3.5.4 Private Utility Companies (Gas, Electric, Telephone, and Cable)

The ENGINEER shall review the preliminary interceptor plans with each private utility to clearly set forth the project objectives and to determine if any utility has any concerns or objections. Effort will be expended to resolve any potential conflicts as well as to absolve the concerns and/or objections.
 - 3.5.5 Potable Water Providers

The ENGINEER shall review the preliminary interceptor plans with Jonah Water SUD and Manville WSC to clearly set forth the project objectives and to determine if there are any concerns or objections. Effort will be expended to resolve any potential conflicts as well as to absolve the concerns and/or objections.
 - 3.5.6 Developments Adjacent to Proposed Interceptor

The ENGINEER will coordinate with the Owners of proposed developments along the interceptor route for desired service by the proposed interceptor.
 - 3.6 Interceptor and Sanitary Sewer Stub-out Preliminary Design
 - 3.6.1 The ENGINEER shall prepare a plan and profile of the proposed interceptor based upon the horizontal alignment, topographic survey, existing easements, proposed easements, and property boundaries for review with the City. The route will be based upon the one established under Item 2 of this scope.
 - 3.6.2 Utilizing the criteria set forth in City Design Standards and compliant with the TCEQ's Chapter 217, "Design Criteria for Domestic Wastewater Systems," the ENGINEER will verify pipe diameter(s) required for each segment of the interceptor as established under Item 2 of this Task Order.
 - 3.6.3 The ENGINEER will evaluate various possible pipe and manhole materials including an analysis of the pros and cons involved with each alternative used to establish the Engineer's recommendation.
 - 3.6.4 The ENGINEER shall evaluate various alternatives and set forth recommendations for the following:

- 3.6.5.1 Trench design
- 3.6.5.2 Embedment and backfill materials and methods
- 3.6.5.3 Jacking and boring
- 3.6.5 The ENGINEER shall perform calculations to determine the pipe stiffness(es) recommended for pipe material(s) based upon bury depth, trench configuration, and embedment method.
- 3.6.6 The ENGINEER shall evaluate testing methods and acceptance criteria used to establish recommendations to be incorporated into the "Technical Specifications."
- 3.6.7 The ENGINEER shall prepare an outline of the "Technical Specifications" and prepare a summary/briefing of the specifications recommended for the Project.
- 3.7 South WWTP Lift Station Preliminary Design
 - 3.7.1 The ENGINEER shall review available data and consult with the City to clarify and define the City's requirements for the lift station. The lift station will be sited and configured per the South WWTP preliminary engineering effort by DCS in the first quarter of 2019 to generate the conceptual site plan for the ultimate 15.5 mgd WWTP and all its related facilities. This lift station will be a permanent facility and be provided with a local control panel, dedicated emergency generator, and automatic transfer switch. These primary power, emergency power, and controls will be configured so that they may be removed and replaced in the future with a centralized primary power/control system; and centralized emergency power system.
 - 3.7.2 The ENGINEER shall identify and analyze requirements of governmental authorities including TCEQ having jurisdiction to approve the design of the lift station.
 - 3.7.3 The ENGINEER shall prepare a preliminary engineering plan on the Project in sufficient detail to indicate clearly the problems involved and the alternate solutions available to the City, including preliminary layouts and cost estimates, and setting forth clearly the Engineer's recommendations.
 - 3.7.4 Structural and Electrical engineering design required for the plans and specifications is included in this task.
 - 3.7.5 The ENGINEER shall coordinate with electrical service provider for a new service drop and overhead power installation to the proposed lift station site for three phase 480 volt power. Cost of new service is included in the above noted project cost.
 - 3.7.6 The proposed scope of work includes the design related to the force main required to connect the lift station to the headworks at the South WWTP.
- 3.8 Central WWTP Lift Station Preliminary Design
 - 3.8.1 The ENGINEER shall review available data and consult with the City to clarify and define the City's requirements for the lift stations. The lift station will be sited and configured per the Central WWTP preliminary engineering effort by DCS in the first quarter of 2019 to generate the conceptual site plan for the ultimate 3.25 mgd WWTP and all its related facilities. This lift station will be a permanent facility and be provided with a local control panel, dedicated emergency generator, and automatic transfer switch. These primary power, emergency power, and controls will be configured so that they may be removed and replaced in the future with a centralized primary power/control system; and centralized emergency power system.
 - 3.8.2 The ENGINEER shall identify and analyze requirements of governmental authorities including TCEQ having jurisdiction to approve the design of the lift stations.
 - 3.8.3 The ENGINEER shall prepare a preliminary engineering plan on the Project in sufficient detail to indicate clearly the problems involved and the alternate solutions available to the City, including preliminary layouts and cost estimates, and setting forth clearly the Engineer's recommendations.
 - 3.8.4 Structural and Electrical engineering design required for the plans and specifications is included in this task.
 - 3.8.5 The ENGINEER shall coordinate with electrical service provider for a new service drop and overhead power installation to the proposed lift station sites for three phase 480 volt power. Cost of new service is included in the above noted project cost.

- 3.8.6 The proposed scope of work includes the design related to the force mains required to connect the lift station to the existing Glenwood force main at the Central WWTP.
- 3.9 Preliminary plans and profiles, preliminary details, preliminary technical specifications, and a preliminary Engineer's Opinion of Probable Cost will be provided to the City to conclude the efforts defined under Item 3. Upon review by the City, ENGINEER will include City staff comments and move forward into the final design phase.

ITEM 4.0 - FINAL DESIGN SERVICES

- 4.1 ENGINEER shall evaluate testing methods and acceptance criteria and clearly set forth recommendations to be incorporated into the "Technical Specifications."
- 4.2 Prepare plans and specifications (contract documents) for construction of facilities enumerated in the above Section 2 and Preliminary Design under Item 3.0 as authorized by the City. Half size drawings (i.e. 11" x 17" drawings) and project manual (i.e. specification book) will be produced for this project. Plans and specifications shall be per the City's regulations (latest edition) and Engineering Design Guidelines & Construction Standards (latest edition) and all updates of these standards up to the time of the beginning of the bidding phase.
 - 4.2.1 Prepare Plans and Specifications for the Glenwood Interceptor
 - 4.2.2 Prepare Plans and Specifications for the South WWTP Lift Station and forcemain
 - 4.2.3 Prepare Plans and Specifications for the Central WWTP Lift Station and forcemain
 - 4.2.4 Prepare Plans and Specifications for the demolition of Glenwood Lift Station
- 4.3 Prepare traffic control plans in those areas deemed necessary. Traffic control layouts and details will be included in the plan set(s).
- 4.4 Submit required information and/or plans and specifications to obtain approval or permits from TXDOT, TCEQ (wastewater department), Williamson County, private water suppliers (Jonah and Manville WSC), and City of Hutto for the proposed sanitary sewer line.
- 4.5 Deliverables:
 - 4.5.1 60 Percent Design Submittal: The 60 Percent design submittal will include plans only.
 - 4.5.2 90 Percent Design Submittal: The 90 Percent design submittal will include plans, specifications, and 90% Engineer's Opinion of Probable Construction Cost.
 - 4.5.3 Final Submittal: The final submittal will include final plans, specifications, and Engineer's Opinion of Probable Construction Cost.

ITEM 5.0 – BIDDING AND AWARD SERVICES

- 5.1 Assist the City in receiving bids from General Contractors for this project. Work will include conducting a prebid meeting with the Contractors to review the scope of work as presented on the contract documents described above. Addenda to the bid documents shall be generated as required to address Contractor comments or questions. Additional costs for advertising are not included in this fee proposal and will be billed separately, if required.
- 5.2 The bid documents will be structured to have one bid for the Project.
- 5.3 Civcast will be utilized to maintain the plan holder and distribution lists. Civcast will provide bid packages to the Contractors at no cost. DCS will provide PDF copies of the plans and specification book to Civcast for their use.
- 5.4 Assist the City in the opening and tabulation of bids for construction of the Project, and consult with the City as to the proper action to be taken, based on the engineering considerations involved.
- 5.5 Assist in the preparation of formal Contract Documents, perform the bid tabulation, and letter of recommendation of award for Contractor.

ITEM 6.0 - CONSTRUCTION MANAGEMENT & CONSTRUCTION ADMINISTRATION SERVICES

- 6.1 Coordinate and oversee the participation in a Pre-construction conference for the Project to be held at the beginning of construction at the City Engineer's office.
- 6.2 Review samples, catalog data, schedules, shop drawings, laboratory, shop and mill tests of material and equipment and other data which the contractor submits. This review is for the benefit of the City and covers only general conformance with the information given by the Contract Documents. The contractor is to review and stamp his approval on submittals prior to submitting to Engineer, and review by the Engineer does not relieve the contractor of any responsibility such as dimensions to be confirmed and correlated at the job site, appropriate safety measures to protect workers and the public, or the necessity to construct a complete and workable facility in accordance with Contract Documents.
- 6.3 Administer monthly construction status meetings and conduct site visit on the same day. Review and recommend for approval Contractor pay request applications. Perform construction management duties for overall project that normally arise during daily construction activities.
- 6.4 Conduct, in company with the City, a substantial completion punchlist, SCADA programming and instrumentation punchlist to confirm all control logic has been properly implemented and functioning correctly in the field, and final completion punchlist for all civil/mechanical/structural/electrical/etc. work of the Project for compliance with the Contract Documents, and submit recommendations concerning project status, as it may affect City's final payment to the contractors.
- 6.5 Prepare full size record drawings utilizing hand marked changes to the construction plans. Furnish one electronic PDF copy on CD and two 11 x 17 copies of the record drawings to the City.
- 6.6 Resident Project Representative Services are specifically excluded from this scope of work. Therefore, daily or weekly inspection of the work will not be conducted by DCS. In accordance with City requirements, the City of Hutto's Resident Project Representatives will be performing these duties on this project on the interceptor, Central WWTP Lift Station, and South WWTP Lift Station with associated foremans.
- 6.7 DCS shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor or the safety precautions and programs incident to the work of the Contractor. DCS shall not guarantee the performance of the Contractor nor be responsible for the acts, errors, omissions or the failure of the Contractor to perform the construction work in accordance with the Contract Documents.
- 6.8 Construction Staking – Temporary and permanent easement limits will not be staked in the field as part of this work. Construction layout, cut sheets, and staking for line and grade are specifically excluded from this scope of work and shall be provided and paid for by the construction contractor.
- 6.9 Construction Materials Testing - Construction materials testing is not included in this scope of work. City will contract directly with the materials testing lab for testing and billing of all samples taken during the construction phase of the project.

ITEM 7.0 – TEXAS WATER DEVELOPMENT BOARD SERVICES

- 7.1 TWDB Additional Required Engineering Items: The City of Hutto plans to utilize existing TWDB SRF monies for the proposed wastewater interceptor and lift stations. The below scope of work will begin with an application letter to TWDB to reallocate the existing funds and continue through project funding and ultimately project construction close-out with TWDB. Moreover, the preparation of additional engineering documents, environmental engineering reports, effort, and administration of the TWDB funding process will be required. The below effort does not include production of financial portions of the application and process. These shall be provided by City Staff. The effort would include the following and as additionally enumerated in the TWDB program guidance manual:

- 7.1.1 Manage and administer the TWDB funding process through all phases including reallocation letter, planning, design, bidding, construction, and project close-out
- 7.1.2 Preparation and Submittal of reallocation letter for Financial Assistance
- 7.1.3 Prepare and Submit an Engineering Feasibility Report
 - 7.1.3.1 The ENGINEER shall prepare a report summarizing the findings and alternatives for the proposed projects and the associated ultimate service area. Potential challenges and recommendations for the implementation of the Project with respect to the existing wastewater facilities will be identified.
 - 7.1.3.2 The report will include the evaluation of facility sizing and specifically defining the ultimate service area with its associated LUE capacity using 225 gpd/LUE, as defined in the City's 2018 Wastewater Master Plan. The ENGINEER will include pipe size, depth, and slopes adequate to serve this service area's sub-basins.
 - 7.1.3.3 For each of the facilities to be constructed under this project, the Engineer shall prepare and submit conceptual alignments clearly illustrating the facilities proposed, site locations and layouts contemplated. The report shall include the selected project option and an Engineer's Opinion of Most Probable Cost for each facility.
- 7.1.4 Prepare and Submit a Final Engineering Design Report
- 7.1.5 Manage Additional Environmental Considerations of subconsultant
- 7.1.6 Address TWDB review comments on reports, plans, and specifications
- 7.1.7 Incorporate TWDB bidding forms and documents into construction contract, plans and specifications for Non-Equivalency funding (i.e. no federal funds included in TWDB loan, only State of Texas funds included)
- 7.1.8 Submit documentation that bidding process conformed to TWDB requirements
- 7.1.9 Submit required number of copies of reports, plans and specifications to TWDB for their review and approval for above activities
- 7.1.10 Prepare and submit quarterly Outlay Reports during the project's life
- 7.2 TWDB Additional Engineering Items: The City of Hutto has elected to use TWDB SRF monies for the proposed wastewater interceptor. Thus, the preparation of an Environmental Information Document (EID) will be required. This effort will include preparation, submission, and FONSI:
 - 7.2.1 Preparation and submission of the draft EID for this project in accordance with TWDB Guidelines for the Preparation of Environmental Information Documents.
 - 7.2.2 Revise Draft EID: This task will include revising the Draft EID in accordance with one set of comments from DCS, one set of comments from the City of Hutto, and two sets of comments from TWDB.
 - 7.2.3 Notice of Availability of EID: After receiving preliminary approval of the Draft EID from TWDB, a notice of availability of the EID will be prepared and published in a newspaper of general circulation in the City of Hutto. The notice will be published once and will allow at least 30 days of availability to review.
 - 7.2.4 The Engineer will send the Draft EID for review and comment to the Texas Parks and Wildlife Department, U.S. Fish and Wildlife Service, U.S. Army Corps of Engineers Fort Worth District, and Texas Commission on Environmental Quality. TWDB will coordinate with the Texas Historical Commission.
 - 7.2.5 Prepare Final EID: The Final EID will include any necessary revisions from the public review process and agency coordination. Up to ten (10) copies of the Final EA will be prepared and submitted for approval on paper and electronically.
 - 7.2.6 This Scope of Services does not include any public meetings, public hearings, Formal or Informal Section 7 Consultation with the U.S. Fish and Wildlife Service, a Biological Assessment/Biological Evaluation (associated with endangered species/habitat impacts), noise analysis, air quality analysis, USACE Section 404 permitting or any mitigation designs or plans associated with Section 404 permitting.

Should any of these services be determined necessary, the Engineer will perform the associated work as additional services.

3. **Owner's Responsibilities**

- A. Owner shall be responsible for permit fees, cost of newspaper advertisements for all phases of the project, and signatures as necessary for processing.
- B. Owner shall provide record drawings and geotechnical reports for City roadways and utilities in proximity to or which the proposed project crosses.
- C. Per the Easement Requirements discussion in Item 3.4 above, the City or its third party representative will meet with land owners, negotiate easement terms based on DCS's project needs/recommendations. DCS will coordinate, manage, and direct the preparation of the easement document for review, comment, approval from Hutto's City Attorney. The City will submit easement documents for official filing. The City will work with their Land Appraiser to prepare a preliminary estimate of the land values and associated easement values for the Project. Services of a real property attorney, if required, will be provided and paid for by the City.
- D. City or its third party representative shall inform each property owner (prior to mailing the right of entry letters) about the importance of gaining access onto their properties in order to conduct field investigations, surveys, soil sampling, etc. through the duration of the engineering work. And assist in obtaining permission from the land owners for the right of entry to the properties to conduct the activities outlined in this proposal. DCS shall prepare the right of entry letter(s) outlining the easement and/or proposed scope of work to the land owner(s).

4. **SubConsultants:**

- A. Surveying – Inland Geodetics, LLC
- B. Geotechnical Engineer – Arias & Associates, Inc.
- C. Environmental & Archeological – Integrated Environmental Solutions, LLC.
- D. Electrical Engineering – JRSA Engineering, Inc.
- E. Structural Engineering - Carrasquillo Associates, LTD.

5. **Other Modifications to Agreement:**

None

TIME AND PERFORMANCE: Services are expected to be rendered by Professional and commence on the date this Agreement is executed, or within a reasonable time thereafter. Services are to be completed as outlined in this Scope of Services.

The timeline is based on receiving the notice to proceed by July 19, 2019. Construction will reach substantial completion by April 30, 2021 and a final completion date by May 31, 2021 which includes the average number of rain days per month experienced in Central Texas. The required final completion date by the City is May 31, 2021. Substantial completion will be defined in the bid documents to the Contractor as the Central WWTP Lift Station being capable of safely, reliably, and consistently conveying raw sewage into the Glenwood Interceptor and the Glenwood Interceptor being capable of safely, reliably and consistently conveying raw sewage into the proposed South WWTP Lift Station and thence into the headworks of the South WWTP.

The services for the preliminary design (three months), final design (four months), client review and DCS response to comments (two months), bidding and award (two months), and construction (eleven months) will be performed over a total of 22 months with completion dates as noted below.

- | | |
|---------------------------------------|-------------------------------|
| • Notice to Proceed | Issued by July 19, 2019 |
| • Preliminary Design | Complete by October 17, 2019 |
| • Final Design – 90% Design Submittal | Complete by February 14, 2020 |

- | | |
|---|-----------------------------------|
| • Client 90% Design Review | Comments to DCS by March 14, 2020 |
| • Final Design – 100% Design Submittal | Complete by April 14, 2020 |
| • Advertisement | April 15, 2020 |
| • Bid Opening | May 15, 2020 |
| • Award | June 1, 2020 |
| • Contractor’s Notice to Proceed | June 15, 2020 |
| • Substantial Construction Completion | April 30, 2021 |
| • Final Construction Completion/Close-out | May 31, 2021 |

TWDB Schedule:

The time needed to produce the TWDB documents, submit to TWDB, TWDB review/approve, and TWDB issue the funds to the City will require a total of about 6.5 months.

An estimated 2.5 months is required to complete the work for TWDB and generate the reports. Another four months is understood to be realistic duration to achieve approval. Thus, TWDB funds will not be received by the City until about 6.5 months (minimum) as measured from July 19, 2019.

DCS will work with the City to establish the most advantageous dates to begin bidding the project. The below dates are the anticipated dates only for the tasks associated with obtaining funding from TWDB:

- | | |
|---|-------------------|
| • Engineering and Environmental Submittals to TWDB: | October 31, 2019 |
| • Fastest Staff Review and Approval by TWDB: | December 31, 2019 |
| • Likely Date of Funds to City from TWDB: | February 29, 2020 |

The period of service will be the through construction project completion and project closeout with TWDB.

APPENDIX B: COMPENSATION

DCS ENGINEERING, LLC for GLENWOOD LIFT STATION DECOMMISSIONING, INTERCEPTOR, AND TWO NEW LIFT STATIONS

Amount of Payment

Lump Sum

Professional shall be compensated on a lump sum basis for satisfactory performance of professional Services described in this Agreement.

Certain out-of-pocket expenses, including plotting and reproduction, deliveries, automobile mileage, equipment rental, and travel expenses are included in the fees shown in the attached table. The above referenced services will be performed within the duration discussed above.

Additional Services beyond the scope of this agreement will be billed at the current DCS Standard Hourly Rate Table with written approval from the City prior to performing the identified effort. Hourly rates shall remain the same for the life of this Agreement, including all amendments, unless the Professional and the City negotiate a fee increase. This negotiation shall be specifically addressed in a negotiation meeting, unless otherwise agreed to by the Parties, or as determined by customary practice.

Method of Payment

Monthly: Payable within 30 days of receipt of an invoice approved by the appropriate project manager and progress report stating the amount of the services completed.

Professional Invoice Requirements

- Itemized invoices must be submitted that indicate the services performed.
- Invoices for this Agreement must be submitted separately from invoices for services performed under any other contract(s) or agreement(s).

Compensation Based on Time and Materials

If compensation is based on time and materials, the following shall apply:

Compensation shall be computed based on the hourly billing rates, approved by the appropriate project manager, times the actual number of hours spent in the performance of services. The hourly billing rate for each employee is the amount to be paid to the Professional, and is full compensation for all salary, benefits, taxes, overhead, and profit. There shall be no change in rates during the term of this Agreement, unless agreed to by the Parties as outlined in this Agreement, and no additional compensation for overtime, weekend, or holiday work.

Compensation for subcontractors shall be equal to the amounts actually paid to subcontractors hereunder, who have been retained after the written approval of the appropriate project manager, of: a) the subcontractor, b) the compensation to be paid the subcontractor, and c) the terms and conditions of the subcontract.

The City has the sole discretion to determine if certain expenses outside of those agreed to qualify for

compensation. If approved by the City, compensation for expenses shall be an amount equal to reimbursable expenses approved in advance by the appropriate project manager, necessary, and reasonably incurred, and actually paid by the Professional in the performance of the Services hereunder. The City has the sole discretion to determine what constitutes reimbursable expenses.

The Professional shall obtain the appropriate project manager's written approval prior to making expenditures for reimbursable expenses in excess of \$500 per specific expenditure. The Professional shall substantiate all billings for reimbursable expenses in excess of \$25 with receipted bills and provide said receipts with the appropriate billing.

The Professional shall keep, and cause any subcontractors to keep, daily records of the time spent in performance of Services hereunder by all persons whose billing rates will be the basis for compensation as well as records and receipts of reimbursable expenditures hereunder. Failure to do so shall be a conclusive waiver of any right to compensation for such services or expenses as are otherwise compensable hereunder.

The City shall have the right to inspect all records of the Professional, and any subcontractors, pertaining to this Agreement. Records shall be maintained by the Professional and subcontractors for a period of three (3) years after completion of services.

Standard Hourly Rate Table

Classification	Billing Rate		
Principal	\$215.00	-	\$275.00
Senior Project Manager	\$200.00	-	\$240.00
Project Manager	\$140.00	-	\$210.00
Design Manager	\$120.00	-	\$170.00
Senior Engineer	\$100.00	-	\$160.00
Project Engineer	\$90.00	-	\$140.00
CAD Manager	\$100.00	-	\$200.00
IT Manager	\$110.00	-	\$160.00
IT Technician	\$80.00	-	\$140.00
Senior Designer	\$90.00	-	\$160.00
Designer II	\$80.00	-	\$145.00
Designer I	\$70.00	-	\$125.00
Senior Computer Technician	\$70.00	-	\$140.00
Computer Technician II	\$50.00	-	\$125.00
Computer Technician I	\$40.00	-	\$110.00
Project Coordinator	\$45.00	-	\$110.00
Clerical	\$30.00	-	\$90.00
Document Control Clerk	\$30.00	-	\$90.00

Table No. 1 - Schedule of Fees
Glenwood Lift Station Decommissioning, Interceptor, and Two New Lift Stations
City of Hutto

DCS Task No.	Scope Item	Proposed Fees						Compensation Method	Compensation for Services
		DCS	Inland Geodetics	Arias	IES	JRSA	Carrasquillo Associates		
160	1.0 Project Management	-	-	-	-	-	-	-	-
160	1.1 Management Plan	2,500	-	-	-	-	-	-	2,500
600	1.2 Subconsultant Management	6,000	-	-	-	-	-	-	6,000
600	1.3 Project Meetings	-	-	-	-	-	-	-	-
600	1.3.1 Project Kickoff Meeting	3,500	-	-	-	-	-	-	3,500
600	1.3.2 Preliminary Design Workshop	3,500	-	-	-	-	-	-	3,500
600	1.3.3 60 Percent Design Review	3,500	-	-	-	-	-	-	3,500
160	1.3.4 90 Percent Design Review	3,500	-	-	-	-	-	-	3,500
160	1.3.5 Monthly Status Meetings	9,000	-	-	-	-	-	-	9,000
600	1.4 Quality Assurance/Quality Control	10,000	-	-	-	-	-	-	10,000
160	1.5 Project Schedule	1,750	-	-	-	-	-	-	1,750
160	1.6 Engineer's Opinion of Most Probable Cost	-	-	-	-	-	-	-	-
	Sub-Total	43,250	-	-	-	-	-	Lump Sum	43,250
200	2.0 Study and Report Services	-	-	-	-	-	-	-	-
200	2.1 Rights of Entry for Anticipated Easements	3,200	-	-	-	-	-	-	3,200
200	2.2 Floodplain Delineation	-	-	-	-	-	-	-	-
200	2.3 Wastewater Flows	-	-	-	-	-	-	-	-
200	2.3.1 Growth Projections	5,000	-	-	-	-	-	-	5,000
200	2.3.2 The Wastewater Interceptor Sizing, Location, Service Area Stub-outs	3,500	-	-	-	-	-	-	-
200	2.4 Route Wastewater Interceptor	-	6,000	-	-	-	-	-	-
200	2.4.1 Land Ownership and Easement Research	-	-	-	-	-	-	-	-
200	2.4.2 Schematic Map of Proposed Route	3,000	-	-	-	-	-	-	6,000
200	2.4.3 Field Staking of Interceptor and Lift Stations	2,400	-	-	-	-	-	-	3,000
200	2.4.4 Edwards Aquifer Coordination	250	-	-	-	-	-	-	2,400
200	2.4.5 Coordination of Interceptor Tie-ins and Current Projects	750	-	-	-	-	-	-	250
200	2.5 Interceptor and Lift Station Activation Plan	-	-	-	-	-	-	-	750
	Sub-Total	18,100	6,000	-	-	-	-	Lump Sum	20,600
800	3.0 Preliminary Design Services	-	-	-	-	-	-	-	-
800	3.1 Surveying	-	-	-	-	-	-	-	-
805	3.1.1 Topographic Survey	-	32,130	-	-	-	-	-	32,130
800	3.1.2 Prepare Easements	-	7,500	-	-	-	-	-	7,500
800	3.1.3 Borehole Locations	-	405	-	-	-	-	-	405
800	3.1.4 Permanent Benchmarks	-	1,602	-	-	-	-	-	1,602
800	3.1.5 Temporary Benchmarks	-	3,047	-	-	-	-	-	3,047
800	3.1.6 Tree Survey per City of Hutto Standards	-	2,650	-	-	-	-	-	2,650
800	3.1.7 Utility Potholing	-	-	-	-	-	-	-	-
810	3.2 Geotechnical Investigation	-	-	-	-	-	-	-	-
810	3.2.1 Borings along Interceptor and at Lift Station Sites	-	-	10,600.50	-	-	-	-	10,601
810	3.2.2 Manhole and Lift Station Geotech Recommendations	-	-	2,677	-	-	-	-	2,677
810	3.2.3 Geotechnical Engineer Report	-	-	5,310	-	-	-	-	5,310
820	3.3 Environmental Considerations	-	-	-	-	-	-	-	-
820	3.3.1 Section 404 Permitting	-	-	-	7,473.50	-	-	-	7,474
820	3.3.2 Endangered Species	-	-	-	4,024.00	-	-	-	4,024
820	3.3.3 Archeological Survey	-	-	-	18,166.00	-	-	-	18,166
400	3.3.4 City/County Ordinances and Regulations	-	-	-	-	-	-	-	-
400	3.4 Easement Requirements	-	-	-	-	-	-	-	-
400	3.4.1 Easement Identification	-	-	-	-	-	-	-	-
400	3.4.2 Easement Width Recommendations	-	-	-	-	-	-	-	-
400	3.4.3 Preparation of the Easement Document	-	-	-	-	-	-	-	-
400	3.4.4 Preliminary Estimate of Land Values	-	-	-	-	-	-	-	-
400	3.4.5 Landowner Meetings	-	-	-	-	-	-	-	-
400	3.4.6 Interceptor Route Adjustments	-	-	-	-	-	-	-	-
400	3.4.7 Attorney Services	-	-	-	-	-	-	-	-
	Sub-Total	1,500	-	-	-	-	-	-	1,500

**Table No. 1 - Schedule of Fees
Glenwood Lift Station Decommissioning, Interceptor, and Two New Lift Stations
City of Hutto**

DCS Task No.	Scope Item	Proposed Fees						Compensation Method	Compensation for Services
		DCS	Inland Geodetics	Arias	IES	JRSA	Carrasquillo Associates		
400	3.4.8 Additional Services	-	-	-	-	-	-	-	-
500	3.5 Coordination with Regulatory Agencies, Private Utilities, and Potential Utility Customers	-	-	-	-	-	-	-	-
500	3.5.1 Regulatory Agencies	1,650	-	-	-	-	-	-	1,650
500	3.5.2 Williamson County	500	-	-	-	-	-	-	500
500	3.5.3 Texas Department of Transportation	250	-	-	-	-	-	-	250
500	3.5.4 Private Utility Companies (Gas, Electric, Telephone, and Cable)	1,000	-	-	-	-	-	-	1,000
500	3.5.5 Potable Water Providers	-	-	-	-	-	-	-	-
500	3.5.6 Developments Adjacent to Proposed Interceptor	1,250	-	-	-	-	-	-	1,250
500	3.6 Interceptor and Sanitary Sewer Stub-out Preliminary Design	-	-	-	-	-	-	-	-
500	3.6.1 Preparation of Plan & Profile of Interceptor	24,250	-	-	-	-	-	-	24,250
500	3.6.2 Verification of Pipe Diameter as defined by City Design Standards and TCEQ Chapter 217	1,300	-	-	-	-	-	-	1,300
500	3.6.3 Materials Evaluation	2,250	-	-	-	-	-	-	2,250
500	3.6.4 Evaluate and Recommend Alternatives	2,250	-	-	-	-	-	-	2,250
500	3.6.5 Calculations for Pipe Stiffnesses	2,750	-	-	-	-	-	-	2,750
500	3.6.6 Evaluate and Recommendation of Testing Methods and Criteria	1,650	-	-	-	-	-	-	1,650
500	3.6.7 Technical Specifications Recommendations Outline	4,000	-	-	-	-	-	-	4,000
500	3.7 South WWTP Lift Station Preliminary Design	-	-	-	-	-	-	-	-
500	3.7.1 Review Available Data and Determine Lift Station Requirements	4,000	-	-	-	-	-	-	4,000
500	3.7.2 Identify and Analyze Requirements of Governmental Authorities	3,250	-	-	-	-	-	-	3,250
500	3.7.3 Preparation of Preliminary Engineering Plan	4,250	-	-	-	-	-	-	4,250
500	3.7.4 Structural and Electrical Engineering Design	5,250	-	-	-	-	-	-	5,250
500	3.7.5 Coordination with Electrical Service Provider	-	-	-	-	-	-	-	-
500	3.7.6 Preparation of Preliminary Plans for Forcemain	3,250	-	-	-	-	-	-	3,250
500	3.8 Central WWTP Lift Station Preliminary Design	-	-	-	-	-	-	-	-
500	3.8.1 Review Available Data and Determine Lift Station Requirements	6,000	-	-	-	-	-	-	6,000
500	3.8.2 Identify and Analyze Requirements of Governmental Authorities	3,250	-	-	-	-	-	-	3,250
500	3.8.3 Preparation of Preliminary Engineering Plan	11,500	-	-	-	-	-	-	11,500
500	3.8.4 Structural and Electrical Engineering Design	4,250	-	-	-	-	-	-	4,250
830	3.8.5 Coordination with Electrical Service Provider	-	-	-	-	1,500	-	-	1,500
500	3.8.6 Preparation of Preliminary Plans for Forcemain	3,250	-	-	-	-	-	-	3,250
500	3.9 Engineer's Opinion of Probable Cost	9,500	-	-	-	-	-	-	9,500
	Sub-Total	104,600	47,334	18,587.50	29,663.50	1,500	-	Lump Sum	201,685
500	4.0 Final Design Services	-	-	-	-	-	-	-	-
500	4.1 Testing Methods and Acceptance Criteria	6,170	-	-	-	-	-	-	6,170
500	4.2 Prepare Plans and Specifications (contract documents) for Construction	-	-	-	-	-	-	-	-
500	4.2.1 Prepare Plans and Specifications (contract documents) for Interceptor	106,664	-	-	-	-	-	-	106,664
510, 830, 840	4.2.2 Prepare Plans and Specifications (contract documents) for South WWTP Lift Station	52,000	-	-	-	14,750	16,500	-	83,250
520, 835, 845	4.2.3 Prepare Plans and Specifications (contract documents) for Central WWTP Lift Station	52,000	-	-	-	16,750	16,500	-	85,250
530	4.2.4 Prepare Plans and Specifications (contract documents) for Glenwood Lift Station Demo	3,650	-	-	-	-	-	-	3,650
500	4.3 Prepare Traffic Control Plans	7,000	-	-	-	-	-	-	7,000
500	4.4 TCEQ, Williamson County, Joanh, Manville, and City Approvals	5,500	-	-	-	-	-	-	5,500
500	4.5 Deliverables:	-	-	-	-	-	-	-	-
500	4.5.1 60 Percent Design Submittal with Engineer's Opinion of Probable Construction Cost	3,000	-	-	-	-	-	-	3,000
500	4.5.2 90 Percent Design Submittal with Engineer's Opinion of Probable Construction Cost	3,000	-	-	-	-	-	-	3,000
500	4.5.3 Final Submittal with Engineer's Opinion of Probable Construction Cost	3,000	-	-	-	-	-	-	3,000
	Sub-Total	241,984	-	-	-	31,500	33,000	Lump Sum	306,484
600	5.0 Bidding and Award Services	-	-	-	-	-	-	-	-
600	5.1 Assist the City in Receiving Bids	17,500	-	-	-	-	-	-	17,500
600	5.2 One Construction Plan Set	-	-	-	-	-	-	-	-
600	5.3 Civiccast Utilization	750	-	-	-	-	-	-	750
600	5.4 Prepare Tabulation of Bids	1,250	-	-	-	-	-	-	1,250

Table No. 1 - Schedule of Fees
Glenwood Lift Station Decommissioning, Interceptor, and Two New Lift Stations
City of Hutto

DCS Task No.	Scope Item	Proposed Fees						Compensation Method	Compensation for Services
		DCS	Inland Geodetics	Arias	IES	JRSA	Carrasquillo Associates		
800	5.5 Prepare Contract Documents	3,500	-	-	-	-	-	-	3,500
700	6.0 Construction Management & Construction Administration Services	23,000	-	-	-	-	-	Lump Sum	23,000
700	6.1 Pre-construction Meeting	7,000	-	-	-	-	-	-	7,000
837	6.2 Submittal and O&M Reviews	70,170	-	-	-	-	-	-	78,170
700	6.3 Monthly Construction Status Meetings, Construction Management, and Site Visits	151,000	-	-	-	2,000	6,000	-	151,000
700	6.4 Walk-Throughs, startup, and Project Close-out	20,000	-	-	-	-	-	-	23,000
837	6.5 Prepare Record Drawings	4,250	-	-	-	3,000	-	-	4,250
700	6.6 Resident Project Representative services	-	-	-	-	-	-	-	-
700	6.7 Contractor's Means, Methods, Techniques, Sequences	-	-	-	-	-	-	-	-
700	6.8 Construction Staking (Excluded)	-	-	-	-	-	-	-	-
700	6.9 Construction Materials Testing (Excluded)	-	-	-	-	-	-	-	-
700	Sub-Total	252,420	-	-	-	5,000	6,000	Lump Sum	263,420
505	7.0 Texas Water Development Board	-	-	-	-	-	-	-	-
505	7.1 Additional Engineering Items	-	-	-	-	-	-	-	-
505	7.1.1 Manage and Administer TWDB Funding Process	22,000	-	-	-	-	-	-	22,000
505	7.1.2 Preparation and Submittal of Reallocation Letter	3,300	-	-	-	-	-	-	3,300
505	7.1.3 Preparation and Submittal of Engineering Feasibility Report	10,000	-	-	-	-	-	-	10,000
505	7.1.4 Preparation and Submittal of Final Engineering Design Report	6,500	-	-	-	-	-	-	6,500
505	7.1.5 Manage Additional Environmental Considerations of Subconsultant	5,500	-	-	-	-	-	-	5,500
505	7.1.6 Address TWDB Comments on reports, plans, and specifications	7,500	-	-	-	-	-	-	7,500
505	7.1.7 Incorporate TWDB bidding forms and documents into contract, plans, and specs	4,000	-	-	-	-	-	-	4,000
505	7.1.8 Submit documentation on bidding process to TWDB	4,000	-	-	-	-	-	-	4,000
505	7.1.9 Submit required copies of reports, plans and specifications to TWDB	3,000	-	-	-	-	-	-	3,000
505	7.1.10 Prepare and Submit quarterly Outlay Reports	7,000	-	-	-	-	-	-	7,000
825	7.2 Additional Environmental Items	-	-	-	-	-	-	-	-
825	7.2.1 Preparation of draft Environmental Assessment (EID)	-	-	-	11,497.94	-	-	-	11,498
825	7.2.2 Revise draft EID in accordance with DCS, City, and TWDB comments	-	-	-	-	-	-	-	-
825	7.2.3 Notice of Availability of EID	-	-	-	3,449.00	-	-	-	3,449
825	7.2.4 Submission of Draft EID to TPWD, U.S. FWS, Corps of Engineers, and TCEQ	-	-	-	-	-	-	-	-
825	7.2.5 Preparation of Final EID	-	-	-	17,246.00	-	-	-	17,246
825	7.2.6 Exclusion of Public Meetings, Hearings, and Additional Surveys	-	-	-	-	-	-	-	-
700	Sub-Total	72,800	-	-	32,192.94	-	-	Lump Sum	104,993
	TOTAL FEE AUTHORIZATION (Items 1.0 to 7.0) =	\$756,153.50	\$53,334.00	\$18,587.50	\$61,856.44	\$38,000.00	\$39,000.00		\$963,431.44

APPENDIX C: INSURANCE REQUIREMENTS

DCS ENGINEERING, LLC for GLENWOOD LIFT STATION DECOMMISSIONING, INTERCEPTOR, AND TWO NEW LIFT STATIONS

The Contractor must provide certification of proper insurance coverage or binder to the City of Hutto. The City must be named as an additional insured as respects their interest in these Services, except for Workers Compensation Insurance. Proof of the following insurance is required before award:

I. General Requirements Applicable to All Contractors' Insurance

The following requirements (A-J) apply to the **Contractor and subcontractor(s) of every tier** performing services or activities pursuant to the terms of this Agreement. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and Contractor's subcontractor(s):

- A. The minimum types and limits of insurance indicated below shall be maintained throughout the duration of this Agreement.
- B. Insurance shall be written by companies licensed in the State of Texas with an A.M. Best rating of B+ or higher.
- C. Prior to commencing work under this Agreement, the required insurance shall be in force as evidenced by a Certificate of Insurance (see Attached) issued by the writing agent or carrier. A copy of the Certificate of Insurance shall be provided to the City upon request. Execution of this Agreement will not occur until such evidence of insurance has been provided and accepted by the City.
- D. Certificates of Insurance shall include the endorsements outlined below and shall be submitted to the Client.
- E. Insurance required under this Agreement which names the City of Hutto as Additional Insured shall be considered primary for all claims.
- F. Insurance limits shown below may be written as primary or structured using primary and excess or umbrella coverage that follows the form of the primary policy.
- G. City shall be entitled upon its request and without expense, to receive certified copies of policies and endorsements.
- H. City reserves the right to review insurance requirements during any term of this Agreement and to require that Contractor make reasonable adjustments when the scope of services has been expanded.

- I. Contractor shall not allow any insurance to be cancelled or lapse during any term of this Agreement. Contractor shall not permit the minimum limits of coverage to erode or otherwise be reduced. Contractor shall be responsible for all premiums, deductibles and self-insured retention. All deductibles and self-insured retention shall be shown on the Certificates of Insurance.
- J. Insurance coverages specified in this Agreement are not intended and will not be interpreted to limit the responsibility or liability of the Contractor or subcontractor(s).
- K. The City will accept endorsements providing equivalent coverage if the insurance carrier does not use the specific endorsements indicated below.

II. Specific Requirements

The following requirements (II.A-II.D, inclusive) apply to the **Contractor and to subcontractor(s) of every tier** performing services or activities pursuant to the terms of this Agreement. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and Contractor's subcontractor(s):

L. General Liability Insurance:

1. Minimum Limits:

The Professional shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage.

For Bodily Injury and Property Damage no less than \$1,000,000.

As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000.

This coverage shall protect the public or any person from injury or property damages sustained by reason of the Professional or its employees carrying out the work involved in this Agreement.

The general aggregate shall be no less than \$2,000,000.

2. The Policy shall contain or be endorsed as follows:

- a) Blanket Contractual liability for this Agreement
- b) Products and Completed Operations
- c) Independent Contractor Coverage

3. The Policy shall also include the following endorsements or endorsements providing equivalent coverage in favor of the City of Hutto:

- a) Waiver of Subrogation
- b) Thirty (30) day Notice of Cancellation
- c) City of Hutto named as additional insured

M. Workers Compensation and Employer's Liability Insurance

1. Coverage shall be consistent with statutory benefits outlined in the Texas Workers' Compensation Act.
2. Employer's Liability Limits are:
 - a) \$100,000 bodily injury each accident
 - b) \$100,000 bodily injury by disease
 - c) \$500,000 policy limit
3. Policies under this Section shall apply to the State of Texas and include the following endorsements in favor of the City of Hutto:
 - a) Waiver of Subrogation
 - b) Thirty (30) day Notice of Cancellation

N. Business Automobile Liability Insurance

1. Minimum limits:

Professional shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence.

Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this Agreement by the Professional or its employees.
2. The Policy shall also include the following endorsements or endorsements providing equivalent coverage in favor of the City of Hutto:
 - a) Waiver of Subrogation
 - b) Thirty (30) day Notice of Cancellation
 - c) City of Hutto named as additional insured

O. Professional Liability Insurance

Professional errors and omissions liability insurance with limits of liability not less than \$1,000,000 per occurrence covering all work performed by the Professional, its employees, sub-contractors, or independent contractors.

If this coverage can only be obtained on a "claims made" basis, the certificate of insurance must clearly state coverage is on a "claims made" basis and coverage must remain in effect for at least two years after final payment with the Professional continuing to furnish the City certificates of insurance.

P. Property Insurance

If the Agreement provides funding for the purchase of property or equipment, the Contractor shall provide evidence of all risk property insurance for a value equivalent to the replacement cost of the property or equipment.

Client#: 53584

DCSENGIN

ACORDTM**CERTIFICATE OF LIABILITY INSURANCE**

DATE (MM/DD/YYYY)

5/10/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Greyling Ins. Brokerage/EPIC 3780 Mansell Rd. Suite 370 Alpharetta, GA 30022		CONTACT NAME: Trudy Henry PHONE (A/C, No, Ext): 770.552.4225 FAX (A/C, No): 866.550.4082 E-MAIL ADDRESS: trudy.henry@greyling.com	
INSURED DCS Engineering LLC 1101 S. Capital of Texas Highway Building G100 Austin, TX 78746		INSURER(S) AFFORDING COVERAGE INSURER A : Sentinel Insurance Company NAIC # 11000 INSURER B : Hartford Underwriters 30104 INSURER C : RLI Insurance Company 13056 INSURER D : INSURER E : INSURER F :	

COVERAGES**CERTIFICATE NUMBER: 19-20****REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC OTHER:			20SBWPA9036	04/15/2019	04/15/2020	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$
A	☐ AUTOMOBILE LIABILITY ☐ ANY AUTO OWNED AUTOS ONLY ☐ SCHEDULED AUTOS NON-OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☒			20SBWPA9036	04/15/2019	04/15/2020	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$10000			20SBWPA9036	04/15/2019	04/15/2020	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y/N ☒ N If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	20WEGVY4085	04/15/2019	04/15/2020	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Professional Liability			RDP0035725	04/15/2019	04/15/2020	Per Claim \$1,000,000 Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Hutto is named as an Additional Insured on the above referenced liability policies with the exception of workers compensation & professional liability where required by written contract. The above referenced liability policies with the exception of workers compensation, umbrella and professional liability are primary & non-contributory where required by written contract. Waiver of Subrogation in favor of Additional Insured(s) where required by written contract & allowed by law.

CERTIFICATE HOLDER**CANCELLATION**

City of Hutto
Attn: City Manager
500 W. Live Oak Street
Hutto, TX 78634

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

D.A.H. Gilling

PROFESSIONAL SERVICES AGREEMENT

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

THIS PROFESSIONAL SERVICE AGREEMENT ("Agreement") dated this _____ day of _____, 2019.

BETWEEN:

CITY OF HUTTO City of Hutto 500 West Live Oak Street Hutto, TX 78634 (The "City")

PROFESSIONAL DCS Engineering, LLC 1101 S. Capital of Texas Highway, Suite G- 100, Austin, TX 78746 (The "Professional")

1. PURPOSE:

The City of Hutto, a Texas municipality, desires to enter into a service agreement with DCS Engineering, LLC, a Texas Limited Liability Corporation authorized to do business in the State of Texas, for the design of the Transmission and Distribution Waterline Improvements project as described in **Appendix "A"** and other necessary services (the "Services") in accordance with this Agreement. The Services in this Agreement will be utilized for the City of Hutto.

2. BACKGROUND:

- a. The Professional represents that it is in all respects, qualified, experienced, licensed, and able to provide the necessary Services to the City.
- b. The City is of the opinion that the Professional has the necessary qualifications, experience, licensing, and abilities to provide the necessary Services to the City.
- c. The Professional agrees to provide such Services to the City on the terms and conditions set out in this Agreement with the necessary skill and care ordinarily provided by competent professionals practicing under the same or similar circumstances and professional license, and will do so as expeditiously as is prudent considering the ordinary professional skill and care of a competent professional.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the City and the Professional (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

3. SERVICES PROVIDED/SCOPE OF SERVICES

- a. Professional shall perform the Services as more particularly described in the Scope of Services in **Appendix "A,"** which is attached and incorporated by reference and made a part of this Agreement. The work as described in the Scope of Services is basic services and constitutes

DCS Engineering, LLC, Professional Services

the "Project." Unless otherwise provided in the Scope of Services, the anticipated submittal of all Project deliverables is immediately upon completion of the Project.

- b. The Quality of Services provided under this Agreement shall be of the level of professional care, quality and skill normally exercised by Professionals regularly performing this type of service.
- c. The Professional shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- d. The Professional may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.
- e. Professional will advise City as to the necessity of City's providing or obtaining from others special data or special services required in connection with the Project (provided the data and services are not to be provided hereunder).
- f. The Services may also include any other tasks which the Parties may agree upon in writing (see Section 4 titled "Changes to Project Work; Additional Work"). The Professional hereby agrees to provide such Services to the City.
- g. In the case of any conflicts between the terms of this Agreement and the wording contained within the Scope of Services, this Agreement shall govern. The Scope of Services is intended to detail the technical scope of services and contract time only and shall not dictate Agreement terms.

4. CHANGES TO PROJECT WORK; ADDITIONAL WORK

- a. **Changes to Work:** Professional shall make such revisions to the Scope of Services that has been completed as are necessary to correct any errors or omissions as may appear in such work. If the City finds it necessary to make changes to previously satisfactorily completed Scope of Services or parts thereof, the Professional shall make such revisions if requested and as directed by the City and such services will be considered as additional work and paid for as specified under the following paragraph.
- b. **Additional Work:** The City retains the right to make changes to the Scope of Services at any time by a written order. Work that is clearly not within the general description of the Scope of Services under this Agreement must be approved in writing by the City by supplemental agreement before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Scope of Services governing the Project and therefore constitutes additional work, the Professional shall promptly notify the City of that opinion, in writing. If the City agrees that such work does constitute additional work, then the City and the Professional shall execute a supplemental agreement for the additional work and the City shall compensate the Professional for the additional work on the basis of the rates contained in the Scope of Services. If the changes deduct from the extent of the Scope of Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by Professional not previously approved as additional work shall be at risk of the Professional.
- c. **Budget Limitations:** It is expressly understood and agreed by Professional that additional compensation may require Hutto City Council approval and is subject to the current budget year limitation.

5. PERSONNEL, EQUIPMENT, SUPPLIES AND LICENSES

DCS Engineering, LLC, Professional Services

- a. The Professional represents that it has or will secure at its own expense all personnel, equipment, tools, and supplies required in performing the Services under this Agreement. Any reimbursement for qualifying expenses under this Agreement is governed by Section 14(c) of this Agreement titled "Reimbursement of Expenses" and **Appendix B**.
- b. The Professional is responsible for providing any and all personnel needed to fulfill the Services in this Agreement, including hiring any assistants. Any hired assistants will be the sole employees of the Professional, and are not employees of the City.
- c. All of the Services required hereunder will be performed by the Professional or under its supervision.
- d. None of the work or Services covered by this Agreement shall be subcontracted or assigned without the prior written approval of the City.
- e. Professional warrants that it is fully licensed under all applicable local, state, and federal laws to perform the Services to be provided hereunder, and that solely the Professional is responsible for any fees or costs associated with obtaining or maintaining those licenses to perform the Services under this Agreement.

6. CONTROL

- a. It is agreed by the Parties that the City has no right of control or direction over the manner, means, and methods that the Professional will use in completing the Services of this Agreement. The Professional is free to set its own hours including:
 - i. Working Schedules;
 - ii. Vacation Times;
 - iii. Meetings with employers or employees; and
 - iv. Submissions of reports of any kind to employers.

7. VACATIONS AND TRANSPORTATION:

- a. The Professional must provide its own transportation for itself and its employees. The City will not provide reimbursement for travel and transportation expenses.
- b. Any vacation time, holidays, sick leave, or training is the sole expense of the Professional and will not be paid by the City.

8. NO TRAINING PROVIDED:

- a. The City will not provide any training for either the Professional, its employees or assistants, or subcontractors.

9. TIME OF PERFORMANCE:

- a. **Commencing Services:** The Services of the Professional are to commence immediately, or as soon as practicable, after the execution of this Agreement and upon the proper approval and documents issued by the City, including the issuance of a Notice to Proceed, and shall be completed no later than the time specified in **Appendix A**.
- b. **Completion of Services:** The prompt completion of the services under the Scope of Services is critical to the City. City has reviewed the Scope of Services and determined that the Scope of Services provides sufficient time for the Professional to perform the Scope of Services. Unnecessary delays in providing the Scope of Services shall be grounds for dismissal of the Professional and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Professional prior to the time of termination. The Scope of Services shall provide, in either calendar days, work days or by providing a final date, a time of completion prior to which the Professional shall have completed all tasks and services described in the Scope of Services as specified in **Appendix A**.

DCS Engineering, LLC, Professional Services

10. TERM OF AGREEMENT:

- a. The term of this Agreement (the "Term") will begin on the date of this Agreement and will remain in full force and effect until satisfactory completion of the Scope of Services, subject to earlier termination as provided in this Agreement. The Term may be extended with written consent of the Parties.

11. REPORTING:

- a. The City's primary representative for this Agreement shall be Mr. Samuel Ray, P.E. The City Manager shall be an alternate representative. The City shall not be liable for Professional's expenses incurred in reliance on directions received from any other municipal officer or employee. The Professional's representative shall be Mr. Darren C Strozewski, P.E. Reliance by the City on representations by any other person shall be at the City's own risk.

12. RECORDS:

- a. During performance and after termination of this Agreement, each party shall make available to the other Party for inspection and copying, all records, whether external or internal, having any relevance to this Agreement.

13. PERFORMANCE/ETHICS:

- a. The Parties agree to do everything necessary, and within reason, to ensure that the terms of this Agreement take effect.
- b. Professional shall discharge its duties fairly, impartially, and maintain a standard of conduct that competently serves the City and the interests of the City. Professional shall at all times exercise unbiased judgment when performing its duties under this Agreement.

14. COMPENSATION:

- a. The Professional shall be paid in the manner set forth in **Appendix B** and as provided herein. However, nothing contained in this Agreement shall require City to pay for any work that is unsatisfactory as determined by City in its employee's reasonable judgment or which is not submitted in compliance with the terms of this Agreement. City will not be required to make any payments to Professional when Professional is in default under this Agreement, nor shall this paragraph constitute a waiver of any right, at law or in equity, which City may have if Professional is in default, including the right to bring legal action for damages or for specific performance of this Agreement. Waiver of any default under this Agreement by City shall not be deemed a waiver of any subsequent default.
- b. **Billing Period:** The Professional may submit monthly, or less frequently, an invoice for payment based on the estimated completion of the described tasks and approved work schedule. Subject to Chapter 2251, Texas Government Code (the "Prompt Payment Act"), payment is due within thirty (30) days of the City's receipt of the Professional's invoice in proper form and content. Interest on overdue payments shall be calculated in accordance with the Prompt Payment Act.
- c. **Reimbursable Expenses:** Any and all reimbursable expenses related to the Project shall be included in the Scope of Services (**Appendix A**) and accounted for in the total contract amount. If these items are not specifically accounted for in **Appendix A** they shall be considered a part of the total Agreement amount.

15. TERMINATION OF AGREEMENT:

- a. This Agreement may be terminated:
 - i. By the mutual agreement and consent of both Professional and City;

DCS Engineering, LLC, Professional Services

- ii. By either Party, upon the failure of the other Party to fulfill its obligations as set forth in either this Agreement or a Scope of Services issued under this Agreement;
 - iii. By the City, immediately upon notice in writing to the Professional, as consequences of the failure of Professional to perform the services contemplated by this Agreement in a timely or satisfactory manner; or
 - iv. By the City, at will and without cause upon not less than thirty (30) days written notice to the Professional.
- b. If the City terminates this Agreement pursuant to Section 9(b) or subsection 15(A)(ii) or (iii), above, the Professional shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those services that have been timely and adequately performed by the Professional considering the actual costs incurred by the Professional in performing the work to date of termination, the value of the work that is nonetheless useable to the City, the cost to the City of employing another Professional to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed at time of termination. In the event of termination not the fault of the Professional, the Professional shall be compensated for all basic and additional services actually performed prior to termination, together with any reimbursable expenses then due.

16. NO RIGHT TO DISMISS:

- a. The Professional cannot be dismissed or terminated unless there is a breach of this Agreement, or as stipulated in Section 15 of this Agreement.

17. TRADE SECRETS:

- a. Trade secrets (the "Trade Secrets") include but are not limited to any data or information, technique or process, tool or mechanism, formula or compound, pattern or test results relating to the business of the City, which are secret and proprietary to the City, and which give the business a competitive advantage where the release of that Trade Secret could be reasonably expected to cause harm to the City.
- b. The Professional agrees that it will not disclose, divulge, reveal, report or use, for any purpose, any Trade Secrets which the Professional has obtained, except as authorized by the City or as required by law. The obligations of confidentiality will apply during the Term and will survive indefinitely upon termination of this Agreement.

18. OWNERSHIP OF INTELLECTUAL PROPERTY AND DOCUMENTS:

a. Intellectual Property:

- i. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, is a "work made for hire" and will be the sole property of the City. The use of the Intellectual Property by the City will not be restricted in any manner.
- ii. The Professional may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the City. The Professional will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.

b. Documents:

DCS Engineering, LLC, Professional Services

- i. Upon completion or termination of this Agreement, all final documents prepared by the Professional or furnished to the Professional by the City shall be delivered to and become the property of the City. All final drawings, charts, calculations, plans, specifications, and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to the City without restriction or limitation on the further use of such materials PROVIDED, HOWEVER, THAT SUCH MATERIALS ARE NOT INTENDED OR REPRESENTED TO BE SUITABLE FOR REUSE BY THE CITY OR OTHERS. ANY REUSE WITHOUT PRIOR VERIFICATION OR ADAPATATION BY THE PROFESSIONAL FOR THE SPECIFIC PURPOSE INTENDED WILL BE AT THE CITY'S SOLE RISK AND WITHOUT LIABILITY TO THE PROFESSIONAL. Where applicable, Professional shall retain all pre-existing proprietary rights in the materials provided to the City but shall grant to the City a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to the City under or pursuant to this Agreement.

19. RETURN OF PROPERTY:

- a. Upon the expiration or termination of this Agreement, the Professional will return to the City any property, documentation, records, or confidential information which is the property of the City.

20. CAPACITY/INDEPENDENT CONTRACTOR:

- a. In providing the Services under this Agreement, it is expressly agreed that the Professional is acting as an independent contractor and not as an employee. The Professional and the City acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively an Agreement for Service.
- b. The City is not required to pay, or make any contributions to, any social security, local, state, or federal tax, unemployment compensation, worker's compensation, insurance premium, profit-sharing, pension, or any other employee benefit for the Professional during the Term. The Professional is responsible for paying, and complying with reporting requirements for, all local, state, and federal taxes related to payments made to the Professional under this Agreement and those of the Professional's employees and assistants.
- c. The parties intend that an independent contractor/City relationship be created by this Agreement. City is interested only in the results to be achieved, and the conduct and control of the work will lie solely with the Professional. Professional is not considered to be an agent or employee of the City for any purpose, and the employees and assistants of the Professional are not entitled to any benefits that the City provides for its employees. Professional shall not represent, either expressly or through implication, that Professional is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Professional.
- d. It is understood that the City does not agree to use the Professional exclusively. It is further understood that the Professional is free to contract for similar services to be performed for others while it is under contract with the City.

21. CONFLICTS OF INTEREST:

- a. Professional agrees that no employee of the City who has exercised or will exercise any authority over the specifications, procurement, supervision, or payment for this Agreement, and no member of the employee's immediate family, has had or will have any direct or indirect financial interest in this Agreement. If the Professional learns of any such interest, the

DCS Engineering, LLC, Professional Services

Professional shall, without delay, inform the City Attorney or one of the officers specified in Section 11 of this Agreement titled "Reporting."

22. NON-COLLUSION:

- a. Professional represents and warrants that Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Professional further agrees that Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the services performed by Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Professional, Professional shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Professional under or pursuant to this Agreement.

23. FORCE MAJEURE:

- a. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornadoes] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

24. NOTICE:

- a. All notices, requests, demands, or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

If to the City:

- i. Odis Jones, City Manager
Cara Hanna, City Attorney
City of Hutto
500 West Live Oak Street
Hutto, TX 78634

If to the Professional:

- ii. Darren C Strozewski, P.E.
1101 S. Capital of Texas Hwy, Bldg G-100
Austin, TX 78634
Telephone: (512) 614-6171

or to such other address as either Party may notify the other in writing, and will be deemed properly delivered (a) immediately upon being served personally, (b) three (3) days after being

DCS Engineering, LLC, Professional Services

deposited with the postal service if served by registered mail, or (c) the following day after being deposited with an overnight courier.

25. PROFESSIONAL'S SEAL:

- a. To the extent that the Professional has a professional seal, it shall be placed on all documents and data furnished by the Professional to the City. All work and services provided under this Agreement will be performed in a good and workmanlike fashion and shall conform to the accepted standards and practices of the Professional's industry. The plans, specifications and data provided by Professional shall be adequate and sufficient to enable those performing the work using the documents prepared by the Professional under the Scope of Services to perform the work as and within the time contemplated by the City and Professional. The City acknowledges that Professional has no control over the methods or means of work nor the costs of labor, materials or equipment. Unless otherwise agreed in writing, any estimates of costs by the Professional are for information purposes only and are not guarantees.

26. RIGHT TO AUDIT:

- a. City shall have the right to examine and audit the books and records of Professional at any reasonable time. Such books and records will be maintained in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of the Agreement.

27. RISK:

- a. The Professional shall perform the work under this Agreement at its own risk. The Professional assumes all responsibility for the condition of tools, equipment, materials, and job site.

28. INSURANCE REQUIREMENTS:

- a. The Professional has secured and shall maintain insurance for the risks and in the amounts specified in **Appendix C**. The Professional and its insurance carrier waive subrogation against the City.

29. COMPLIANCE WITH LAWS

- a. The Professional shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations effective at the time of this Agreement. When required, the Professional shall furnish the City with satisfactory proof of compliance.

b. Prevailing Wage Requirements:

- i. Professional agrees under this Agreement to comply with Texas Government Code Chapter 2258 and to pay (and ensure subcontractors pay) prevailing wage rates to any workers and laborers used in connection with the services stipulated under this Agreement. This includes paying at least the applicable prevailing wage rates for public work activities performed under this Agreement, complying with overtime and working hour requirements, complying with apprenticeship obligations, and complying with payroll record keeping requirements or other obligations as required by law. Professional agrees to use the wage rates as determined by the locality in which the work is being performed. The City of Hutto currently uses Williamson County rates as determined by the Department of Labor found at <https://www.wdol.gov/wdol/scafiles/davisbacon/tx.html>. Professional further agrees to make payroll records electronically available during reasonable business

DCS Engineering, LLC, Professional Services

hours so that the City may ensure prevailing wages are being paid in connection to this Agreement. By signing this Agreement, Professional understands and agrees that failure to pay workers and laborers may result in criminal and civil penalties, the payment to the City of a sixty dollar (\$60.00) fine for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates required under law, and/or the City withholding payment of entire Compensation amounts for the time the City determines whether a violation of Chapter 2258 has occurred. Professional understands that any fees collected by the City may be used to offset any costs associated with the administration of Chapter 2258.

30. MODIFICATION OF AGREEMENT:

- a. Any amendment or modification of this Agreement, including any increase or decrease in the amount of Professional's compensation, or additional obligation(s) assumed by either Party in connection with this Agreement will only be binding if evidenced in writing and agreed to and signed by each Party or an authorized representative of each Party.

31. ASSIGNMENT:

- a. The Professional will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior written consent of the City.

32. SUBLETTING:

- a. The Professional shall not sublet or transfer any portion of the work under this Agreement or any Scope of Services issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Services. The approval or acquiescence of the City in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor.

33. ENTIRE AGREEMENT:

- a. All Parties mutually agreed to the terms of this Agreement. The Agreement should not be construed in favor of or against one Party. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement. This Agreement contains the entire agreement between the Parties; there are no other terms, promises, conditions, or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the Parties.

34. ENUREMENT:

- a. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators, and permitted successors and assigns.

35. TITLES/HEADINGS:

- a. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

36. CHOICE OF LAW/JURISDICTION:

- a. This Agreement will be governed by and construed in accordance with the laws of the State of Texas. For any claims or disputes regarding this Agreement, venue is proper in Williamson County, Texas.

37. DISPUTE RESOLUTION:

- a. The parties agree that, prior to instituting any litigation or other proceeding arising from a dispute

DCS Engineering, LLC, Professional Services

under this Agreement, the parties will first attempt to resolve the dispute by taking the following steps:

- i. A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute.
- ii. If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute.
- iii. If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

38. INDEMNITY:

- a. Professional agrees to indemnify and hold harmless the City for any liability for damage to the extent such damage is caused by or results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the indemnitor or the indemnitor's agent, consultant under contract, or another entity over which the indemnitor exercises control, pursuant to Texas Local Government Code Section 271.904(a), as applicable.

39. SEVERABILITY:

- a. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

40. COUNTERPARTS

- a. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

41. EXHIBITS:

- a. All exhibits and appendices to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

42. WAIVER:

- a. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions. Either City or the Professional shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended.

43. DISCLOSURE OF BUSINESS RELATIONS/AFFILIATIONS; CONFLICT OF INTEREST QUESTIONNAIRE

- a. Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

IN WITNESS WHEREOF the Parties have duly affixed their signatures and executed this Agreement on this _____ day of _____.

CITY:

PROFESSIONAL

By: _____
Name: _____
Title: _____

By: 
Name: Darren C Strozewski, P.E.
Title: Principal

APPROVED AS TO FORM:

By: _____
Attorney for the City of Hutto

APPENDIX A: SCOPE OF SERVICES

DCS ENGINEERING, LLC for TRANSMISSION AND DISTRIBUTION WATERLINE IMPROVEMENTS

SCOPE OF SERVICES

Title: Transmission and Distribution Waterline Improvements

1. Specific Project Data

A. Description:

This project involves installation of approximately 3,650 feet of 24-inch and 5,725 feet of 30-inch waterline along the south side of Hwy 79, installation of approximately 16,000 feet of 16-inch waterline parallel to the existing HOT transmission line between TX 95 and FM 973, and installation of 5 pressure reducing valves (PRVs) throughout the distribution system. The 24-inch and 30-inch distribution lines will be designed to improve system reliability and provide more capacity to the 801-ft pressure plane. Moreover, this project will provide the necessary capacity to feed water to the 801-ft pressure plane from Frame Switch to remain compliant with TCEQ minimum pressure requirements during max demand days. The 16-inch HOT parallel waterline will be designed to maximize the capacity of the HOT transmission system and allow for a total of 5.70 mgd to be conveyed through the 26 mile pipeline without exceeding the pressure rating of the pipe. The proposed PRVs will be utilized to expand the 890-ft pressure plane and isolate the portions of the distribution system that are to remain on the 801-ft pressure plane.

Surveying, environmental evaluations of the routes, geotechnical, permitting, design (civil and traffic control), bidding, construction management, and construction administration are included in the attached scope of services. DCS anticipates easement acquisition as part of this project since some of the work is anticipated to be outside existing easements, City owned land, or within existing public rights of way. Easements will not be created for portions of the waterline alignments that are within existing City owned lands. Coordination and easement exhibit creation is included for easements across five tracts. DCS will coordinate access within existing TXDOT, Union Pacific Railroad, and County right-of-ways. DCS will work closely with City of Hutto to coordinate and support the necessary easement acquisitions for this project.

The engineer's opinion of most probable construction cost for the facilities reflects current market conditions and the conceptual design's scope of construction work required to implement the project. The Transmission and Distribution Waterline Improvements project engineer's opinion of most probable construction cost including 15% contingency but excluding easement and professional engineering fees equals \$5,306,000. The total estimated cost for easement acquisition for the waterline, with the associated third party professional services is estimated to add \$281,000 for a construction and easement project cost of \$5,587,000 which excludes professional engineering fees. Costs will be confirmed in the first step of the below project.

- B. Number of Construction Contracts: This project will be designed and constructed under a single construction contract.

2. Services of Engineer

For this project, the Engineer shall provide the following scope of work related to the engineering design of:

- Approximately 25,035 linear feet of 24-inch waterline by open cut construction
- Approximately 120 linear feet of 30-inch waterline via boring and jacking under UPRR

DCS Engineering, LLC, Professional Services

- Approximately 220 linear feet of 16-inch waterline via boring and jacking under drainage structure south of FM 404
- Installation of 5 pressure reducing valves (PRVs) throughout the distribution system to extend the 890' PP service area limits

ITEM 1.0 - PROJECT MANAGEMENT

1.1 Management Plan

The ENGINEER shall prepare a Management Plan, which shall include the project Scope of Work, organization responsibilities, communications procedures, schedule, budget, quality control process, and billing.

1.2 Subconsultant Management

The ENGINEER shall provide management of Subconsultants including coordination of their project services. The list of sub-consultants is included under Section 4.

1.3 Project Meetings

The ENGINEER shall conduct project meetings to obtain input and decisions from City staff. ENGINEER shall be responsible for developing meeting agendas and shall prepare the material as needed to achieve the meeting objectives. ENGINEER shall prepare meeting minutes and submit them electronically to the City Engineer. Specific meetings planned for project management purposes are as follows:

1.3.1 Project Kickoff Meeting: The ENGINEER shall conduct a project kickoff meeting at the City offices to introduce the project team members, review project goals and objectives, discuss project elements and responsibilities, delineate communications procedures, and review the project schedule. ENGINEER shall identify any information needed from City staff to complete the work.

1.3.2 Preliminary Design Workshop/30 Percent Design Review: The ENGINEER shall conduct a workshop at the City office during the preliminary design phase. Items to be discussed during the workshop may include, but not be limited to, waterline alignments, utility conflicts, technical issues, easement acquisition, decisions needed from City staff, etc.

1.3.3 60 Percent Design Review: The ENGINEER shall conduct a 60 Percent design review at the City office after submittal and City review of the 60 percent plans. The purpose of this meeting is to collect and discuss city comments on the 60 percent design plans, identify any decisions needed from City staff, etc.

1.3.4 90 Percent Design Review: The ENGINEER shall conduct a 90 percent design review at the City office after submittal and City review of the 90 percent plans and specifications. The purpose of this meeting is to collect and discuss city comments on the 90 percent design plans, identify any decisions needed from City staff, etc.

1.3.5 Monthly Status Meetings: The ENGINEER shall conduct monthly status meetings at the City office during the course of the work. Items to be discussed during the monthly meeting may include, but not be limited to, progress reports, technical issues, policy interpretations, anticipated challenges, decisions needed from City staff, goals, invoices, etc. The City Engineer shall schedule the meetings and may cancel or call for additional meetings as needed.

1.4 Quality Assurance/Quality Control

The ENGINEER shall provide Quality Assurance/Quality Control by having a senior representative of the ENGINEER review the final plans and specifications with their comments addressed prior to submitting the final review plans and specifications to the City.

1.5 Project Schedule

The ENGINEER shall prepare a Project Schedule in order to identify the critical path(s) and challenges within the implementation of the Project.

1.6 Engineer's Opinion of Most Probable Cost

The ENGINEER will prepare an "Opinion of Most Probable Cost" which shall include the estimated construction cost for the waterlines at the conclusion of the Preliminary Design,

90% Plan Submittal, and Final Submittal of work. Additional costs will be included for easements and “soft” costs (engineering fees, surveying fees, legal fees, permitting fees, etc.) associated with the final design and easement acquisition.

ITEM 2.0 - STUDY AND REPORT SERVICES

- 2.1 Rights of Entry for anticipated Easements: Research the ownership and mailing address of each property owner along the proposed route(s), prepare “right of entry letters”, mail, and file owner’s response. The City will inform each property owner (prior to mailing the letters) about the importance of gaining access onto their properties in order to conduct field investigations, surveys, soil sampling, etc. through the duration of the engineering work. We have found that when the right of entry is personally discussed with each property owner (in lieu of merely sending them a “form” letter), the property owners are much more amenable to granting the entrance rights. We desire for the City to secure rights of entry as soon as possible after authorization to begin work is given to DCS.
- 2.2 Floodplain Delineation including cross-section determination, cross-section development, channel profiling, hydrologic modeling, hydraulic modeling, 100-year water surface profiling, and hydraulic report are explicitly excluded from this scope of work. We will obtain and use the limits of existing FEMA FIRM maps along the pipeline routes to define the 100-year flood plain. Information used will include: 100-year floodplain limits, floodway, and 100-year water surface elevations at the designated creek cross sections as shown on the FIRM map. This information will be used to establish the horizontal and vertical locations of the proposed air release valves along the proposed waterline route.
- 2.3 Water Flows
 - 2.3.1 The last update to the City water flow projections and CIP list update was in January 2019 by DCS. Per previous conversations with the City, the 6 month update is due to occur in August 2019. Thus, growth projections, updated land use plan, and living unit equivalent (LUE) densities will be updated by DCS as part of this project. This information will be used in various portions of the proposed engineering effort including ultimate water demands for the proposed waterlines.
- 2.4 Route of Waterlines
 - 2.4.1 The ENGINEER will research and obtain applicable documents for ownership, deeds, utility or other easements within subject parcels, and public right-of-ways for use in establishing the routes of the waterlines.
 - 2.4.2 The ENGINEER will prepare a schematic map of the proposed routes utilizing CAPCOG aerial photographs, City of Hutto Lidar data, City GIS data, FEMA floodplain delineation, parcel maps, preliminary design considerations, and record drawings of previous infrastructure projects in the vicinity. Based on this work, the ENGINEER and City will define routes for the waterlines.
 - 2.4.3 Utilizing the latitude and longitude coordinates obtained from above, the ENGINEER will hike the alignments using a handheld GPS, and field stake the recommended alignments for review with City and/or each property owner. ENGINEER will make adjustments to the field staked alignment based upon field observations and City/property owner input. The ENGINEER will document the alignment with digital photographs for future reference.
 - 2.4.4 The ENGINEER shall coordinate the waterline design with plans and specifications, design completed or underway by others, of any projects within the vicinity that may impact the waterline. City shall provide ENGINEER with one copy of the plans and specifications for any project identified as impactful.
- 2.5 Waterline Activation Plan
 - 2.5.1 ENGINEER shall incorporate into the Final Design the measures required to serve existing or proposed water flows which require service as part of the completion of the waterlines. The timing and sequencing of the proposed construction will be included in this work. Infrastructure, phasing, and a sequence of construction plan to

accommodate the selected scenario will be identified in the construction sequence in the plans and/or scope of work specification. The plan will also identify activation time frames for new systems to come on-line and begin operating; and identify specific details requiring attention for a smooth transition.

ITEM 3.0 - PRELIMINARY DESIGN SERVICES

3.1 Surveying

- 3.1.1 Topographic Survey – Prepare a topographic survey of the waterline routes and PRV locations. LIDAR will be used for topographic data in cross country areas of the waterline routes with field located property lines and easements. On-the-ground survey for topographic data in existing ROWs and at areas of significant grade change will be obtained. As part of the easement and topographic survey, street right of ways; and property boundaries will be established as required for easement preparation. All surface features will be located along with underground utilities as marked in the field by the Texas One-Call System. This survey scope of work is based on the below items:
 - a. Waterline south of 79: Approximately 9,375 linear feet comprised of a 75 ft width for the portion of the waterline south of Hwy 79. Approximately 8,525 linear feet will utilize LIDAR data and 850 linear feet will be on-the-ground topographic survey. The full 9,375 linear feet will be surveyed for surface features and property boundaries.
 - b. HOT parallel waterline: Approximately 16,000 linear feet comprised of a 50 ft width for the portion of the waterline parallel to the existing HOT waterline. Approximately 8,350 linear feet will utilize LIDAR data and 7,650 linear feet will be on-the-ground topographic survey. The full 16,000 linear feet will be surveyed for surface features and property boundaries.
 - c. PRV locations: Each of the five PRV locations will include a 50' by 50' survey. Note that the locations of the PRVs are approximate and will be refined during preliminary design.
- 3.1.2 Prepare Easements – Prepare a metes and bounds description along with an accompanying drawing of each temporary and permanent easement to be used as an attachment to each easement document (as prepared by the City's legal counsel and/or easement acquisition firm). This proposal is limited to the acquisition of a total of 5 permanent easements with an adjoining temporary easement for construction access. Three construction laydown areas will be provided to the Contractor. If additional easements are deemed necessary for the project, then additional scopes and fees will be prepared for the quantity of additional easements that are required. Temporary and permanent easement limits will not be staked in the field as part of this work.
- 3.1.3 Borehole locations from the geotechnical investigation will be surveyed at the time the topographic survey is conducted.
- 3.1.4 Six permanent benchmarks shall be established for the project using existing structures (i.e. bridges, inlets, headwalls, etc) or set in new poured concrete posts that are approximately eight feet deep. The locations will be coordinated and agreed to with the City during this phase of the work. These permanent bench marks shall be used in proposed and future construction projects. Horizontal control shall be on the Texas State Plane Coordinate System, NAD 83, Central Zone Grid Coordinates by utilizing GPS static observations and OPUS solutions to achieve second-order accuracy. The vertical control shall be based on NAVD 88 vertical datum by utilizing GPS static observations. A brass survey cap including permanent magnet, a minimum of 2" diameter, shall be cast, epoxied, or grouted into the top of the structure. The following information shall be stamped into the survey cap: a) precise northing and easting marking the point being monumented, b) registration number of

- the surveyor in charge, and c) monument number assigned by the City.
- 3.1.5 The survey shall also include the establishment of temporary benchmarks with horizontal and vertical control points using the same coordinate system.
 - 3.1.6 A tree survey shall be conducted in accordance with the City of Hutto standard requirements for 8" diameter trees and larger. For areas where the waterline work will be in proximity to, but will not have the potential to demolish existing trees, the brush lines/tree line shall be obtained.
 - 3.1.7 Utility Potholing – Potholing of existing utilities in unpaved areas to confirm horizontal and vertical locations is specifically excluded from this scope of work. If potholing is deemed necessary during the project, then a contract amendment will be necessary. If potholing is performed, locations will be based on record drawing locations of existing wet utility lines. No dry utilities (phone, cable, gas, electric) will be potholed. The pothole locations will be surveyed by the project surveyor. Gas pipelines along the route will be investigated to confirm the proposed waterlines will not be crossing them.
- 3.2 Geotechnical Investigation
- 3.2.1 The ENGINEER will manage and coordinate the efforts of the Geotechnical Engineer for the geotechnical analysis for the Project. Boreholes shall be drilled at twenty six (26) strategic locations for the waterlines. Drill depths will be up to 25 ft below natural ground along the route in order to establish the basis of design for the pipeline, trench design, embedment, backfill, bore & jack operations, and appurtenances. All 26 of these borings will be drilled to 15 ft to 25 ft deep for the waterline spaced at about 1,000 foot intervals. Total drilled depth is 420 ft. Geotechnical Engineer shall provide soil data required to calculate a recommendation on pipe stiffness and embedment to be used for the various depths of bury. The pipelines are anticipated to be constructed in Austin Limestone or Taylor Clay. Groundwater depths and cave in depths will be recorded and included in the report for all the bores.
 - 3.2.2 The Geotechnical Engineer shall prepare one (1) report for use in the design and construction of the waterline which will further detail the soil conditions for the basis of design, bidding, and construction.
- 3.3 Environmental Considerations
- The ENGINEER shall conduct environmental evaluations of the proposed waterline route related to Section 404 permitting, endangered species, and archeology.
- 3.3.1 Section 404 Permitting
- The ENGINEER shall determine the impacts to jurisdictional areas and regulatory permitting requirements as a result of the proposed waterlines. An on-site investigation will be required to conduct a jurisdictional determination for the presence of waters of the U.S. regulated under Section 404 of the Clean Water Act. The purpose of the jurisdictional determination is to identify waters of the U.S. as outlined in the U.S. Army Corps of Engineers' (USACE) Regulatory Program Regulations Section 33 CFR 328.2 that may be potentially impacted by the proposed facility.
- ENGINEER shall provide a preliminary jurisdictional determination (PJD) report identifying any jurisdictional water of the U.S. To provide the PJD report, ENGINEER will perform the following subtasks:
- a. Investigate the proposed project routes and delineate all waters of the U.S. including their adjacent wetlands;
 - b. Locate all jurisdictional waters and adjacent wetlands and delineate with a handheld GPS device;
 - c. Prepare a PJD report including maps of delineated jurisdictional areas;
 - d. Identify and quantify potential impacts to waters of the U.S. including wetlands;

- e. Provide a summary letter detailing Section 404 permitting options, if potential impacts to jurisdictional areas are identified.
 - f. This project is not expected to be permitted under *Nationwide Permit No. 12 – Utility Line Activities*. If it is determined that this is required, ENGINEER shall prepare an additional scope and fee for the services which will include but not be limited to the following: ENGINEER shall coordinate Section 404 permitting with the USACE, if notification to the USACE for a 404 permit is required for the project. IES will prepare a pre-construction notification for submittal to the U.S. Army Corps of Engineers (USACE), if necessary. This task will include coordination with the USACE in order to obtain the 404 nationwide permit, which would include compliance with the general conditions for nationwide permits such as archaeological survey, coordination with other state and federal review agencies as necessary, and a mitigation plan detailing compensatory mitigation proposed for impacts to jurisdictional waters of the U.S., if necessary.
- 3.3.2 Archeological Survey
The ENGINEER shall manage and direct the Environmental Consultant to perform an archeological survey along the route in compliance with the Texas Antiquities Code and the National Historic Preservation Act.
- 3.3.3 City/County Ordinances and Regulations
The ENGINEER shall review the ordinances, guidelines, and regulations of the City of Hutto and Williamson County to determine and/or verify that the proposed waterline is in compliance with such rules and regulations. The pipeline corridors will be surveyed for the presence of unusual soil discoloration, vegetation anomalies, or unusual odors from the proposed easement and adjacent tracts that could indicate hazardous materials contamination. Should any of these conditions be observed during the survey, the ENGINEER may recommend that a Phase I Environmental Site Assessment be conducted according to current standards of ASTM International under separate scope and budget.
- 3.4 Easement Requirements
- 3.4.1 Easement Identification
The ENGINEER will identify the land parcels, tracts, and lots from which easements will be required. A map will be prepared identifying each affected tract of land with a unique identifier and will include the current ownership, acreage, and recordation information based upon deed records obtained from the Williamson County Appraisal District.
- 3.4.2 Easement Width Recommendations
Based upon the preliminary plan and profile of the waterline, the ENGINEER will recommend minimum easement widths required along the alignments of the Project. These easements and their corresponding widths will be clearly depicted on the preliminary plan view/layout drawings.
- 3.4.3 Preparation of the Easement Document
The City or its third party representative will meet with land owners, negotiate easement terms, coordinate, manage, and direct the preparation of the easement document for review, comment, approval from Hutto's City Attorney, and submit easement documents for official filing. The ENGINEER will provide the easement exhibit as described in this scope of work for attachment to this document.
- 3.4.4 Preliminary Estimate of Land Values
The City will work with their Land Appraiser to prepare a preliminary estimate of the land values and associated easement values for the Project. The ENGINEER will obtain these easement values from the City for inclusion in the project's overall cost.
- 3.4.5 Landowner Meetings
The City or its third party representative will meet with each affected property owner along the route of the waterline to discuss the merits or concerns of the alignment. ENGINEER will incorporate results of these meetings into design of the project.

- 3.4.6 Waterline Route Adjustments
Based upon the outcome of the landowner meetings described in 3.4.5, appropriate alignment adjustments may be made where deemed possible and/or practical to accommodate the property owners.
- 3.4.7 Attorney Services
During the course of the Work, the need for additional services related to the right of entry described above may be identified which require the services of a real property attorney. These potential services will be provided and paid for by the City.
- 3.4.8 Additional Services
This proposal does not include services related to the condemnation of any of the easements. If condemnation proceedings do occur, then we will negotiate said services at the appropriate time.
- 3.5 Coordination with Regulatory Agencies, Private Utilities, and Potential Utility Customers
 - 3.5.1 Regulatory Agencies
The ENGINEER shall identify the regulatory agencies for which permitting of construction activities will be required and shall meet with, and coordinate with these agencies to brief them on the particulars associated with this Project and gather permitting information which will be useful in ordinance compliance and final design. The ENGINEER will prepare and process permits required by outside agencies. The City shall be responsible for permit fees and signatures as necessary for processing. Williamson County, TXDOT, UPRR, TCEQ, and the City of Hutto will be coordinated with for work within right of ways regarding proposed waterline.
 - 3.5.2 Williamson County
The ENGINEER shall coordinate crossings of Williamson County right-of-ways with the Area Engineer in order to brief them on the Project and to determine if they have any concerns or objections regarding the proposed construction. The County's concerns will be incorporated into the preliminary and final design of the waterline.
 - 3.5.3 Texas Department of Transportation
The ENGINEER shall coordinate crossings of TxDOT highways with the Area Engineer's Office in order to brief them on the Project and to determine if they have any concerns or objections regarding the proposed construction. Concerns will be incorporated into the preliminary and final design of the waterline.
 - 3.5.4 Union Pacific Railroad
The ENGINEER shall coordinate crossings of Union Pacific Railroad right-of-ways with the Area Engineer in order to brief them on the Project and to determine if they have any concerns or objections regarding the proposed construction. Concerns will be incorporated into the preliminary and final design of the waterline.
 - 3.5.5 Private Utility Companies (Gas, Electric, Telephone, and Cable)
The ENGINEER shall review the preliminary waterline plans with each private utility to clearly set forth the project objectives and to determine if any utility has any concerns or objections. Effort will be expended to resolve any potential conflicts as well as to absolve the concerns and/or objections.
 - 3.5.6 Potable Water Providers
The ENGINEER shall review the preliminary waterline plans with Jonah Water SUD and Manville WSC to clearly set forth the project objectives and to determine if there are any concerns or objections. Effort will be expended to resolve any potential conflicts as well as to absolve the concerns and/or objections.
- 3.6 Waterline and PRV Preliminary Design
 - 3.6.1 The ENGINEER shall prepare a plan and profile of the proposed waterline based upon the horizontal alignment, topographic survey, existing easements, proposed easements, and property boundaries for review with the City. The route will be based upon the one established under Item 2 of this scope. Preparation of 5 site plans with the required demolition, cut-ins, valves, traffic control, etc. shall be prepared for the 5 proposed PRV sites. Demolition plans will be also be prepared for two existing

- (active) PSV locations along Limmer loop; and one existing (inactive) PRV location on Ed Schmidt. These cla-valves with valve vaults will be evaluated for salvaging and reinstallation at one of the proposed 5 PRV locations. Structural engineering for the proposed valve vaults will be included in this effort.
- 3.6.2 Utilizing the criteria set forth in City Design Standards and compliant with the TCEQ's Chapter 290, "Public Drinking Water," the ENGINEER will verify required separation distances and protective measures for each segment of the waterline as established under Item 2 of this Task Order.
- 3.6.3 The ENGINEER will evaluate various possible pipe materials including an analysis of the pros and cons involved with each alternative used to establish the Engineer's recommendation.
- 3.6.3 The ENGINEER shall evaluate various alternatives and set forth recommendations for the following:
 - 3.6.3.1 Trench design
 - 3.6.3.2 Embedment and backfill materials and methods
 - 3.6.3.3 Jacking and boring
- 3.6.4 The ENGINEER shall perform calculations to determine the pipe stiffness(es) recommended for pipe material(s) based upon bury depth, trench configuration, and embedment method.
- 3.6.5 The ENGINEER shall evaluate testing methods and acceptance criteria used to establish recommendations to be incorporated into the "Technical Specifications."
- 3.6.6 The ENGINEER shall prepare an outline of the "Technical Specifications" and prepare a summary/briefing of the specifications recommended for the Project.
- 3.7 Preliminary plans and profiles, preliminary proposed PRV site plans; preliminary PSV/PRV valve vault demolition plans, preliminary details, preliminary technical specifications, and a preliminary Engineer's Opinion of Probable Cost will be provided to the City to conclude the efforts defined under Item 3. Upon review by the City, ENGINEER will include City staff comments and move forward into the final design phase.

ITEM 4.0 - FINAL DESIGN SERVICES

- 4.1 ENGINEER shall evaluate testing methods and acceptance criteria and clearly set forth recommendations to be incorporated into the "Technical Specifications."
- 4.2 Prepare plans and specifications (contract documents) for construction of facilities enumerated in the above Section 2 and Preliminary Design under Item 3.0 as authorized by the City. Half size drawings (i.e. 11" x 17" drawings) and project manual (i.e. specification book) will be produced for this project. Plans and specifications shall be per the City's regulations (latest edition) and Engineering Design Guidelines & Construction Standards (latest edition) and all updates of these standards up to the time of the beginning of the bidding phase.
 - 4.2.1 Prepare Plans and Specifications for waterline south of Hwy 79
 - 4.2.2 Prepare Plans and Specifications for waterline parallel to the HOT transmission line
 - 4.2.3 Prepare Plans and Specifications for the 5 proposed PRVs
 - 4.2.4 Prepare Plans and Specifications for the demolition of 3 PSV/PRVs
- 4.3 Prepare traffic control plans in those areas deemed necessary. Traffic control layouts and details will be included in the plan set(s).
- 4.4 Submit required information and/or plans and specifications to obtain approval or permits from TXDOT, UPRR, TCEQ (water department), Williamson County, private water suppliers (Jonah and Manville WSC), and City of Hutto for the proposed waterline.
- 4.5 Deliverables:
 - 4.5.1 60 Percent Design Submittal: The 60 Percent design submittal will include plans only.
 - 4.5.2 90 Percent Design Submittal: The 90 Percent design submittal will include plans, specifications, and 90% Engineer's Opinion of Probable Construction Cost.

- 4.5.3 Final Submittal: The final submittal will include final plans, specifications, and Engineer's Opinion of Probable Construction Cost.

ITEM 5.0 – BIDDING AND AWARD SERVICES

- 5.1 Assist the City in receiving bids from General Contractors for this project. Work will include conducting a prebid meeting with the Contractors to review the scope of work as presented on the contract documents described above. Addenda to the bid documents shall be generated as required to address Contractor comments or questions. Additional costs for advertising are not included in this fee proposal and will be billed separately, if required.
- 5.2 The bid documents will be structured to have one bid for the Project.
- 5.3 Civcast will be utilized to maintain the plan holder and distribution lists. Civcast will provide bid packages to the Contractors at no cost. DCS will provide PDF copies of the plans and specification book to Civcast for their use.
- 5.4 Assist the City in the opening and tabulation of bids for construction of the Project, and consult with the City as to the proper action to be taken, based on the engineering considerations involved.
- 5.5 Assist in the preparation of formal Contract Documents, perform the bid tabulation, and letter of recommendation of award for Contractor.

ITEM 6.0 - CONSTRUCTION MANAGEMENT & CONSTRUCTION ADMINISTRATION SERVICES

- 6.1 Coordinate and oversee the participation in a Pre-construction conference for the Project to be held at the beginning of construction at the City Engineer's office.
- 6.2 Review samples, catalog data, schedules, shop drawings, laboratory, shop and mill tests of material and equipment and other data which the contractor submits. This review is for the benefit of the City and covers only general conformance with the information given by the Contract Documents. The contractor is to review and stamp his approval on submittals prior to submitting to Engineer, and review by the Engineer does not relieve the contractor of any responsibility such as dimensions to be confirmed and correlated at the job site, appropriate safety measures to protect workers and the public, or the necessity to construct a complete and workable facility in accordance with Contract Documents.
- 6.3 Administer monthly construction status meetings and conduct site visit on the same day. Review and recommend for approval Contractor pay request applications. Perform construction management duties for overall project that normally arise during daily construction activities.
- 6.4 Conduct, in company with the City, a substantial completion punchlist and final completion punchlist for all civil/structural/etc. work of the Project for compliance with the Contract Documents, and submit recommendations concerning project status, as it may affect City's final payment to the contractors.
- 6.5 Prepare full size record drawings utilizing hand marked changes to the construction plans. Furnish one electronic PDF copy on CD and two 11 x 17 copies of the record drawings to the City.
- 6.6 Resident Project Representative Services are specifically excluded from this scope of work. Therefore, daily or weekly inspection of the work will not be conducted by DCS. In accordance with City requirements, the City of Hutto's Resident Project Representatives will be performing these duties on this project on the waterlines and PRV sites.
- 6.7 DCS shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor or the safety precautions and programs incident to the work of the Contractor. DCS shall not guarantee the performance of the Contractor nor be responsible for the acts, errors, omissions or the failure of the Contractor to perform the construction work in accordance with the Contract Documents.

- 6.8 Construction Staking – Temporary and permanent easement limits will not be staked in the field as part of this work. Construction layout, cut sheets, and staking for line and grade are specifically excluded from this scope of work and shall be provided and paid for by the construction contractor.
- 6.9 Construction Materials Testing - Construction materials testing is not included in this scope of work. City will contract directly with the materials testing lab for testing and billing of all samples taken during the construction phase of the project.

3. **Owner's Responsibilities**

- A. Owner shall be responsible for permit fees, cost of newspaper advertisements for all phases of the project, and signatures as necessary for processing.
- B. Owner shall provide record drawings and geotechnical reports for City roadways and utilities in proximity to or which the proposed project crosses.
- C. Per the Easement Requirements discussion in Item 3.4 above, the City or its third party representative will meet with land owners, negotiate easement terms based on DCS's project needs/recommendations. DCS will coordinate, manage, and direct the preparation of the easement document for review, comment, approval from Hutto's City Attorney. The City will submit easement documents for official filing. The City will work with their Land Appraiser to prepare a preliminary estimate of the land values and associated easement values for the Project. Services of a real property attorney, if required, will be provided and paid for by the City.
- D. City or its third party representative shall inform each property owner (prior to mailing the right of entry letters) about the importance of gaining access onto their properties in order to conduct field investigations, surveys, soil sampling, etc. through the duration of the engineering work. And assist in obtaining permission from the land owners for the right of entry to the properties to conduct the activities outlined in this proposal. DCS shall prepare the right of entry letter(s) outlining the easement and/or proposed scope of work to the land owner(s).

4. **SubConsultants:**

- A. Surveying – Inland Geodetics, LLC
- B. Geotechnical Engineer – Arias & Associates, Inc.
- C. Environmental & Archeological – Integrated Environmental Solutions, LLC.

5. **Other Modifications to Agreement:**

None

TIME AND PERFORMANCE: Services are expected to be rendered by Professional and commence on the date this Agreement is executed, or within a reasonable time thereafter. Services are to be completed as outlined in this Scope of Services.

The timeline is based on receiving the notice to proceed by August 16, 2019. **Construction will reach substantial completion by January 15, 2021 for the waterlines required to serve the opening of Perfect Game.** The water transmission line segment and overall project's final completion date will be by June 15, 2021 which includes the average number of rain days per month experienced in Central Texas. **The required final completion date by the City is May 31, 2021.** Substantial completion will be defined in the bid documents to the Contractor as the waterlines being capable of safely, reliably, and consistently conveying potable water.

The services for the preliminary design (three months), final design (four months), client review and DCS response to comments (two months), bidding and award (two months), and construction (eleven months) will be performed over a total of 22 months with completion dates as noted below. The waterlines in the City's distribution system required for servicing Perfect Game will be completed first in the project (i.e. substantial completion by January 15, 2021). This is about 5 months ahead of when they will be needed for Perfect Game.

• Notice to Proceed	Issued by August 16, 2019
• Preliminary Design	Complete by November 16, 2019
• Final Design – 90% Design Submittal	Complete by March 16, 2020
• Client 90% Design Review	Comments to DCS by April 16, 2020
• Final Design – 100% Design Submittal	Complete by May 16, 2020
• Advertisement	May 17, 2020
• Bid Opening	June 17, 2020
• Award	July 1, 2020
• Contractor's Notice to Proceed	July 15, 2020
• Substantial Construction Completion (24" & 30" WL to Perfect Game)	January 15, 2021
• Substantial Construction Completion (HOT Transmission Line)	May 15, 2021
• Final Construction Completion/Close-out	June 15, 2021

The period of service will be the through construction project completion and project closeout

APPENDIX B: COMPENSATION

DCS ENGINEERING, LLC for TRANSMISSION AND DISTRIBUTION WATERLINE IMPROVEMENTS *Amount of Payment*

Lump Sum

Professional shall be compensated on a lump sum basis for satisfactory performance of professional Services described in this Agreement.

Certain out-of-pocket expenses, including plotting and reproduction, deliveries, automobile mileage, equipment rental, and travel expenses are included in the fees shown in the attached table. The above referenced services will be performed within the duration discussed above.

Additional Services beyond the scope of this agreement will be billed at the current DCS Standard Hourly Rate Table with written approval from the City prior to performing the identified effort. Hourly rates shall remain the same for the life of this Agreement, including all amendments, unless the Professional and the City negotiate a fee increase. This negotiation shall be specifically addressed in a negotiation meeting, unless otherwise agreed to by the Parties, or as determined by customary practice.

Method of Payment

Monthly: Payable within 30 days of receipt of an invoice approved by the appropriate project manager and progress report stating the amount of the services completed.

Professional Invoice Requirements

- Itemized invoices must be submitted that indicate the services performed.
- Invoices for this Agreement must be submitted separately from invoices for services performed under any other contract(s) or agreement(s).

Compensation Based on Time and Materials

If compensation is based on time and materials, the following shall apply:

Compensation shall be computed based on the hourly billing rates, approved by the appropriate project manager, times the actual number of hours spent in the performance of services. The hourly billing rate for each employee is the amount to be paid to the Professional, and is full compensation for all salary, benefits, taxes, overhead, and profit. There shall be no change in rates during the term of this Agreement, unless agreed to by the Parties as outlined in this Agreement, and no additional compensation for overtime, weekend, or holiday work.

Compensation for subcontractors shall be equal to the amounts actually paid to subcontractors hereunder, who have been retained after the written approval of the appropriate project manager, of: a) the subcontractor, b) the compensation to be paid the subcontractor, and c) the terms and conditions of the subcontract.

The City has the sole discretion to determine if certain expenses outside of those agreed to qualify for compensation. If approved by the City, compensation for expenses shall be an amount equal to reimbursable expenses approved in advance by the appropriate project manager, necessary, and reasonably incurred, and

actually paid by the Professional in the performance of the Services hereunder. The City has the sole discretion to determine what constitutes reimbursable expenses.

The Professional shall obtain the appropriate project manager's written approval prior to making expenditures for reimbursable expenses in excess of \$500 per specific expenditure. The Professional shall substantiate all billings for reimbursable expenses in excess of \$25 with receipted bills and provide said receipts with the appropriate billing.

The Professional shall keep, and cause any subcontractors to keep, daily records of the time spent in performance of Services hereunder by all persons whose billing rates will be the basis for compensation as well as records and receipts of reimbursable expenditures hereunder. Failure to do so shall be a conclusive waiver of any right to compensation for such services or expenses as are otherwise compensable hereunder.

The City shall have the right to inspect all records of the Professional, and any subcontractors, pertaining to this Agreement. Records shall be maintained by the Professional and subcontractors for a period of three (3) years after completion of services.

Standard Hourly Rate Table

Classification	Billing Rate		
Principal	\$215.00	-	\$275.00
Senior Project Manager	\$200.00	-	\$240.00
Project Manager	\$140.00	-	\$210.00
Design Manager	\$120.00	-	\$170.00
Senior Engineer	\$100.00	-	\$160.00
Project Engineer	\$90.00	-	\$140.00
CAD Manager	\$100.00	-	\$200.00
IT Manager	\$110.00	-	\$160.00
IT Technician	\$80.00	-	\$140.00
Senior Designer	\$90.00	-	\$160.00
Designer II	\$80.00	-	\$145.00
Designer I	\$70.00	-	\$125.00
Senior Computer Technician	\$70.00	-	\$140.00
Computer Technician II	\$50.00	-	\$125.00
Computer Technician I	\$40.00	-	\$110.00
Project Coordinator	\$45.00	-	\$110.00
Clerical	\$30.00	-	\$90.00
Document Control Clerk	\$30.00	-	\$90.00

Table No. 1 - Schedule of Fees
Transmission and Distribution Waterline Improvements
City of Hutto

DCS Task No.	Scope Item	Proposed Fees				
		DCS	Inland Geodetics	Arias	IES	Compensation Method
0160	1.0 Project Management	-	-	-	-	-
0160	1.1 Management Plan	2,500	-	-	-	2,500
0160	1.2 Subconsultant Management	5,000	-	-	-	5,000
0160	1.3 Project Meetings	-	-	-	-	-
0160	1.3.1 Project Kickoff Meeting	3,000	-	-	-	3,000
0160	1.3.2 Preliminary Design Workshop	3,000	-	-	-	3,000
0160	1.3.3 60 Percent Design Review	3,000	-	-	-	3,000
0160	1.3.4 90 Percent Design Review	3,000	-	-	-	3,000
160	1.3.5 Monthly Status Meetings	8,000	-	-	-	8,000
160	1.4 Quality Assurance/Quality Control	8,000	-	-	-	8,000
160	1.5 Project Schedule	1,500	-	-	-	1,500
160	1.6 Engineer's Opinion of Most Probable Cost	-	-	-	-	-
	Sub-Total	37,000	-	-	-	Lump Sum
200	2.0 Study and Report Services	-	-	-	-	-
200	2.1 Rights of Entry for Anticipated Easements	2,000	-	-	-	2,000
200	2.2 Floodplain Delineation	-	-	-	-	-
200	2.3 Water Flows	-	-	-	-	-
200	2.3.1 Growth Projections	2,500	-	-	-	2,500
200	2.4 Route Waterlines	-	-	-	-	-
800	2.4.1 Land Ownership and Easement Research	-	-	-	-	-
800	2.4.2 Schematic Map of Proposed Route	2,500	12,000	-	-	12,000
200	2.4.3 Field Staking of waterlines	2,000	-	-	-	2,500
200	2.4.4 Edwards Aquifer Coordination	250	-	-	-	250
200	2.4.5 Coordination of waterline Tie-ins and Current Projects	500	-	-	-	500
200	2.5 Waterline Activation Plan	-	-	-	-	-
	Sub-Total	9,750	12,000	-	-	Lump Sum
						21,750
800	3.0 Preliminary Design Services	-	-	-	-	-
800	3.1 Surveying	-	-	-	-	-
805	3.1.1 Topographic Survey	-	50,999	-	-	50,999
800	3.1.2 Prepare Easements	-	9,000	-	-	9,000
800	3.1.3 Borehole Locations	-	4,000	-	-	4,000
800	3.1.4 Permanent Benchmarks	-	3,200	-	-	3,200
800	3.1.5 Temporary Benchmarks	-	6,000	-	-	6,000
800	3.1.6 Tree Survey per City of Hutto Standards	-	5,000	-	-	5,000
800	3.1.7 Utility Potholing	-	-	-	-	-
	3.2 Geotechnical Investigation	-	-	-	-	-
810	3.2.1 Borings along Waterlines	-	-	29,615	-	29,615
810	3.2.2 Geotechnical Engineer Report	-	-	4,920	-	4,920
	3.3 Environmental Considerations	-	-	-	-	-
820	3.3.1 Section 404 Permitting	-	-	-	5,000	5,000
820	3.3.2 Archeological Survey	-	-	-	11,000	11,000
820	3.3.3 City/County Ordinances and Regulations	-	-	-	-	-
400	3.4 Easement Requirements	-	-	-	-	-
400	3.4.1 Easement Identification	-	-	-	-	-
400	3.4.2 Easement Width Recommendations	1,500	-	-	-	1,500
400	3.4.3 Preparation of the Easement Document	750	-	-	-	750
400		-	-	-	-	-

Table No. 1 - Schedule of Fees
Transmission and Distribution Waterline Improvements
City of Hutto

DCS Task No.	Scope Item	Proposed Fees					Compensation Method	Compensation for Services
		DCS	Inland Geodetics	Arias	IES			
3400	3.4.4 Preliminary Estimate of Land Values	-	-	-	-	-	-	-
3400	3.4.5 Landowner Meetings	-	-	-	-	-	-	-
3400	3.4.6 Waterline Route Adjustments	1,500	-	-	-	-	-	1,500
3400	3.4.7 Attorney Services	-	-	-	-	-	-	-
3400	3.4.8 Additional Services	-	-	-	-	-	-	-
3400	3.5 Coordination with Regulatory Agencies, Private Utilities, and Potential Utility Customers	-	-	-	-	-	-	-
3400	3.5.1 Regulatory Agencies	1,500	-	-	-	-	-	1,500
3400	3.5.2 Williamson County	2,500	-	-	-	-	-	2,500
3400	3.5.3 Texas Department of Transportation	2,500	-	-	-	-	-	2,500
3400	3.5.4 Union Pacific Railroad	2,500	-	-	-	-	-	2,500
3400	3.5.5 Private Utility Companies (Gas, Electric, Telephone, and Cable)	1,000	-	-	-	-	-	1,000
3400	3.5.6 Potable Water Providers	-	-	-	-	-	-	-
3400	3.6 Waterline and PRV Preliminary Design	-	-	-	-	-	-	-
3400	3.6.1 Preparation of Plan & Profile of Waterlines	20,000	-	-	-	-	-	20,000
3400	3.6.2 Materials Evaluation	1,500	-	-	-	-	-	1,500
3400	3.6.3 Evaluate and Recommend Alternatives	1,500	-	-	-	-	-	1,500
3400	3.6.4 Calculations for Pipe Stiffness	1,500	-	-	-	-	-	1,500
3400	3.6.5 Evaluate and Recommendation of Testing Methods and Criteria	1,200	-	-	-	-	-	1,200
3400	3.6.6 Technical Specifications Recommendations Outline	3,000	-	-	-	-	-	3,000
3400	3.7 Engineer's Opinion of Probable Cost	6,500	-	-	-	-	-	6,500
	Sub-Total	48,950	78,199	34,335	16,000	-	Lump Sum	177,684
500	4.0 Final Design Services	-	-	-	-	-	-	-
500	4.1 Testing Methods and Acceptance Criteria	4,500	-	-	-	-	-	4,500
500	4.2 Prepare Plans and Specifications (contract documents) for Construction	-	-	-	-	-	-	-
500	4.2.1 Prepare Plans and Specifications (contract documents) for waterline south of Hwy 79	32,000	-	-	-	-	-	32,000
500	4.2.2 Prepare Plans and Specifications (contract documents) for waterline parallel to HOT Waterline	64,250	-	-	-	-	-	64,250
500	4.2.3 Prepare Plans and Specifications (contract documents) for proposed PRVs	21,500	-	-	-	-	-	21,500
500	4.2.4 Prepare Plans and Specifications (contract documents) for demolition of exist PSV/IRRVs	5,000	-	-	-	-	-	5,000
500	4.3 Prepare Traffic Control Plans	7,000	-	-	-	-	-	7,000
500	4.4 TXDOT, UPRR, TCEQ, Williamson County, Jonah, Manville, and City Approvals	7,500	-	-	-	-	-	7,500
500	4.5 Deliverables:	-	-	-	-	-	-	-
500	4.5.1 60 Percent Design Submittal with Engineer's Opinion of Probable Construction Cost	3,000	-	-	-	-	-	3,000
500	4.5.2 90 Percent Design Submittal with Engineer's Opinion of Probable Construction Cost	3,000	-	-	-	-	-	3,000
500	4.5.3 Final Submittal with Engineer's Opinion of Probable Construction Cost	3,000	-	-	-	-	-	3,000
	Sub-Total	150,750	-	-	-	-	Lump Sum	150,750
600	5.0 Bidding and Award Services	-	-	-	-	-	-	-
600	5.1 Assist the City in Receiving Bids	15,000	-	-	-	-	-	15,000
600	5.2 One Construction Plan Set	-	-	-	-	-	-	-
600	5.3 Civcast Utilization	750	-	-	-	-	-	750
600	5.4 Prepare Tabulation of Bids	1,250	-	-	-	-	-	1,250
600	5.5 Prepare Contract Documents	2,500	-	-	-	-	-	2,500
	Sub-Total	19,500	-	-	-	-	Lump Sum	19,500
700	6.0 Construction Management & Construction Administration Services	-	-	-	-	-	-	-

Table No. 1 - Schedule of Fees
Transmission and Distribution Waterline Improvements
City of Hutto

DCS Task No.	Scope Item	Proposed Fees					
		DCS	Inland Geodetics	Arias	IES	Compensation Method	Compensation for Services
0700	6.1 Pre-construction Meeting	6,000	-	-	-	-	6,000
0700	6.2 Submittal and O&M Reviews	57,250	-	-	-	-	57,250
0700	6.3 Monthly Construction Status Meetings, Construction Management, and Site Visits	127,000	-	-	-	-	127,000
0700	6.4 Walk-Throughs, startup, and Project Close-out	24,500	-	-	-	-	24,500
0700	6.5 Prepare Record Drawings	4,250	-	-	-	-	4,250
164	6.6 Resident Project Representative services	-	-	-	-	-	-
	6.7 Contractor's Means, Methods, Techniques, Sequences	-	-	-	-	-	-
	6.8 Construction Staking (Excluded)	-	-	-	-	-	-
	6.9 Construction Materials Testing (Excluded)	-	-	-	-	-	-
	Sub-Total	219,000	-	-	-	Lump Sum	219,000
	TOTAL FEE AUTHORIZATION (Items 1.0 to 6.0) =	\$484,950.00	\$90,199.00	\$34,535.00	\$16,000.00		\$625,684.00

APPENDIX C: INSURANCE REQUIREMENTS

DCS ENGINEERING, LLC for TRANSMISSION AND DISTRIBUTION WATERLINE IMPROVEMENTS

The Contractor must provide certification of proper insurance coverage or binder to the City of Hutto. The City must be named as an additional insured as respects their interest in these Services, except for Workers Compensation Insurance. Proof of the following insurance is required before award:

I. General Requirements Applicable to All Contractors' Insurance

The following requirements (A-J) apply to the **Contractor and subcontractor(s) of every tier** performing services or activities pursuant to the terms of this Agreement. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and Contractor's subcontractor(s):

- A. The minimum types and limits of insurance indicated below shall be maintained throughout the duration of this Agreement.
- B. Insurance shall be written by companies licensed in the State of Texas with an A.M. Best rating of B+ or higher.
- C. Prior to commencing work under this Agreement, the required insurance shall be in force as evidenced by a Certificate of Insurance (see Attached) issued by the writing agent or carrier. A copy of the Certificate of Insurance shall be provided to the City upon request. Execution of this Agreement will not occur until such evidence of insurance has been provided and accepted by the City.
- D. Certificates of Insurance shall include the endorsements outlined below and shall be submitted to the Client.
- E. Insurance required under this Agreement which names the City of Hutto as Additional Insured shall be considered primary for all claims.
- F. Insurance limits shown below may be written as primary or structured using primary and excess or umbrella coverage that follows the form of the primary policy.
- G. City shall be entitled upon its request and without expense, to receive certified copies of policies and endorsements.
- H. City reserves the right to review insurance requirements during any term of this Agreement and to require that Contractor make reasonable adjustments when the scope of services has been expanded.

- I. Contractor shall not allow any insurance to be cancelled or lapse during any term of this Agreement. Contractor shall not permit the minimum limits of coverage to erode or otherwise be reduced. Contractor shall be responsible for all premiums, deductibles and self-insured retention. All deductibles and self-insured retention shall be shown on the Certificates of Insurance.
- J. Insurance coverages specified in this Agreement are not intended and will not be interpreted to limit the responsibility or liability of the Contractor or subcontractor(s).
- K. The City will accept endorsements providing equivalent coverage if the insurance carrier does not use the specific endorsements indicated below.

II. Specific Requirements

The following requirements (II.A-II.D, inclusive) apply to the **Contractor and to subcontractor(s) of every tier** performing services or activities pursuant to the terms of this Agreement. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and Contractor's subcontractor(s):

L. General Liability Insurance:

1. Minimum Limits:

The Professional shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage.

For Bodily Injury and Property Damage no less than \$1,000,000.

As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000.

This coverage shall protect the public or any person from injury or property damages sustained by reason of the Professional or its employees carrying out the work involved in this Agreement.

The general aggregate shall be no less than \$2,000,000.

2. The Policy shall contain or be endorsed as follows:

- a) Blanket Contractual liability for this Agreement
- b) Products and Completed Operations
- c) Independent Contractor Coverage

3. The Policy shall also include the following endorsements or endorsements providing equivalent coverage in favor of the City of Hutto:

- a) Waiver of Subrogation
- b) Thirty (30) day Notice of Cancellation
- c) City of Hutto named as additional insured

M. Workers Compensation and Employer's Liability Insurance

1. Coverage shall be consistent with statutory benefits outlined in the Texas Workers' Compensation Act.
2. Employer's Liability Limits are:
 - a) \$100,000 bodily injury each accident
 - b) \$100,000 bodily injury by disease
 - c) \$500,000 policy limit
3. Policies under this Section shall apply to the State of Texas and include the following endorsements in favor of the City of Hutto:
 - a) Waiver of Subrogation
 - b) Thirty (30) day Notice of Cancellation

N. Business Automobile Liability Insurance

1. Minimum limits:

Professional shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence.

Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this Agreement by the Professional or its employees.
2. The Policy shall also include the following endorsements or endorsements providing equivalent coverage in favor of the City of Hutto:
 - a) Waiver of Subrogation
 - b) Thirty (30) day Notice of Cancellation
 - c) City of Hutto named as additional insured

O. Professional Liability Insurance

Professional errors and omissions liability insurance with limits of liability not less than \$1,000,000 per occurrence covering all work performed by the Professional, its employees, sub-contractors, or independent contractors.

If this coverage can only be obtained on a "claims made" basis, the certificate of insurance must clearly state coverage is on a "claims made" basis and coverage must remain in effect for at least two years after final payment with the Professional continuing to furnish the City certificates of insurance.

P. Property Insurance

If the Agreement provides funding for the purchase of property or equipment, the Contractor shall provide evidence of all risk property insurance for a value equivalent to the replacement cost of the property or equipment.

Client#: 53584

DCSENGIN

ACORD_{TM}**CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)
5/10/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Greyling Ins. Brokerage/EPIC 3780 Mansell Rd. Suite 370 Alpharetta, GA 30022		CONTACT NAME: Trudy Henry PHONE (A/C, No, Ext): 770.552.4225 FAX (A/C, No): 866.550.4082 E-MAIL ADDRESS: trudy.henry@greyling.com															
INSURED DCS Engineering LLC 1101 S. Capital of Texas Highway Building G100 Austin, TX 78746		<table border="1"> <tr> <th>INSURER(S) AFFORDING COVERAGE</th> <th>NAIC #</th> </tr> <tr> <td>INSURER A : Sentinel Insurance Company</td> <td>11000</td> </tr> <tr> <td>INSURER B : Hartford Underwriters</td> <td>30104</td> </tr> <tr> <td>INSURER C : RLI Insurance Company</td> <td>13056</td> </tr> <tr> <td>INSURER D :</td> <td></td> </tr> <tr> <td>INSURER E :</td> <td></td> </tr> <tr> <td>INSURER F :</td> <td></td> </tr> </table>		INSURER(S) AFFORDING COVERAGE	NAIC #	INSURER A : Sentinel Insurance Company	11000	INSURER B : Hartford Underwriters	30104	INSURER C : RLI Insurance Company	13056	INSURER D :		INSURER E :		INSURER F :	
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INSURER A : Sentinel Insurance Company	11000																
INSURER B : Hartford Underwriters	30104																
INSURER C : RLI Insurance Company	13056																
INSURER D :																	
INSURER E :																	
INSURER F :																	

COVERAGES

CERTIFICATE NUMBER: 19-20

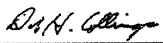
REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☐ LOC OTHER:			20SBWPA9036	04/15/2019	04/15/2020	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000 \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS NON-OWNED AUTOS ONLY			20SBWPA9036	04/15/2019	04/15/2020	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$10000			20SBWPA9036	04/15/2019	04/15/2020	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☐ Y ☒ N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	20WEGVY4085	04/15/2019	04/15/2020	☒ PER STATUTE ☐ OTH-ER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Professional Liability			RDP0035725	04/15/2019	04/15/2020	Per Claim \$1,000,000 Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Hutto is named as an Additional Insured on the above referenced liability policies with the exception of workers compensation & professional liability where required by written contract. The above referenced liability policies with the exception of workers compensation, umbrella and professional liability are primary & non-contributory where required by written contract. Waiver of Subrogation in favor of Additional Insured(s) where required by written contract & allowed by law.

CERTIFICATE HOLDER	CANCELLATION
City of Hutto Attn: City Manager 500 W. Live Oak Street Hutto, TX 78634	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE 

PROFESSIONAL SERVICES AGREEMENT

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

THIS PROFESSIONAL SERVICE AGREEMENT ("Agreement") dated this _____ day of _____, 2019.

BETWEEN:

CITY OF HUTTO

City of Hutto
500 West Live Oak Street
Hutto, TX 78634

(The "City")

PROFESSIONAL

DCS Engineering, LLC
1101 S. Capital of Texas Highway, Suite G-
100,
Austin, TX 78746

(The "Professional")

1. PURPOSE:

The City of Hutto, a Texas municipality, desires to enter into a service agreement with DCS Engineering, LLC, a Texas Limited Liability Corporation authorized to do business in the State of Texas, for the design of Transmission and Distribution Pumping Stations project as described in **Appendix "A"** and other necessary services (the "Services") in accordance with this Agreement. The Services in this Agreement will be utilized for the City of Hutto.

2. BACKGROUND:

- a. The Professional represents that it is in all respects, qualified, experienced, licensed, and able to provide the necessary Services to the City.
- b. The City is of the opinion that the Professional has the necessary qualifications, experience, licensing, and abilities to provide the necessary Services to the City.
- c. The Professional agrees to provide such Services to the City on the terms and conditions set out in this Agreement with the necessary skill and care ordinarily provided by competent professionals practicing under the same or similar circumstances and professional license, and will do so as expeditiously as is prudent considering the ordinary professional skill and care of a competent professional.

IN CONSIDERATION OF the matters described above and of the mutual benefits and obligations set forth in this Agreement, the receipt and sufficiency of which consideration is hereby acknowledged, the City and the Professional (individually the "Party" and collectively the "Parties" to this Agreement) agree as follows:

3. SERVICES PROVIDED/SCOPE OF SERVICES

- a. Professional shall perform the Services as more particularly described in the Scope of Services in **Appendix "A,"** which is attached and incorporated by reference and made a part of this Agreement. The work as described in the Scope of Services is basic services and constitutes

DCS Engineering, LLC, Professional Services

the "Project." Unless otherwise provided in the Scope of Services, the anticipated submittal of all Project deliverables is immediately upon completion of the Project.

- b. The Quality of Services provided under this Agreement shall be of the level of professional care, quality and skill normally exercised by Professionals regularly performing this type of service.
- c. The Professional shall perform its Services for the Project in compliance with all statutory, regulatory and contractual requirements now or hereafter in effect as may be applicable to the rights and obligations set forth in the Agreement.
- d. The Professional may rely upon the accuracy of reports and surveys provided to it by the City except when defects should have been apparent to a reasonably competent professional or when it has actual notice of any defects in the reports and surveys.
- e. Professional will advise City as to the necessity of City's providing or obtaining from others special data or special services required in connection with the Project (provided the data and services are not to be provided hereunder).
- f. The Services may also include any other tasks which the Parties may agree upon in writing (see Section 4 titled "Changes to Project Work; Additional Work"). The Professional hereby agrees to provide such Services to the City.
- g. In the case of any conflicts between the terms of this Agreement and the wording contained within the Scope of Services, this Agreement shall govern. The Scope of Services is intended to detail the technical scope of services and contract time only and shall not dictate Agreement terms.

4. CHANGES TO PROJECT WORK; ADDITIONAL WORK

- a. **Changes to Work:** Professional shall make such revisions to the Scope of Services that has been completed as are necessary to correct any errors or omissions as may appear in such work. If the City finds it necessary to make changes to previously satisfactorily completed Scope of Services or parts thereof, the Professional shall make such revisions if requested and as directed by the City and such services will be considered as additional work and paid for as specified under the following paragraph.
- b. **Additional Work:** The City retains the right to make changes to the Scope of Services at any time by a written order. Work that is clearly not within the general description of the Scope of Services under this Agreement must be approved in writing by the City by supplemental agreement before the additional work is undertaken by the Professional. If the Professional is of the opinion that any work is beyond that contemplated in this Agreement and the Scope of Services governing the Project and therefore constitutes additional work, the Professional shall promptly notify the City of that opinion, in writing. If the City agrees that such work does constitute additional work, then the City and the Professional shall execute a supplemental agreement for the additional work and the City shall compensate the Professional for the additional work on the basis of the rates contained in the Scope of Services. If the changes deduct from the extent of the Scope of Services, the contract sum shall be adjusted accordingly. All such changes shall be executed under the conditions of the original Agreement. Any work undertaken by Professional not previously approved as additional work shall be at risk of the Professional.
- c. **Budget Limitations:** It is expressly understood and agreed by Professional that additional compensation may require Hutto City Council approval and is subject to the current budget year limitation.

5. PERSONNEL, EQUIPMENT, SUPPLIES AND LICENSES

DCS Engineering, LLC, Professional Services

- a. The Professional represents that it has or will secure at its own expense all personnel, equipment, tools, and supplies required in performing the Services under this Agreement. Any reimbursement for qualifying expenses under this Agreement is governed by Section 14(c) of this Agreement titled "Reimbursement of Expenses" and **Appendix B**.
- b. The Professional is responsible for providing any and all personnel needed to fulfill the Services in this Agreement, including hiring any assistants. Any hired assistants will be the sole employees of the Professional, and are not employees of the City.
- c. All of the Services required hereunder will be performed by the Professional or under its supervision.
- d. None of the work or Services covered by this Agreement shall be subcontracted or assigned without the prior written approval of the City.
- e. Professional warrants that it is fully licensed under all applicable local, state, and federal laws to perform the Services to be provided hereunder, and that solely the Professional is responsible for any fees or costs associated with obtaining or maintaining those licenses to perform the Services under this Agreement.

6. CONTROL

- a. It is agreed by the Parties that the City has no right of control or direction over the manner, means, and methods that the Professional will use in completing the Services of this Agreement. The Professional is free to set its own hours including:
 - i. Working Schedules;
 - ii. Vacation Times;
 - iii. Meetings with employers or employees; and
 - iv. Submissions of reports of any kind to employers.

7. VACATIONS AND TRANSPORTATION:

- a. The Professional must provide its own transportation for itself and its employees. The City will not provide reimbursement for travel and transportation expenses.
- b. Any vacation time, holidays, sick leave, or training is the sole expense of the Professional and will not be paid by the City.

8. NO TRAINING PROVIDED:

- a. The City will not provide any training for either the Professional, its employees or assistants, or subcontractors.

9. TIME OF PERFORMANCE:

- a. **Commencing Services:** The Services of the Professional are to commence immediately, or as soon as practicable, after the execution of this Agreement and upon the proper approval and documents issued by the City, including the issuance of a Notice to Proceed, and shall be completed no later than the time specified in **Appendix A**.
- b. **Completion of Services:** The prompt completion of the services under the Scope of Services is critical to the City. City has reviewed the Scope of Services and determined that the Scope of Services provides sufficient time for the Professional to perform the Scope of Services. Unnecessary delays in providing the Scope of Services shall be grounds for dismissal of the Professional and termination of this Agreement without any or further liability to the City other than a prorated payment for necessary, timely, and conforming work done by Professional prior to the time of termination. The Scope of Services shall provide, in either calendar days, work days or by providing a final date, a time of completion prior to which the Professional shall have completed all tasks and services described in the Scope of Services as specified in **Appendix A**.

DCS Engineering, LLC, Professional Services

10. TERM OF AGREEMENT:

- a. The term of this Agreement (the “Term”) will begin on the date of this Agreement and will remain in full force and effect until satisfactory completion of the Scope of Services, subject to earlier termination as provided in this Agreement. The Term may be extended with written consent of the Parties.

11. REPORTING:

- a. The City’s primary representative for this Agreement shall be Mr. Samuel Ray, P.E. The City Manager shall be an alternate representative. The City shall not be liable for Professional’s expenses incurred in reliance on directions received from any other municipal officer or employee. The Professional’s representative shall be Mr. Darren C Strozewski, P.E. Reliance by the City on representations by any other person shall be at the City’s own risk.

12. RECORDS:

- a. During performance and after termination of this Agreement, each party shall make available to the other Party for inspection and copying, all records, whether external or internal, having any relevance to this Agreement.

13. PERFORMANCE/ETHICS:

- a. The Parties agree to do everything necessary, and within reason, to ensure that the terms of this Agreement take effect.
- b. Professional shall discharge its duties fairly, impartially, and maintain a standard of conduct that competently serves the City and the interests of the City. Professional shall at all times exercise unbiased judgment when performing its duties under this Agreement.

14. COMPENSATION:

- a. The Professional shall be paid in the manner set forth in **Appendix B** and as provided herein. However, nothing contained in this Agreement shall require City to pay for any work that is unsatisfactory as determined by City in its employee’s reasonable judgment or which is not submitted in compliance with the terms of this Agreement. City will not be required to make any payments to Professional when Professional is in default under this Agreement, nor shall this paragraph constitute a waiver of any right, at law or in equity, which City may have if Professional is in default, including the right to bring legal action for damages or for specific performance of this Agreement. Waiver of any default under this Agreement by City shall not be deemed a waiver of any subsequent default.
- b. **Billing Period:** The Professional may submit monthly, or less frequently, an invoice for payment based on the estimated completion of the described tasks and approved work schedule. Subject to Chapter 2251, Texas Government Code (the “Prompt Payment Act”), payment is due within thirty (30) days of the City’s receipt of the Professional’s invoice in proper form and content. Interest on overdue payments shall be calculated in accordance with the Prompt Payment Act.
- c. **Reimbursable Expenses:** Any and all reimbursable expenses related to the Project shall be included in the Scope of Services (**Appendix A**) and accounted for in the total contract amount. If these items are not specifically accounted for in **Appendix A** they shall be considered a part of the total Agreement amount.

15. TERMINATION OF AGREEMENT:

- a. This Agreement may be terminated:
 - i. By the mutual agreement and consent of both Professional and City;

DCS Engineering, LLC, Professional Services

- ii. By either Party, upon the failure of the other Party to fulfill its obligations as set forth in either this Agreement or a Scope of Services issued under this Agreement;
 - iii. By the City, immediately upon notice in writing to the Professional, as consequences of the failure of Professional to perform the services contemplated by this Agreement in a timely or satisfactory manner; or
 - iv. By the City, at will and without cause upon not less than thirty (30) days written notice to the Professional.
- b. If the City terminates this Agreement pursuant to Section 9(b) or subsection 15(A)(ii) or (iii), above, the Professional shall not be entitled to any fees or reimbursable expenses other than the fees and reimbursable expenses then due and payable as of the time of termination and only then for those services that have been timely and adequately performed by the Professional considering the actual costs incurred by the Professional in performing the work to date of termination, the value of the work that is nonetheless useable to the City, the cost to the City of employing another Professional to complete the work required and the time required to do so, and other factors that affect the value to the City of the work performed at time of termination. In the event of termination not the fault of the Professional, the Professional shall be compensated for all basic and additional services actually performed prior to termination, together with any reimbursable expenses then due.

16. NO RIGHT TO DISMISS:

- a. The Professional cannot be dismissed or terminated unless there is a breach of this Agreement, or as stipulated in Section 15 of this Agreement.

17. TRADE SECRETS:

- a. Trade secrets (the "Trade Secrets") include but are not limited to any data or information, technique or process, tool or mechanism, formula or compound, pattern or test results relating to the business of the City, which are secret and proprietary to the City, and which give the business a competitive advantage where the release of that Trade Secret could be reasonably expected to cause harm to the City.
- b. The Professional agrees that it will not disclose, divulge, reveal, report or use, for any purpose, any Trade Secrets which the Professional has obtained, except as authorized by the City or as required by law. The obligations of confidentiality will apply during the Term and will survive indefinitely upon termination of this Agreement.

18. OWNERSHIP OF INTELLECTUAL PROPERTY AND DOCUMENTS:

a. Intellectual Property:

- i. All intellectual property and related material, including any trade secrets, moral rights, goodwill, relevant registrations or applications for registration, and rights in any patent, copyright, trademark, trade dress, industrial design and trade name (the "Intellectual Property") that is developed or produced under this Agreement, is a "work made for hire" and will be the sole property of the City. The use of the Intellectual Property by the City will not be restricted in any manner.
- ii. The Professional may not use the Intellectual Property for any purpose other than that contracted for in this Agreement except with the written consent of the City. The Professional will be responsible for any and all damages resulting from the unauthorized use of the Intellectual Property.

b. Documents:

DCS Engineering, LLC, Professional Services

- i. Upon completion or termination of this Agreement, all final documents prepared by the Professional or furnished to the Professional by the City shall be delivered to and become the property of the City. All final drawings, charts, calculations, plans, specifications, and other data, including electronic files and raw data, prepared under or pursuant to this Agreement shall be made available, upon request, to the City without restriction or limitation on the further use of such materials PROVIDED, HOWEVER, THAT SUCH MATERIALS ARE NOT INTENDED OR REPRESENTED TO BE SUITABLE FOR REUSE BY THE CITY OR OTHERS. ANY REUSE WITHOUT PRIOR VERIFICATION OR ADAPATATION BY THE PROFESSIONAL FOR THE SPECIFIC PURPOSE INTENDED WILL BE AT THE CITY'S SOLE RISK AND WITHOUT LIABILITY TO THE PROFESSIONAL. Where applicable, Professional shall retain all pre-existing proprietary rights in the materials provided to the City but shall grant to the City a non-exclusive, perpetual, royalty-free license to use such proprietary information solely for the purposes for which the information was provided. The Professional may, at the Professional's expense, have copies made of the documents or any other data furnished to the City under or pursuant to this Agreement.

19. RETURN OF PROPERTY:

- a. Upon the expiration or termination of this Agreement, the Professional will return to the City any property, documentation, records, or confidential information which is the property of the City.

20. CAPACITY/INDEPENDENT CONTRACTOR:

- a. In providing the Services under this Agreement, it is expressly agreed that the Professional is acting as an independent contractor and not as an employee. The Professional and the City acknowledge that this Agreement does not create a partnership or joint venture between them, and is exclusively an Agreement for Service.
- b. The City is not required to pay, or make any contributions to, any social security, local, state, or federal tax, unemployment compensation, worker's compensation, insurance premium, profit-sharing, pension, or any other employee benefit for the Professional during the Term. The Professional is responsible for paying, and complying with reporting requirements for, all local, state, and federal taxes related to payments made to the Professional under this Agreement and those of the Professional's employees and assistants.
- c. The parties intend that an independent contractor/City relationship be created by this Agreement. City is interested only in the results to be achieved, and the conduct and control of the work will lie solely with the Professional. Professional is not considered to be an agent or employee of the City for any purpose, and the employees and assistants of the Professional are not entitled to any benefits that the City provides for its employees. Professional shall not represent, either expressly or through implication, that Professional is an employee, agent, official or representative of the City. Income taxes, self-employment taxes, social security taxes and the like are the sole responsibility of the Professional.
- d. It is understood that the City does not agree to use the Professional exclusively. It is further understood that the Professional is free to contract for similar services to be performed for others while it is under contract with the City.

21. CONFLICTS OF INTEREST:

- a. Professional agrees that no employee of the City who has exercised or will exercise any authority over the specifications, procurement, supervision, or payment for this Agreement, and no member of the employee's immediate family, has had or will have any direct or indirect financial interest in this Agreement. If the Professional learns of any such interest, the

DCS Engineering, LLC, Professional Services

Professional shall, without delay, inform the City Attorney or one of the officers specified in Section 11 of this Agreement titled "Reporting."

22. NON-COLLUSION:

- a. Professional represents and warrants that Professional has not given, made, promised or paid, nor offered to give, make, promise or pay any gift, bonus, commission, money or other consideration to any person as an inducement to or in order to obtain the work to be provided to the City under this Agreement. Professional further agrees that Professional shall not accept any gift, bonus, commission, money, or other consideration from any person (other than from the City pursuant to this Agreement) for any of the services performed by Professional under or related to this Agreement. If any such gift, bonus, commission, money, or other consideration is received by or offered to Professional, Professional shall immediately report that fact to the City and, at the sole option of the City, the City may elect to accept the consideration for itself or to take the value of such consideration as a credit against the compensation otherwise owing to Professional under or pursuant to this Agreement.

23. FORCE MAJEURE:

- a. If the performance of any covenant or obligation to be performed hereunder by any party is delayed as a result of circumstances which are beyond the reasonable control of such party (which circumstances may include, without limitation, pending litigation, acts of God, war, acts of civil disobedience, fire or other casualty, shortage of materials, adverse weather conditions [such as, by way of illustration and not of limitation, severe rain storms or below freezing temperatures, or tornadoes] labor action, strikes or similar acts, moratoriums or regulations or actions by governmental authorities), the time for such performance shall be extended by the amount of time of such delay, but no longer than the amount of time reasonably occasioned by the delay. The party claiming delay of performance as a result of any of the foregoing force majeure events shall deliver written notice of the commencement of any such delay resulting from such force majeure event not later than seven (7) days after the claiming party becomes aware of the same, and if the claiming party fails to so notify the other party of the occurrence of a force majeure event causing such delay and the other party shall not otherwise be aware of such force majeure event, the claiming party shall not be entitled to avail itself of the provisions for the extension of performance contained in this Section.

24. NOTICE:

- a. All notices, requests, demands, or other communications required or permitted by the terms of this Agreement will be given in writing and delivered to the Parties at the following addresses:

If to the City:

- i. Odis Jones, City Manager
Cara Hanna, City Attorney
City of Hutto
500 West Live Oak Street
Hutto, TX 78634

If to the Professional:

- ii. Darren C Strozewski, P.E.
1101 S. Capital of Texas Hwy, Bldg G-100
Austin, TX 78634
Telephone: (512) 614-6171

or to such other address as either Party may notify the other in writing, and will be deemed properly delivered (a) immediately upon being served personally, (b) three (3) days after being

DCS Engineering, LLC, Professional Services

deposited with the postal service if served by registered mail, or (c) the following day after being deposited with an overnight courier.

25. PROFESSIONAL'S SEAL:

- a. To the extent that the Professional has a professional seal, it shall be placed on all documents and data furnished by the Professional to the City. All work and services provided under this Agreement will be performed in a good and workmanlike fashion and shall conform to the accepted standards and practices of the Professional's industry. The plans, specifications and data provided by Professional shall be adequate and sufficient to enable those performing the work using the documents prepared by the Professional under the Scope of Services to perform the work as and within the time contemplated by the City and Professional. The City acknowledges that Professional has no control over the methods or means of work nor the costs of labor, materials or equipment. Unless otherwise agreed in writing, any estimates of costs by the Professional are for information purposes only and are not guarantees.

26. RIGHT TO AUDIT:

- a. City shall have the right to examine and audit the books and records of Professional at any reasonable time. Such books and records will be maintained in accordance with generally accepted principles of accounting and will be adequate to enable determination of: (1) the substantiation and accuracy of any payments required to be made under this Agreement; and (2) compliance with the provisions of the Agreement.

27. RISK:

- a. The Professional shall perform the work under this Agreement at its own risk. The Professional assumes all responsibility for the condition of tools, equipment, materials, and job site.

28. INSURANCE REQUIREMENTS:

- a. The Professional has secured and shall maintain insurance for the risks and in the amounts specified in **Appendix C**. The Professional and its insurance carrier waive subrogation against the City.

29. COMPLIANCE WITH LAWS

- a. The Professional shall comply with all applicable federal, state and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts, administrative, or regulatory bodies in any matter affecting the performance of this Agreement, including, without limitation, worker's compensation laws, minimum and maximum salary and wage statutes and regulations, and licensing laws and regulations effective at the time of this Agreement. When required, the Professional shall furnish the City with satisfactory proof of compliance.

b. Prevailing Wage Requirements:

- i. Professional agrees under this Agreement to comply with Texas Government Code Chapter 2258 and to pay (and ensure subcontractors pay) prevailing wage rates to any workers and laborers used in connection with the services stipulated under this Agreement. This includes paying at least the applicable prevailing wage rates for public work activities performed under this Agreement, complying with overtime and working hour requirements, complying with apprenticeship obligations, and complying with payroll record keeping requirements or other obligations as required by law. Professional agrees to use the wage rates as determined by the locality in which the work is being performed. The City of Hutto currently uses Williamson County rates as determined by the Department of Labor found at <https://www.wdol.gov/wdol/scafiles/davisbacon/tx.html>. Professional further agrees to make payroll records electronically available during reasonable business

DCS Engineering, LLC, Professional Services

hours so that the City may ensure prevailing wages are being paid in connection to this Agreement. By signing this Agreement, Professional understands and agrees that failure to pay workers and laborers may result in criminal and civil penalties, the payment to the City of a sixty dollar (\$60.00) fine for each worker employed for each calendar day or part of the day that the worker is paid less than the wage rates required under law, and/or the City withholding payment of entire Compensation amounts for the time the City determines whether a violation of Chapter 2258 has occurred. Professional understands that any fees collected by the City may be used to offset any costs associated with the administration of Chapter 2258.

30. MODIFICATION OF AGREEMENT:

- a. Any amendment or modification of this Agreement, including any increase or decrease in the amount of Professional's compensation, or additional obligation(s) assumed by either Party in connection with this Agreement will only be binding if evidenced in writing and agreed to and signed by each Party or an authorized representative of each Party.

31. ASSIGNMENT:

- a. The Professional will not voluntarily, or by operation of law, assign or otherwise transfer its obligations under this Agreement without the prior written consent of the City.

32. SUBLETTING:

- a. The Professional shall not sublet or transfer any portion of the work under this Agreement or any Scope of Services issued pursuant to this Agreement unless specifically approved in writing by the City, which approval shall not be unreasonably withheld. Subcontractors shall comply with all provisions of this Agreement and the applicable Scope of Services. The approval or acquiescence of the City in the subletting of any work shall not relieve the Professional of any responsibility for work done by such subcontractor.

33. ENTIRE AGREEMENT:

- a. All Parties mutually agreed to the terms of this Agreement. The Agreement should not be construed in favor of or against one Party. It is agreed that there is no representation, warranty, collateral agreement or condition affecting this Agreement except as expressly provided in this Agreement. This Agreement contains the entire agreement between the Parties; there are no other terms, promises, conditions, or obligations other than those contained herein. This Agreement shall supersede all previous communications, representations or agreements, either oral or written, between the Parties.

34. ENUREMENT:

- a. This Agreement will enure to the benefit of and be binding on the Parties and their respective heirs, executors, administrators, and permitted successors and assigns.

35. TITLES/HEADINGS:

- a. Headings are inserted for the convenience of the Parties only and are not to be considered when interpreting this Agreement.

36. CHOICE OF LAW/JURISDICTION:

- a. This Agreement will be governed by and construed in accordance with the laws of the State of Texas. For any claims or disputes regarding this Agreement, venue is proper in Williamson County, Texas.

37. DISPUTE RESOLUTION:

- a. The parties agree that, prior to instituting any litigation or other proceeding arising from a dispute

DCS Engineering, LLC, Professional Services

under this Agreement, the parties will first attempt to resolve the dispute by taking the following steps:

- i. A written notice substantially describing the nature of the dispute shall be delivered by the dissatisfied party to the other party, which notice shall request a written response to be delivered to the dissatisfied party not less than five (5) days after receipt of the notice of dispute.
- ii. If the response does not reasonably resolve the dispute, in the opinion of the dissatisfied party, the dissatisfied party shall give notice to that effect to the other party whereupon each party shall appoint a person having authority over the activities of the respective parties who shall promptly meet, in person, in an effort to resolve the dispute.
- iii. If those persons cannot or do not resolve the dispute, then the parties shall each appoint a person from the highest tier of managerial responsibility within each respective party, who shall then promptly meet, in person, in an effort to resolve the dispute.

38. INDEMNITY:

- a. Professional agrees to indemnify and hold harmless the City for any liability for damage to the extent such damage is caused by or results from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the indemnitor or the indemnitor's agent, consultant under contract, or another entity over which the indemnitor exercises control, pursuant to Texas Local Government Code Section 271.904(a), as applicable.

39. SEVERABILITY:

- a. In the event that any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, all other provisions will nevertheless continue to be valid and enforceable with the invalid or unenforceable parts severed from the remainder of this Agreement.

40. COUNTERPARTS

- a. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

41. EXHIBITS:

- a. All exhibits and appendices to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

42. WAIVER:

- a. The waiver by either Party of a breach, default, delay or omission of any of the provisions of this Agreement by the other Party will not be construed as a waiver of any subsequent breach of the same or other provisions. Either City or the Professional shall have the right to waive any requirement contained in this Agreement that is intended for the waiving party's benefit, but, except as otherwise provided herein, such waiver shall be effective only if in writing executed by the party for whose benefit such requirement is intended.

43. DISCLOSURE OF BUSINESS RELATIONS/AFFILIATIONS; CONFLICT OF INTEREST QUESTIONNAIRE

- a. Professional represents that it is in compliance with the applicable filing and disclosure requirements of Chapter 176 of the Texas Local Government Code.

IN WITNESS WHEREOF the Parties have duly affixed their signatures and executed this Agreement on this _____ day of _____.

CITY: PROFESSIONAL

By: _____
Name: _____
Title: _____

By: 
Name: Darren C Strozewski, P.E.
Title: Principal

APPROVED AS TO FORM:

By: _____
Attorney for the City of Hutto

APPENDIX A: SCOPE OF SERVICES

DCS ENGINEERING, LLC for TRANSMISSION AND DISTRIBUTION PUMPING STATIONS

SCOPE OF SERVICES

Title: Transmission and Distribution Pumping Stations
DCS Project No.: 20101415

1. Specific Project Data

A. Description:

This project includes the design of four new pumping stations at three sites in the City's water transmission and distribution system. The projects will increase the capacity of the Heart of Texas (HOT) transmission pipeline to its maximum capacity of 5.70 mgd via two pumping stations, increase the capacity of the Frame Switch Pumping Station from 4.32 mgd serving the 801' PP to 5.70 mgd, and create a new 890' PP with a dedicated 5.70 mgd pumping station.

The Shiloh Pumping Station will take water from two existing ground storage tanks and convey it via HOT transmission line to the Frameswitch site's GST. The Shiloh Pumping Station will be expanded from 3.27 mgd to 5.70 mgd to match the maximum capacity of the transmission line with an in-line pumping station sized for 5.70 mgd. A new diesel generator will be installed and the existing generator salvaged and reinstalled with a power management system, surge relief that discharges into the ground storage tank, a new chlorine gas and liquid ammonium sulfate (LAS) chemical dosing systems, and a CMU building to house the pumps/MCC/SCADA room/chemical rooms and new antenna tower. The existing 3.27 mgd pumping station will be demolished and existing chemical buildings and CMU building repurposed for on-site storage.

To reach 5.70 mgd in the HOT transmission line, an inline booster pumping station is required at about the half way point of the 26 miles of 16" pipeline. The proposed inline pumping station will repump the water taken from the pipe and discharged it back into the pipeline. This facility will be on a City owned property purchased for this purpose near the town of Noack. The proposed 5.70 mgd inline pumping station will include a new diesel generator, surge relief that will discharge to the atmosphere on-site, and a new CMU building to house the pumps/MCC/SCADA room with antenna tower.

The HOT transmission line will discharge into the GST at Frameswitch. Water will continue to be pumped from this GST into the existing EST currently serving the 801' PP. As part of this project, the 801' PP pumping station will be expanded to a capacity of 5.70 mgd by adding 2 new 100 HP pumps and salvaging the two existing pumps. For this phase of the Frameswitch site, this 801' PP pumping station will only be allowed to pump water into the EST. Moreover, in order to utilize the existing EST's 1.0 mg of storage capacity (i.e. avoid building a new 1.0 mg GST), the proposed 890' PP pumping station will only be allowed to take water from the EST and be the sole pumping station discharge into the 16" WL (i.e. new 890' PP pipe). This new 890' PP pumping station will have a capacity of 5.70 mgd and is sized to serve the ultimate capacity of 890' PP at its build-out. The site will include two diesel generators, surge relief that discharges to the ground storage tank, a new dedicated 20" inlet to the EST, a new tank mixing system for the EST, a new chlorine gas and LAS chemical dosing systems, and a new CMU pump/MCC/SCADA room/chemical rooms which will house both 801' PP and 890' PP pumping stations.

In order to create the new 890' PP, the Northwest GST and associated pumping station will be

DCS Engineering, LLC, Professional Services

temporarily decommissioned and the Northwest EST will be hydraulically connected to the existing 16" WL along Limmer Loop so that the tank floats on the 890' PP. This change will occur in coordination with the Frameswitch expansion and the 5 PRV's proposed under the transmission line project.

The engineering process will include the work needed to evaluate the future site requirements at each proposed pump station to reach the ultimate number of planned pumps/capacity so that proposed items are incorporated into the ultimate pump station facilities. Surveying, environmental evaluations of the pump station sites, geotechnical, permitting, design (civil, structural, electrical, HVAC, architectural), bidding, and construction administration are included in the attached scope of services.

The engineer's opinion of most probable construction cost for the facilities reflects current market conditions and the conceptual design's scope of construction work required to implement the project. The Transmission and Distribution Pumping Stations project engineer's opinion of most probable construction cost including 15% contingency but excluding professional engineering fees equals \$15,607,000. No easements or property acquisition is needed for this project.

- B. Number of Construction Contracts: This project will be designed and constructed under a single construction contract.

2. Services of Engineer

For this project, the Engineer shall provide the following scope of work related to the engineering design of:

- One new 5.70 MGD Pumping Station at Shiloh with emergency generator, surge control, and chemical dosing systems
- One new 5.70 MGD Inline Pumping Station at the City owned property along the H.O.T. pipeline route in Noack with emergency generator and surge control.
- One new 5.70 MGD 801' PP Pumping Station at Frameswitch with emergency generator and chemical dosing systems
- One new 5.70 MGD 890' PP Pumping Station at Frameswitch taking water from the EST in the interim condition (i.e. smaller interim Hp pumps) and existing GST in the ultimate condition (i.e. larger ultimate Hp pumps)
- Add separate inlet and tank mixing system to the Frameswitch EST
- Decommission Northwest GST as an interim condition and connect Northwest EST 16" WL in Limmer Loop to form the new 890' PP to serve Perfect Game and the expanded 890' PP service area.
- Decommission the existing 4.32 mgd Frameswitch Pumping Station; and 3.27 mgd Shiloh Pumping Station
- Overall Water and Wastewater System SCADA coordination: This project will include coordinating SCADA improvements to be identified by Trac-n-Trol and refined by DCS for the Water and Wastewater systems including: water pumping stations, elevated tanks, water wells, wholesale water supply contracts, lift station, and wastewater treatment plants.
- Contract documents will include process, architectural, plumbing, HVAC, structural, electrical, and SCADA plans and specifications required to construct a CMU building with standing seam roof.

ITEM 1.0 - PROJECT MANAGEMENT

1.1 Management Plan

The ENGINEER shall prepare a Management Plan, which shall include the project Scope of Work, organization responsibilities, communications procedures, schedule, budget, quality control process, and billing.

1.2 Subconsultant Management

The ENGINEER shall provide management of Subconsultants including coordination of their

- project services. The list of sub-consultants is included under Section 4.
- 1.3 Project Meetings
- The ENGINEER shall conduct project meetings to obtain input and decisions from City staff. ENGINEER shall be responsible for developing meeting agendas and shall prepare the material as needed to achieve the meeting objectives. ENGINEER shall prepare meeting minutes and submit them electronically to the City Engineer. Specific meetings planned for project management purposes are as follows:
- 1.3.1 Project Kickoff Meeting: The ENGINEER shall conduct a project kickoff meeting at the City offices to introduce the project team members, review project goals and objectives, discuss project elements and responsibilities, delineate communications procedures, and review the project schedule. ENGINEER shall identify any information needed from City staff to complete the work.
- 1.3.2 Preliminary Design Workshop/30 Percent Design Review: The ENGINEER shall conduct a workshop at the City office during the preliminary design phase. Items to be discussed during the workshop may include, but not be limited to, pumping station layouts, utility conflicts, technical issues, decisions needed from City staff, etc.
- 1.3.3 60 Percent Design Review: The ENGINEER shall conduct a 60 Percent design review at the City office after submittal and City review of the 60 percent plans. The purpose of this meeting is to collect and discuss city comments on the 60 percent design plans, identify any decisions needed from City staff, etc.
- 1.3.4 90 Percent Design Review: The ENGINEER shall conduct a 90 percent design review at the City office after submittal and City review of the 90 percent plans and specifications. The purpose of this meeting is to collect and discuss city comments on the 90 percent design plans, identify any decisions needed from City staff, etc.
- 1.3.5 Monthly Status Meetings: The ENGINEER shall conduct monthly status meetings at the City office during the course of the work. Items to be discussed during the monthly meeting may include, but not be limited to, progress reports, technical issues, policy interpretations, anticipated challenges, decisions needed from City staff, goals, invoices, etc. The City Engineer shall schedule the meetings and may cancel or call for additional meetings as needed.
- 1.4 Quality Assurance/Quality Control
- The ENGINEER shall provide Quality Assurance/Quality Control by having a senior representative of the ENGINEER review the final plans and specifications with their comments addressed prior to submitting the final review plans and specifications to the City.
- 1.5 Project Schedule
- The ENGINEER shall prepare a Project Schedule in order to identify the critical path(s) and challenges within the implementation of the Project.
- 1.6 Engineer's Opinion of Most Probable Cost
- The ENGINEER will prepare an "Opinion of Most Probable Cost" which shall include the estimated construction cost for the interceptor at the conclusion of the Preliminary Design, 90% Plan Submittal, and Final Submittal of work. Additional costs will be included for "soft" costs (engineering fees, surveying fees, legal fees, permitting fees, etc.) associated with the final design.

ITEM 2.0 - STUDY AND REPORT SERVICES

- 2.1 Floodplain Delineation including cross-section determination, cross-section development, channel profiling, hydrologic modeling, hydraulic modeling, 100-year water surface profiling, and hydraulic report are explicitly excluded from this scope of work. We will obtain and use the limits of existing FEMA FIRM maps adjacent to the pumping station sites to define the 100-year flood plain. Information used will include: 100-year floodplain limits, floodway, and 100-year water surface elevations at the designated creek cross sections as shown on the FIRM map. This information will be used to establish the horizontal and

vertical locations of the proposed pumping station and its appurtenances proposed for the site.

2.2 Water Flows

2.2.1 The last update to the City water flow projections and CIP list update was in January 2019 by DCS. Per previous conversations with the City, the 6 month update is due to occur in August 2019. Thus, growth projections, updated land use plan, and living unit equivalent (LUE) densities will be updated by DCS as part of this project. This information will be used in various portions of the proposed engineering effort including ultimate water demands for each of the proposed pumping stations, yard piping, emergency generator(s), and associated appurtenances. Each site will be master planned for the ultimate flow/pumping station capacity which is planned for the site. Proposed facilities will be strategically positioned to maximize the remaining unused acreage to accommodate future expansions.

2.2.2 The pumping station analysis will include work needed to evaluate the station's pipe sizing, location on the site, future expandability for the increased demand from the service area during the lifetime of the facility, associated stubout/spare pump slots, and spare electrical room for future MCCs. Water flows will be modeled to calculate the capacity for the proposed suction header, discharge header, suction yard piping, discharge yard piping, and valving/isolation/redundancy at critical points to assure adequate short-term and long-term capacities.

2.3 Pumping Station Site

2.3.1 The ENGINEER will research and obtain applicable documents for ownership, deeds, utility or other easements within subject parcels, and public right-of-ways for use in establishing the short term and long term site layout.

2.3.2 The ENGINEER will prepare a site plan using CAPCOG aerial photographs, City of Hutto Lidar data, City GIS data, FEMA floodplain delineation, parcel maps, preliminary design considerations, and record drawings of previous infrastructure projects in the vicinity. Based on this work, the ENGINEER and City will define proposed and future pumping station facilities for each site.

2.3.3 The ENGINEER shall coordinate the pumping station design with plans and specifications, designs completed or underway by others (i.e. GST No. 2 at the Shiloh Pumping Station site; SCADA upgrades for all the City facilities; HOT well field capacity analysis/rerating) that is the vicinity that may impact the facility. City shall provide ENGINEER with one copy of the plans and specifications for any project identified as impactful.

2.4 Pumping Station Activation Plan

2.4.1 ENGINEER shall incorporate into the Final Design the measures required to serve existing or proposed water demands which require uninterrupted service as part of the completion of the pumping stations. The timing and sequencing of the decommissioning of the triplex Shiloh Pumping Station; and duplex Frameswitch Pumping Station with emergency generator will be included in this work. Infrastructure, phasing, and a sequence of construction plan to accommodate the selected scenario will be identified in the construction sequence in the plans and/or scope of work specification. The plan will also identify activation time frames for new systems to come on-line and begin operating; and identify specific details requiring attention for a smooth transition.

ITEM 3.0 - PRELIMINARY DESIGN SERVICES

3.1. Surveying

3.1.1 Topographic Survey – Prepare a topographic survey of the proposed pump station sites. As part of the topographic survey, street right of ways; easements; and property boundaries will be established. All surface features will be located along with underground utilities as marked in the field by the Texas One-Call System. This

survey scope of work is based on the below items:

- a. Shiloh Pump Station: Topographic surveying of the Shiloh Pump Station access road is included in the project. An existing survey from 2018 and record drawings from the ongoing improvements will be used to establish the site survey.
 - b. HOT Inline Pump Station: Topographic surveying of the City owned approximate 4 acre site is included in the project. The survey will establish existing site infrastructure and grade for the required site civil work. The survey includes getting topographic features to the north/east side of the adjacent road; and the drainage channels to the south of the property.
 - c. Frame Switch Pump Station: Approximately 5 acres of city owned property will be surveyed. The survey will establish the locations of existing site infrastructure and grade. The survey includes getting topographic features to the west side of the adjacent road.
- 3.1.2 Borehole locations from the geotechnical investigation will be surveyed at the time the topographic survey is conducted.
 - 3.1.3 Two permanent benchmarks shall be established at each site using existing structures (i.e. bridges, inlets, headwalls, etc) or set in new poured concrete posts that are approximately eight feet deep. The locations will be coordinated and agreed to with the City during this phase of the work. These permanent bench marks shall be used in proposed and future construction projects. Horizontal control shall be on the Texas State Plane Coordinate System, NAD 83, Central Zone Grid Coordinates by utilizing GPS static observations and OPUS solutions to achieve second-order accuracy. The vertical control shall be based on NAVD 88 vertical datum by utilizing GPS static observations. A brass survey cap including permanent magnet, a minimum of 2" diameter, shall be cast, epoxied, or grouted into the top of the structure. The following information shall be stamped into the survey cap: a) precise northing and easting marking the point being monumented, b) registration number of the surveyor in charge, and c) monument number assigned by the City.
 - 3.1.4 The survey shall also include the establishment of temporary benchmarks with horizontal and vertical control points using the same coordinate system.
 - 3.1.5 A tree survey shall be conducted in accordance with the City of Hutto standard requirements for 8" diameter trees and larger. For areas where the pump station work will be in proximity to, but will not have the potential to demolish existing trees, the brush lines/tree line shall be obtained.
 - 3.1.6 Utility Potholing – Potholing of existing utilities in unpaved areas to confirm horizontal and vertical locations is specifically excluded from this scope of work. If potholing is deemed necessary during the project, then a contract amendment will be necessary. If potholing is performed, locations will be based on record drawing locations of existing wet utility lines. No dry utilities (phone, cable, gas, electric) will be potholed. The pothole locations will be surveyed by the project surveyor.
- 3.2. Geotechnical Investigation
 - 3.2.1 The ENGINEER will manage and coordinate the efforts of the Geotechnical Engineer for the geotechnical analysis for the Project. Boreholes shall be drilled at six (6) strategic locations for the three proposed pump station buildings (i.e. 2 borings per site). Drill depths will be 25 ft below natural ground in order to establish the basis of design for the yard piping, trench design, embedment, backfill, manholes, and buildings. Total drilled depth is 150 ft. Geotechnical Engineer shall provide soil data required to calculate a recommendation on pipe stiffness and embedment to be used for the various depths of bury; building slab on grade; generator foundation; concrete paving; and asphalt paving. The yard piping at each site is anticipated to be constructed in Austin Limestone or Taylor Clay. Groundwater depths and cave in depths will be recorded and included in the report for all the bores.
 - 3.2.2 The Geotechnical Engineer shall provide recommendations for precast concrete

- manholes via open cut construction.
- 3.2.3 The Geotechnical Engineer shall prepare one (1) report for use in the design and construction of the pumping stations which will further detail the soil conditions for the basis of design, bidding, and construction.
- 3.3. Environmental Considerations
- The ENGINEER shall conduct environmental evaluations of the three sites related to Section 404 permitting, endangered species, and archeology.
- 3.3.1 Section 404 Permitting
- The ENGINEER shall determine the impacts to jurisdictional areas and regulatory permitting requirements as a result of the proposed pumping stations. An on-site investigation will be required to conduct a jurisdictional determination for the presence of waters of the U.S. regulated under Section 404 of the Clean Water Act. The purpose of the jurisdictional determination is to identify waters of the U.S. as outlined in the U.S. Army Corps of Engineers' (USACE) Regulatory Program Regulations Section 33 CFR 328.2 that may be potentially impacted by the proposed facility.
- ENGINEER shall provide a preliminary jurisdictional determination (PJD) report identifying any jurisdictional water of the U.S. To provide the PJD report, ENGINEER will perform the following subtasks:
- Investigate the proposed project site and delineate all waters of the U.S. including their adjacent wetlands;
 - Locate all jurisdictional waters and adjacent wetlands and delineate with a handheld GPS device;
 - Prepare a PJD report including maps of delineated jurisdictional areas;
 - Identify and quantify potential impacts to waters of the U.S. including wetlands;
 - Provide a summary letter detailing Section 404 permitting options, if potential impacts to jurisdictional areas are identified.
 - This project is not expected to be permitted under *Nationwide Permit No. 12 – Utility Line Activities*. If it is determined that this is required, ENGINEER shall prepare an additional scope and fee for the services which will include but not be limited to the following: ENGINEER shall coordinate Section 404 permitting with the USACE, if notification to the USACE for a 404 permit is required for the project. IES will prepare a pre-construction notification for submittal to the U.S. Army Corps of Engineers (USACE), if necessary. This task will include coordination with the USACE in order to obtain the 404 nationwide permit, which would include compliance with the general conditions for nationwide permits such as archaeological survey, coordination with other state and federal review agencies as necessary, and a mitigation plan detailing compensatory mitigation proposed for impacts to jurisdictional waters of the U.S., if necessary.
- 3.3.2 Endangered Species
- The ENGINEER shall manage and direct the Environmental Consultant to provide to the City of Hutto a letter report of an assessment for any potential threatened or endangered species as listed by the U.S. Fish and Wildlife Service and state natural resources as defined by the Texas Parks and Wildlife Department.
- 3.3.3 Archeological Survey
- The ENGINEER shall manage and direct the Environmental Consultant to perform an archeological survey at the pumping station sites in compliance with the Texas Antiquities Code and the National Historic Preservation Act.
- 3.3.4 City/County Ordinances and Regulations
- The ENGINEER shall review the ordinances, guidelines, and regulations of the City of Hutto and Williamson County to determine and/or verify that the proposed pumping stations are in compliance with such rules and regulations. The pumping station sites will be surveyed for the presence of unusual soil discoloration,

vegetation anomalies, or unusual odors from the site and adjacent tracts that could indicate hazardous materials contamination. Should any of these conditions be observed during the survey, the ENGINEER may recommend that a Phase I Environmental Site Assessment be conducted according to current standards of ASTM International under separate scope and budget.

3.4. Coordination with Regulatory Agencies, Private Utilities, and Potential Utility Customers

3.4.1 Regulatory Agencies

The ENGINEER shall identify the regulatory agencies for which permitting of construction activities will be required and shall meet with, and coordinate with these agencies to brief them on the particulars associated with this Project and gather permitting information which will be useful in ordinance compliance and final design. The ENGINEER will prepare and process permits required by outside agencies. The City shall be responsible for permit fees and signatures as necessary for processing. Williamson County, TCEQ, and the City of Hutto will be coordinated with for work within right of ways regarding proposed yard piping entering and leaving the property.

3.4.2 Williamson County

The ENGINEER shall coordinate with Williamson County Area Engineer in order to brief them on the Project and to determine if they have any concerns or objections regarding the proposed construction. The County's concerns will be incorporated into the preliminary and final design of the pumping stations.

3.4.3 Private Utility Companies (Gas, Electric, Telephone, and Cable)

The ENGINEER shall review the preliminary interceptor plans with each private utility to clearly set forth the project objectives and to determine if any utility has any concerns or objections. Effort will be expended to resolve any potential conflicts as well as to absolve the concerns and/or objections.

3.5. Pumping Station Preliminary Design

3.5.1 Utilizing the criteria set forth in City Design Standards and compliant with the TCEQ's Chapter 290, "Public Drinking Water," the ENGINEER will verify required pumping station criteria and protective measures for the facility are met including site security and/or monitoring.

3.5.2 The ENGINEER will evaluate various possible pump configurations, pump types, motor controls (VFD, soft start, constant speed) and materials including an analysis of the pros and cons involved with each alternative used to establish the Engineer's recommendation.

3.5.3 The ENGINEER shall evaluate various alternatives and set forth recommendations for the following:

3.5.3.1 Pump access and maintenance options (roof hatch, gantry crane, monorail)

3.5.3.2 Embedment and backfill materials and methods

3.5.3.3 Building shell and roof materials

3.5.4 The ENGINEER shall perform calculations to determine the pipe stiffness(es) recommended for pipe material(s) based upon bury depth, trench configuration, and embedment method.

3.5.5 The ENGINEER shall evaluate testing methods and acceptance criteria used to establish recommendations to be incorporated into the "Technical Specifications."

3.5.6 The ENGINEER shall prepare an outline of the "Technical Specifications" and prepare a summary/briefing of the specifications recommended for the Project.

3.5.7 The ENGINEER shall prepare a preliminary engineering plan on the Project in sufficient detail to indicate clearly the problems involved and the alternate solutions available to the City, including preliminary layouts and cost estimates, and setting forth clearly the Engineer's recommendations.

3.5.8 Structural and Electrical engineering design required for the plans and specifications is included in this task.

3.5.9 The ENGINEER shall coordinate with electrical service provider for a new service

- drop and overhead power installation to the proposed pumping station for three phase 480 volt power. Cost of new service is included in the above noted project cost.
- 3.6. Preliminary pumping station building plans, site plans, demolition plans, preliminary details, preliminary technical specifications, and a preliminary Engineer's Opinion of Probable Cost will be provided for the three sites to the City to conclude the efforts defined under Item 3. Upon review by the City, ENGINEER will include City staff comments and move forward into the final design phase.

ITEM 4.0 - FINAL DESIGN SERVICES

- 4.1 ENGINEER shall evaluate testing methods and acceptance criteria and clearly set forth recommendations to be incorporated into the "Technical Specifications."
- 4.2 Prepare plans and specifications (contract documents) for construction of facilities enumerated in the above Section 2 and Preliminary Design under Item 3.0 as authorized by the City. Half size drawings (i.e. 11" x 17" drawings) and project manual (i.e. specification book) will be produced for this project. Plans and specifications shall be per the City's regulations (latest edition) and Engineering Design Guidelines & Construction Standards (latest edition) and all updates of these standards up to the time of the beginning of the bidding phase.
- 4.2.1 Prepare Plans and Specifications for the Frame Switch 801'PP and 890' PP Pumping Stations and EST modifications
- 4.2.2 Prepare Plans and Specifications for the HOT Inline Pump Station
- 4.2.3 Prepare Plans and Specifications for the Shiloh Pump Station
- 4.2.4 Prepare Plans and Specifications for the demolition of triplex Shiloh Pumping Station; and duplex Frameswitch Pumping Station
- 4.3 Prepare traffic control plans in those areas deemed necessary. Traffic control layouts and details will be included in the plan set(s).
- 4.4 Submit required information and/or plans and specifications to obtain approval or permits from TCEQ (water department), Williamson County, and City of Hutto for the proposed pumping stations.
- 4.5 Contract documents will include architectural, plumbing, HVAC, structural, electrical, and SCADA plans and specifications required to construct a CMU building with standing seam roof.
- 4.6 Overall Water and Wastewater System SCADA coordination: This project will include coordinating SCADA improvements to be identified by Trac-n-Trol and refined by DCS for the Water and Wastewater systems including: water pumping stations, elevated tanks, water wells, wholesale water supply contracts, lift station, and wastewater treatment plants. DCS will provide overall direction and control loop descriptions for all the facilities to monitor and control them. The General Contractor in this project will be specified to utilize Trac-n-Trol to perform all the SCADA integration and programming for the water and wastewater systems so that a seamless integrated system is delivered to the City.
- 4.7 Deliverables:
- 4.7.1 60 Percent Design Submittal: The 60 Percent design submittal will include plans only.
- 4.7.2 90 Percent Design Submittal: The 90 Percent design submittal will include plans, specifications, and 90% Engineer's Opinion of Probable Construction Cost.
- 4.7.3 Final Submittal: The final submittal will include final plans, specifications, and Engineer's Opinion of Probable Construction Cost.

ITEM 5.0 – BIDDING AND AWARD SERVICES

- 5.1 Assist the City in receiving bids from General Contractors for this project. Work will include conducting a prebid meeting with the Contractors to review the scope of work as presented on the contract documents described above. Addenda to the bid documents shall be generated as

required to address Contractor comments or questions. Additional costs for advertising are not included in this fee proposal and will be billed separately, if required.

- 5.2 The bid documents will be structured to have one bid for the Project.
- 5.3 Civcast will be utilized to maintain the plan holder and distribution lists. Civcast will provide bid packages to the Contractors at no cost. DCS will provide PDF copies of the plans and specification book to Civcast for their use.
- 5.4 Assist the City in the opening and tabulation of bids for construction of the Project, and consult with the City as to the proper action to be taken, based on the engineering considerations involved.
- 5.5 Assist in the preparation of formal Contract Documents, perform the bid tabulation, and letter of recommendation of award for Contractor.

ITEM 6.0 - CONSTRUCTION MANAGEMENT & CONSTRUCTION ADMINISTRATION SERVICES

- 6.1 Coordinate and oversee the participation in a Pre-construction conference for the Project to be held at the beginning of construction at the City Engineer's office.
- 6.2 Review samples, catalog data, schedules, shop drawings, laboratory, shop and mill tests of material and equipment and other data which the contractor submits. This review is for the benefit of the City and covers only general conformance with the information given by the Contract Documents. The contractor is to review and stamp his approval on submittals prior to submitting to Engineer, and review by the Engineer does not relieve the contractor of any responsibility such as dimensions to be confirmed and correlated at the job site, appropriate safety measures to protect workers and the public, or the necessity to construct a complete and workable facility in accordance with Contract Documents.
- 6.3 Administer monthly construction status meetings and conduct site visit on the same day. Review and recommend for approval Contractor pay request applications. Perform construction management duties for overall project that normally arise during daily construction activities.
- 6.4 Conduct, in company with the City, a substantial completion punchlist, SCADA programming and instrumentation punchlist to confirm all control logic has been properly implemented and functioning correctly in the field, and final completion punchlist for all civil/mechanical/structural/electrical/etc. work of the Project for compliance with the Contract Documents, and submit recommendations concerning project status, as it may affect City's final payment to the contractors.
- 6.5 Prepare full size record drawings utilizing hand marked changes to the construction plans. Furnish one electronic PDF copy on CD and two 11 x 17 copies of the record drawings to the City.
- 6.6 Resident Project Representative Services are specifically excluded from this scope of work. Therefore, daily or weekly inspection of the work will not be conducted by DCS. In accordance with City requirements, the City of Hutto's Resident Project Representatives will be performing these duties on this project on the pumping stations.
- 6.7 DCS shall not be responsible for the means, methods, techniques, sequences or procedures of construction selected by the Contractor or the safety precautions and programs incident to the work of the Contractor. DCS shall not guarantee the performance of the Contractor nor be responsible for the acts, errors, omissions or the failure of the Contractor to perform the construction work in accordance with the Contract Documents.
- 6.8 Construction Staking – Temporary and permanent easement limits will not be staked in the field as part of this work. Construction layout, cut sheets, and staking for line and grade are specifically excluded from this scope of work and shall be provided and paid for by the construction contractor.
- 6.9 Construction Materials Testing - Construction materials testing is not included in this scope of work. City will contract directly with the materials testing lab for testing and billing of all samples taken during the construction phase of the project.

3. **Owner's Responsibilities**
 - A. Owner shall be responsible for permit fees, cost of newspaper advertisements for all phases of the project, and signatures as necessary for processing.
 - B. Owner shall provide record drawings and geotechnical reports for City roadways and utilities in proximity to or which the proposed project crosses.
4. **SubConsultants:**
 - A. Surveying – Inland Geodetics, LLC
 - B. Geotechnical Engineer – Arias & Associates, Inc.
 - C. Environmental & Archeological – Integrated Environmental Solutions, LLC.
 - D. Electrical Engineering – JRSA Engineering, Inc.
5. **Other Modifications to Agreement:**
None

TIME AND PERFORMANCE: Services are expected to be rendered by Professional and commence on the date this Agreement is executed, or within a reasonable time thereafter. Services are to be completed as outlined in this Scope of Services.

The timeline is based on receiving the notice to proceed by August 16, 2019. **Construction will reach substantial completion by May 15, 2021 for the 890' PP Frameswitch Pumping Station required to serve the opening of Perfect Game.** The Pumping Stations and overall project's final completion date will be January 15, 2022 which includes the average number of rain days per month experienced in Central Texas. **The required final completion date for the 890' PP Frameswitch Pumping Station by the City is May 31, 2021.** Substantial completion will be defined in the bid documents to the Contractor as the pumping stations being capable of safely, reliably, and consistently conveying water for their design condition into the City's water system.

The services for the preliminary design (four months), final design (six months), client review and DCS response to comments (two months), bidding and award (two months), and construction (fifteen months) will be performed over a total of 27 months with completion dates as noted below.

• Notice to Proceed	Issued by August 16, 2019
• Preliminary Design	Complete by December 16, 2019
• Final Design – 90% Design Submittal	Complete by June 16, 2020
• Client 90% Design Review	Comments to DCS by July 16, 2020
• Final Design – 100% Design Submittal	Complete by August 16, 2020
• Advertisement	August 17, 2020
• Bid Opening	September 17, 2020
• Award	October 1, 2020
• Contractor's Notice to Proceed	October 15, 2020
• Substantial Construction Completion (890' PP Frameswitch Pumping Station)	May 15, 2021
• Substantial Construction Completion (Three remaining new Pumping Stations)	November 15, 2021
• Final Construction Completion/Close-out	January 15, 2022

The period of service will be the through construction project completion and project closeout.

APPENDIX B: COMPENSATION

DCS ENGINEERING, LLC for TRANSMISSION AND DISTRIBUTION PUMPING STATIONS

Amount of Payment

Lump Sum

Professional shall be compensated on a lump sum basis for satisfactory performance of professional Services described in this Agreement.

Certain out-of-pocket expenses, including plotting and reproduction, deliveries, automobile mileage, equipment rental, and travel expenses are included in the fees shown in the attached table. The above referenced services will be performed within the duration discussed above.

Additional Services beyond the scope of this agreement will be billed at the current DCS Standard Hourly Rate Table with written approval from the City prior to performing the identified effort. Hourly rates shall remain the same for the life of this Agreement, including all amendments, unless the Professional and the City negotiate a fee increase. This negotiation shall be specifically addressed in a negotiation meeting, unless otherwise agreed to by the Parties, or as determined by customary practice.

Method of Payment

Monthly: Payable within 30 days of receipt of an invoice approved by the appropriate project manager and progress report stating the amount of the services completed.

Professional Invoice Requirements

- Itemized invoices must be submitted that indicate the services performed.
- Invoices for this Agreement must be submitted separately from invoices for services performed under any other contract(s) or agreement(s).

Compensation Based on Time and Materials

If compensation is based on time and materials, the following shall apply:

Compensation shall be computed based on the hourly billing rates, approved by the appropriate project manager, times the actual number of hours spent in the performance of services. The hourly billing rate for each employee is the amount to be paid to the Professional, and is full compensation for all salary, benefits, taxes, overhead, and profit. There shall be no change in rates during the term of this Agreement, unless agreed to by the Parties as outlined in this Agreement, and no additional compensation for overtime, weekend, or holiday work.

Compensation for subcontractors shall be equal to the amounts actually paid to subcontractors hereunder, who have been retained after the written approval of the appropriate project manager, of: a) the subcontractor, b) the compensation to be paid the subcontractor, and c) the terms and conditions of the subcontract.

The City has the sole discretion to determine if certain expenses outside of those agreed to qualify for compensation. If approved by the City, compensation for expenses shall be an amount equal to reimbursable

expenses approved in advance by the appropriate project manager, necessary, and reasonably incurred, and actually paid by the Professional in the performance of the Services hereunder. The City has the sole discretion to determine what constitutes reimbursable expenses.

The Professional shall obtain the appropriate project manager's written approval prior to making expenditures for reimbursable expenses in excess of \$500 per specific expenditure. The Professional shall substantiate all billings for reimbursable expenses in excess of \$25 with receipted bills and provide said receipts with the appropriate billing.

The Professional shall keep, and cause any subcontractors to keep, daily records of the time spent in performance of Services hereunder by all persons whose billing rates will be the basis for compensation as well as records and receipts of reimbursable expenditures hereunder. Failure to do so shall be a conclusive waiver of any right to compensation for such services or expenses as are otherwise compensable hereunder.

The City shall have the right to inspect all records of the Professional, and any subcontractors, pertaining to this Agreement. Records shall be maintained by the Professional and subcontractors for a period of three (3) years after completion of services.

Standard Hourly Rate Table

Classification	Billing Rate		
Principal	\$215.00	-	\$275.00
Senior Project Manager	\$200.00	-	\$240.00
Project Manager	\$140.00	-	\$210.00
Design Manager	\$120.00	-	\$170.00
Senior Engineer	\$100.00	-	\$160.00
Project Engineer	\$90.00	-	\$140.00
CAD Manager	\$100.00	-	\$200.00
IT Manager	\$110.00	-	\$160.00
IT Technician	\$80.00	-	\$140.00
Senior Designer	\$90.00	-	\$160.00
Designer II	\$80.00	-	\$145.00
Designer I	\$70.00	-	\$125.00
Senior Computer Technician	\$70.00	-	\$140.00
Computer Technician II	\$50.00	-	\$125.00
Computer Technician I	\$40.00	-	\$110.00
Project Coordinator	\$45.00	-	\$110.00
Clerical	\$30.00	-	\$90.00
Document Control Clerk	\$30.00	-	\$90.00

Table No. 1 - Schedule of Fees
City of Hutto
Transmission and Distribution Pumping Stations

DCS Task No.	Scope Item	Proposed Fees					Compensation Method	Compensation for Services
		DCS	Inland Geodetics	Arias	IES	JRSA		
100	1.0 Project Management	-	-	-	-	-	-	-
1060	1.1 Management Plan	2,450	-	-	-	-	-	2,450
1060	1.2 Subconsultant Management	16,350	-	-	-	-	-	16,350
1060	1.3 Project Meetings	-	-	-	-	-	-	-
1060	1.3.1 Project Kickoff Meeting	4,500	-	-	-	-	-	4,500
1060	1.3.2 Preliminary Design Workshop	3,500	-	-	-	-	-	3,500
1060	1.3.3 60 Percent Design Review	4,750	-	-	-	-	-	4,750
1060	1.3.4 90 Percent Design Review	6,250	-	-	-	-	-	6,250
1060	1.3.5 Monthly Status Meetings	12,200	-	-	-	-	-	12,200
160	1.4 Quality Assurance/Quality Control	12,200	-	-	-	-	-	12,200
160	1.5 Project Schedule	4,900	-	-	-	-	-	4,900
160	1.6 Engineer's Opinion of Most Probable Cost	-	-	-	-	-	-	-
	Sub-Total	67,100	-	-	-	-	Lump Sum	67,100
200	2.0 Study and Report Services	-	-	-	-	-	-	-
200	2.1 Floodplain Delineation	1,500	-	-	-	-	-	1,500
200	2.2 Water Flows	-	-	-	-	-	-	-
200	2.2.1 Growth Projections	6,500	-	-	-	-	-	6,500
200	2.2.2 Future Water System Planning	5,000	-	-	-	-	-	5,000
200	2.3 Pumping Station Site	-	-	-	-	-	-	-
200	2.3.1 Land Ownership and Easement Research	-	-	-	-	-	-	-
200	2.3.2 Future Site Planning	7,250	-	-	-	-	-	7,250
200	2.3.3 Coordination with other City Projects	6,250	-	-	-	-	-	6,250
200	2.4 Pump Station Activation Plan	13,500	-	-	-	-	-	13,500
	Sub-Total	40,000	-	-	-	-	Lump Sum	40,000
300	3.0 Preliminary Design Services	-	-	-	-	-	-	-
800	3.1 Surveying	-	-	-	-	-	-	-
800	3.1.1 Topographic Survey	-	-	-	-	-	-	-
800	3.1.2 Borehole Locations	-	25,274	-	-	-	-	25,274
800	3.1.3 Permanent Benchmarks	-	-	-	-	-	-	-
800	3.1.4 Temporary Benchmarks	-	-	-	-	-	-	-
800	3.1.5 Tree Survey per City of Hutto Standards	-	-	-	-	-	-	-
800	3.1.6 Utility Potting	-	-	-	-	-	-	-
	3.2 Geotechnical Investigation	-	-	-	-	-	-	-
810	3.2.1 Borings at Sites	-	-	-	-	-	-	-
810	3.2.2 Concrete Manhole Recommendations	-	-	-	-	-	-	-
810	3.2.3 Geotechnical Engineer Report	-	-	11,220	-	-	-	11,220
	3.3 Environmental Considerations	-	-	4,860	-	-	-	4,860
820	3.3.1 Section 404 Permitting	-	-	-	-	-	-	-
820	3.3.2 Endangered Species	-	-	-	10,350	-	-	10,350
820	3.3.3 Archeological Survey	-	-	-	2,750	-	-	2,750
820	3.3.4 City/County Ordinances and Regulations	-	-	-	2,750	-	-	2,750
400	3.4 Coordination with Regulatory Agencies, Private Utilities, and Potential Utility Customers	-	-	-	-	-	-	-
400	3.4.1 Regulatory Agencies	6,500	-	-	-	-	-	6,500
400	3.4.2 Williamson County	2,500	-	-	-	-	-	2,500
400	3.4.3 Private Utility Companies	1,650	-	-	-	-	-	1,650
400	3.5 Pumping Stations Preliminary Design	-	-	-	-	-	-	-
400	3.5.1 Identify and Analyze Requirements of Governmental Authorities	5,000	-	-	-	-	-	5,000
400	3.5.2 Review Available Data and Determine Pump Station Recommendations	90,000	-	-	-	-	-	90,000
400	3.5.3 Materials Evaluation	1,500	-	-	-	-	-	1,500
400	3.5.4 Calculations for Pipe Stiffness	-	-	-	-	-	-	-

Table No. 1 - Schedule of Fees
City of Hutto
Transmission and Distribution Pumping Stations

DCS Task No.	Scope Item	Proposed Fees					Compensation Method	Compensation for Services
		DCS	Inland Geodetics	Arias	IES	JRSA		
300	3.5.5 Evaluate and Recommendation of Testing Methods and Criteria	3,900	-	-	-	-	-	3,900
300	3.5.6 Technical Specifications Recommendations Outline	9,750	-	-	-	-	-	9,750
300	3.5.7 Preliminary Plan Layouts	20,000	-	-	-	-	-	20,000
300	3.5.8 Structural Plans and Specifications	12,500	-	-	-	-	-	12,500
300	3.5.9 Electrical Service Provider Coordination	2,100	-	-	-	-	-	2,100
300	3.6 Engineer's Opinion of Probable Cost	16,500	-	-	-	-	-	16,500
	Sub-Total	173,400	25,274	16,080	18,600	-	Lump Sum	233,354
400	4.0 Final Design Services	-	-	-	-	-	-	-
500	4.1 Testing Methods and Acceptance Criteria	14,000	-	-	-	-	-	14,000
500	4.2 Prepare Plans and Specifications (contract documents) for Construction	-	-	-	-	-	-	-
	4.2.1 Prepare Plans and Specifications for the Frame Switch 801'PP and 890' PP Pumping Stations and EST modifications	240,000	-	-	-	145,000	-	385,000
300, 830	4.2.2 Prepare Plans and Specifications for the HOT Inline Pump Station	186,500	-	-	-	80,000	-	266,500
300, 830	4.2.3 Prepare Plans and Specifications for the Shiloh Pump Station	210,000	-	-	-	80,000	-	290,000
300, 830	4.2.4 Prepare Plans and Specifications for the demolition of triplex Shiloh Pumping Station; and duplex Framewitch Pumping Station	15,000	-	-	-	10,000	-	25,000
500	4.3 Traffic Control	-	-	-	-	-	-	-
500	4.4 TCEQ, Williamson County, and City Approvals	7,500	-	-	-	-	-	7,500
500	4.5 Contract Documents Architectural, Plumbing, HVAC, Structural, SCADA	7,500	-	-	-	-	-	7,500
500	4.6 Overall Water and Wastewater System SCADA coordination	7,500	-	-	-	-	-	7,500
500	4.7 Deliverables:	-	-	-	-	-	-	-
500	4.7.1 60 Percent Design Submittal with Engineer's Opinion of Probable Construction Cost	10,000	-	-	-	-	-	10,000
500	4.7.2 90 Percent Design Submittal with Engineer's Opinion of Probable Construction Cost	10,000	-	-	-	-	-	10,000
500	4.7.3 Final Submittal with Engineer's Opinion of Probable Construction Cost	10,000	-	-	-	-	-	10,000
	Sub-Total	718,000	-	-	-	315,000	Lump Sum	1,033,000
600	5.0 Bidding and Award Services	-	-	-	-	-	-	-
600	5.1 Assist the City in Receiving Bids	17,500	-	-	-	-	-	17,500
600	5.2 One Construction Plan Set	-	-	-	-	-	-	-
600	5.3 Civcast Utilization	750	-	-	-	-	-	750
600	5.4 Prepare Tabulation of Bids	1,250	-	-	-	-	-	1,250
600	5.5 Prepare Contract Documents	3,500	-	-	-	-	-	18,500
	Sub-Total	23,000	-	-	-	15,000	Lump Sum	38,000
700	6.0 Construction Management & Construction Administration Services	-	-	-	-	-	-	-
700	6.1 Pre-construction Meeting	7,000	-	-	-	-	-	7,000
700, 835	6.2 Submittal and O&M Reviews	206,000	-	-	-	45,000	-	251,000
700	6.3 Monthly Construction Status Meetings, Construction Management, and Site Visits	470,000	-	-	-	-	-	470,000
700, 835	6.4 Walk-Throughs, startup, and Project Close-out	95,000	-	-	-	12,000	-	107,000
700	6.5 Prepare Record Drawings	18,000	-	-	-	-	-	18,000
	6.6 Resident Project Representative services	-	-	-	-	-	-	-
	6.7 Contractor's Means, Methods, Techniques, Sequences	-	-	-	-	-	-	-
	6.8 Construction Staking (Excluded)	-	-	-	-	-	-	-
	6.9 Construction Materials Testing (Excluded)	-	-	-	-	-	-	-
	Sub-Total	796,000	-	-	-	57,000	Lump Sum	853,000
	TOTAL FEE AUTHORIZATION (Items 1.0 to 6.0) =	\$1,817,500.00	\$25,274.00	\$16,080.00	\$18,600.00	\$387,000.00		\$2,264,454.00

APPENDIX C: INSURANCE REQUIREMENTS

DCS ENGINEERING, LLC for TRANSMISSION AND DISTRIBUTION PUMPING STATIONS

The Contractor must provide certification of proper insurance coverage or binder to the City of Hutto. **The City must be named as an additional insured as respects their interest in these Services, except for Workers Compensation Insurance.** Proof of the following insurance is required before award:

I. General Requirements Applicable to All Contractors' Insurance

The following requirements (A-J) apply to the **Contractor and subcontractor(s) of every tier** performing services or activities pursuant to the terms of this Agreement. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and Contractor's subcontractor(s):

- A. The minimum types and limits of insurance indicated below shall be maintained throughout the duration of this Agreement.
- B. Insurance shall be written by companies licensed in the State of Texas with an A.M. Best rating of B+ or higher.
- C. Prior to commencing work under this Agreement, the required insurance shall be in force as evidenced by a Certificate of Insurance (see Attached) issued by the writing agent or carrier. A copy of the Certificate of Insurance shall be provided to the City upon request. Execution of this Agreement will not occur until such evidence of insurance has been provided and accepted by the City.
- D. Certificates of Insurance shall include the endorsements outlined below and shall be submitted to the Client.
- E. Insurance required under this Agreement which names the City of Hutto as Additional Insured shall be considered primary for all claims.
- F. Insurance limits shown below may be written as primary or structured using primary and excess or umbrella coverage that follows the form of the primary policy.
- G. City shall be entitled upon its request and without expense, to receive certified copies of policies and endorsements.
- H. City reserves the right to review insurance requirements during any term of this Agreement and to require that Contractor make reasonable adjustments when the scope of services has been expanded.

- I. Contractor shall not allow any insurance to be cancelled or lapse during any term of this Agreement. Contractor shall not permit the minimum limits of coverage to erode or otherwise be reduced. Contractor shall be responsible for all premiums, deductibles and self-insured retention. All deductibles and self-insured retention shall be shown on the Certificates of Insurance.
- J. Insurance coverages specified in this Agreement are not intended and will not be interpreted to limit the responsibility or liability of the Contractor or subcontractor(s).
- K. The City will accept endorsements providing equivalent coverage if the insurance carrier does not use the specific endorsements indicated below.

II. Specific Requirements

The following requirements (II.A-II.D, inclusive) apply to the **Contractor and to subcontractor(s) of every tier** performing services or activities pursuant to the terms of this Agreement. Contractor acknowledges and agrees to the following concerning insurance requirements applicable to Contractor and Contractor's subcontractor(s):

L. General Liability Insurance:

1. Minimum Limits:

The Professional shall carry and maintain during the term of this Agreement, general liability insurance on a per occurrence basis with limits of liability not less than \$1,000,000 for each occurrence and for fire damage.

For Bodily Injury and Property Damage no less than \$1,000,000.

As a minimum, coverage for Premises, Operations, Products and Completed Operations shall be \$2,000,000.

This coverage shall protect the public or any person from injury or property damages sustained by reason of the Professional or its employees carrying out the work involved in this Agreement.

The general aggregate shall be no less than \$2,000,000.

2. The Policy shall contain or be endorsed as follows:

- a) Blanket Contractual liability for this Agreement
- b) Products and Completed Operations
- c) Independent Contractor Coverage

3. The Policy shall also include the following endorsements or endorsements providing equivalent coverage in favor of the City of Hutto:

- a) Waiver of Subrogation
- b) Thirty (30) day Notice of Cancellation
- c) City of Hutto named as additional insured

M. Workers Compensation and Employer's Liability Insurance

1. Coverage shall be consistent with statutory benefits outlined in the Texas Workers' Compensation Act.
2. Employer's Liability Limits are:
 - a) \$100,000 bodily injury each accident
 - b) \$100,000 bodily injury by disease
 - c) \$500,000 policy limit
3. Policies under this Section shall apply to the State of Texas and include the following endorsements in favor of the City of Hutto:
 - a) Waiver of Subrogation
 - b) Thirty (30) day Notice of Cancellation

N. Business Automobile Liability Insurance

1. Minimum limits:

Professional shall carry and maintain during the term of this Agreement, automobile liability insurance with either a combined limit of at least \$1,000,000 per occurrence for bodily injury and property damage or split limits of at least \$1,000,000 for bodily injury per person per occurrence and \$1,000,000 for property damage per occurrence.

Coverage shall include all owned, hired, and non-owned motor vehicles used in the performance of this Agreement by the Professional or its employees.
2. The Policy shall also include the following endorsements or endorsements providing equivalent coverage in favor of the City of Hutto:
 - a) Waiver of Subrogation
 - b) Thirty (30) day Notice of Cancellation
 - c) City of Hutto named as additional insured

O. Professional Liability Insurance

Professional errors and omissions liability insurance with limits of liability not less than \$1,000,000 per occurrence covering all work performed by the Professional, its employees, sub-contractors, or independent contractors.

If this coverage can only be obtained on a "claims made" basis, the certificate of insurance must clearly state coverage is on a "claims made" basis and coverage must remain in effect for at least two years after final payment with the Professional continuing to furnish the City certificates of insurance.

P. Property Insurance

If the Agreement provides funding for the purchase of property or equipment, the Contractor shall provide evidence of all risk property insurance for a value equivalent to the replacement cost of the property or equipment.

Client#: 53584

DCSENGIN

ACORD_{TM}**CERTIFICATE OF LIABILITY INSURANCE**DATE (MM/DD/YYYY)
5/10/2019

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer any rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Greyling Ins. Brokerage/EPIC 3780 Mansell Rd. Suite 370 Alpharetta, GA 30022		CONTACT NAME: Trudy Henry PHONE (A/C, No, Ext): 770.552.4225 FAX (A/C, No): 866.550.4082 E-MAIL ADDRESS: trudy.henry@greyling.com	
INSURED DCS Engineering LLC 1101 S. Capital of Texas Highway Building G100 Austin, TX 78746		INSURER(S) AFFORDING COVERAGE INSURER A : Sentinel Insurance Company INSURER B : Hartford Underwriters INSURER C : RLI Insurance Company INSURER D : INSURER E : INSURER F :	
		NAIC # 11000 30104 13056	

COVERAGES

CERTIFICATE NUMBER: 19-20

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PROJECT ☐ LOC OTHER:			20SBWPA9036	04/15/2019	04/15/2020	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$10,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$
A	AUTOMOBILE LIABILITY ☐ ANY AUTO OWNED AUTOS ONLY ☒ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☒ NON-OWNED AUTOS ONLY			20SBWPA9036	04/15/2019	04/15/2020	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE DED ☒ RETENTION \$10000			20SBWPA9036	04/15/2019	04/15/2020	EACH OCCURRENCE \$2,000,000 AGGREGATE \$2,000,000 \$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? ☒ Y/N (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		N/A	20WEGVY4085	04/15/2019	04/15/2020	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE - EA EMPLOYEE \$1,000,000 E.L. DISEASE - POLICY LIMIT \$1,000,000
C	Professional Liability			RDP0035725	04/15/2019	04/15/2020	Per Claim \$1,000,000 Aggregate \$2,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

City of Hutto is named as an Additional Insured on the above referenced liability policies with the exception of workers compensation & professional liability where required by written contract. The above referenced liability policies with the exception of workers compensation, umbrella and professional liability are primary & non-contributory where required by written contract. Waiver of Subrogation in favor of Additional Insured(s) where required by written contract & allowed by law.

CERTIFICATE HOLDER City of Hutto Attn: City Manager 500 W. Live Oak Street Hutto, TX 78634	CANCELLATION SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS. AUTHORIZED REPRESENTATIVE <i>D.A.H. Gilling</i>
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TECHNICAL MEMORANDUM

TO: Mr. MD Hossain, P.E.
FROM: Mr. Darren C Strozewski, P.E.
DATE: May 7, 2019
SUBJECT: City of Hutto - Central WWTP and South WWTP Discharge Permit Amendments; and Analysis of City Water System
DCS Project No.: 20101388



Project Summary:

The City of Hutto is experiencing rapid growth with developers requesting new wastewater service on a daily basis. In addition, the City is in the process of securing an expansion to its wastewater Certificate of Convenience and Necessity (CCN) where Hutto would gain additional wastewater service area. The new Hutto South Wastewater Treatment Plant (WWTP) has been constructed and is now in service as of February 2017, and a number of conveyance projects have been planned, designed, and built. Moreover, the Central WWTP is close to its treatment capacity per a study completed in November 2018.

Due to the above, the City desires to amend its two existing TCEQ wastewater discharge permits and obtain the ultimate planned capacity for each WWTP per the July 2018 Wastewater Master Plan. These permits will be for an ultimate capacity at the Central WWTP of 3.25 mgd; and an ultimate capacity at the South WWTP of 15.5 mgd. Obtaining these ultimate permit capacities will allow the City to properly plan for continued growth and expansion of the collection system and treatment facilities. DCS has also updated the existing wastewater flow projection graphs; created a water flow projection graph; and conducted preliminary engineering designs for the purposes of the permits. The preliminary engineering designs included a conceptual engineer's opinion of most probable construction cost for the next capacity expansion of each of the WWTPs.

Reports documenting our work under this project were discussed with the City and were ultimately specifically excluded due to limited funds so that DCS's efforts were focused on identifying the requisite solutions. Thereby, the available funds were stretched to their maximum benefit. However, DCS offered to prepare this technical memorandum at no additional cost to memorialize the most salient items and information generated as part of the below ten work tasks. We must be clear that many details have not been included in this technical memorandum which would normally be included due to the above reasons. We recommend that the future water and wastewater master plan updates in the next few years endeavor to capture these details in more specific detail.

Tasks and Scope of Work:

1. Water System – TCEQ Alternative Capacity Requirement (ACR) Application:
 - o Prepare and submit an ACR to TCEQ to lower minimum water supply requirements to reflect the City's actual usage.
2. Water System – Water Supply Study:
 - o Perform analysis of water well pumps; well collection lines; Shiloh Pumping Station, 16" transmission line; water distribution system; water facilities; existing flows; and available capacities to identify potential alternatives to fully utilize the available capacity which can be generated from the well fields and conveyed to the City.
3. Water Flow Projections:
 - o Create a water flow projection graph for the City's Water CCN with precise development data
4. Water System – Analysis and Update to 5-year CIP List:
 - o Perform analysis of the Shiloh Pumping Station and 16" transmission line; water distribution system; water facilities; existing flows; and available capacities to identify potential alternatives which can be quickly implemented to utilize the available capacity which can be generated from the well fields and conveyed to the City.

5. Wastewater Flow Projections for Central WWTP & South WWTP:
 - o Update the existing wastewater flow projection graphs for the South WWTP and Central WWTPs using precise development data, planned flow diversions, and/or collection system improvements
6. Central WWTP Preliminary Engineering:
 - o Preliminary Engineering for Central WWTP expansion from 1.7 mgd (actual capacity today 0.990 mgd) to 3.25 mgd (the site's ultimate capacity) to level of detail to produce exhibits required for TCEQ Discharge Permit application and to generate a construction cost estimate.
7. Central WWTP Discharge Permit – Major Amendment:
 - o Prepare an application for the renewal and/or major amendment for Central WWTP.
8. South WWTP Preliminary Engineering:
 - o Preliminary Engineering for South WWTP expansion from 1.5 mgd (estimated actual capacity in WW Master Plan) to 2.0 mgd; and the ultimate site layout for 15.5 mgd of capacity to level of detail to produce exhibits required for TCEQ Discharge Permit application. A construction cost estimate will be generated the 1.5 mgd to 2.0 mgd improvements.
9. South WWTP Discharge Permit – Renewal and Major Amendment:
 - o Prepare an application for the renewal and/or major amendment for South WWTP.
10. Wastewater System – Analysis and Update to 5-year CIP List:
 - o Perform analysis of wastewater collection system, existing flows, and available treatment capacities at the Central WWTP and South WWTP to identify potential alternatives to fully utilize the available capacity at each of the WWTP's and in the collection system.

EXECUTIVE SUMMARY FOR REQUIRED CIP PROJECTS

Executive Summary for Required CIP Projects

Many required water and wastewater CIP projects have been identified as a result of these studies contained in this Technical Memorandum. The City's water supply system (including water from the Manville WSC 0.600 mgd of contracted supply) is presently non-compliant with TCEQ Regulations for required supply. Once the Shiloh Pumping Station capacity is increased to 3.10 mgd, the City system will be compliant again. However, the City must take action on projects identified in this Technical Memo in order to keep the system compliant as growth occurs.

These projects are a result of detailed flow projections and water/wastewater system analysis. Each project on the following list was planned to begin construction at the latest possible date such that the City has time to get funding in place while still meeting the needs of their water and wastewater systems. The following exhibits give an overview of the projects that will be required to ensure that the City of Hutto continues to provide the highest level of water and wastewater service to its citizens. For more detailed exhibits and descriptions please see the water and wastewater Analysis and Update to the 5-year CIP List sections. The exhibits included in this section are:

- o 5-Year Water and Wastewater CIP Project List dated April 18,2019 which shows the cost and fiscal year of each project.
- o Table 1.1 – Water and Wastewater CIP Summary which gives a brief explanation of each required project
- o 5-Year Water CIP Projects Map
- o 5-Year Wastewater CIP Projects Map

Lastly, we strongly recommend the City update its water and wastewater impact fees to reflect the 5-year CIP projects contained in this Technical Memorandum.

City of Hutto
5-YR Water and Wastewater Capital Improvement Project List
April 18, 2019

Page 102 of 164

Water Projects		Start Design	Start Construction	Finish Construction	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027 - FY 2033	Total
Water Supply Expansion														
	Water Well and Well Collection Line Expansion to 5.70 mgd - Permitting and Preliminary													
2019-A1	Design	8/21/2019	NA	4/17/2020	\$ 175,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,000
2022-D1	Water Well Capacity Expansion from 3.6 mgd to 5.70 mgd (three wells) ⁽³⁾	11/1/2020	11/1/2021	11/1/2022	\$ -	\$ -	\$ 481,050	\$ 3,207,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,688,050
2022-D2	Well Collection Line Expansion from 3.6 mgd to 5.70 mgd (4 miles of 16" line) ⁽³⁾	11/1/2020	11/1/2021	11/1/2022	\$ -	\$ -	\$ 513,120	\$ 3,442,180	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,955,300
System Strength & Reliability														
2020-B1	890 PP Expansion along Limmer Loop - Phase I	5/15/2020	1/10/2021	6/9/2021	\$ -	\$ 60,770	\$ 401,700	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 462,470
2019-A2	Capacity Rerate Analysis of Exist HOT Wells	5/5/2019	NA	8/5/2019	\$ 150,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,000
2020-B2	29.5 mgd Ultimate Demand Water Supply Alternatives Study	6/16/2020	NA	3/13/2021	\$ -	\$ 200,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 200,000
Pumping Station Improvements														
2019-A3	Shiloh Pumping Station Expansion from 2.16 mgd to 3.10 mgd	4/19/2019	5/19/2019	6/18/2019	\$ 300,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000
2021-C1	Shiloh Pumping Station Expansion from 3.10 mgd to 5.70 mgd	7/2/2019	7/1/2020	7/1/2021	\$ 625,000	\$ 1,071,715	\$ 3,215,145	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,911,860
2021-C2	HOT In-line 5.70 mgd Pumping Station	7/2/2019	7/1/2020	7/1/2021	\$ 668,000	\$ 1,145,875	\$ 3,437,625	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,251,500
2022-D3	Frame Switch 890 PP 5.70 mgd Pumping Station	11/1/2020	11/1/2021	11/1/2022	\$ -	\$ -	\$ 562,294	\$ 3,735,086	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,297,380
2022-D4	Frame Switch 801 PP Pumping Station Expansion from 4.32 mgd to 6.48 mgd	11/1/2020	11/1/2021	11/1/2022	\$ -	\$ -	\$ 388,047	\$ 2,580,566	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,968,613
Storage														
2022-D5	Frame Switch 801 PP Elevated Storage Tank Piping Modifications	11/1/2020	11/1/2021	11/1/2022	\$ -	\$ -	\$ 68,416	\$ 454,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 522,741
Distribution System Water Lines														
2022-D6	3,650 ft of 24" & 5,725 ft of 30" Distribution Line on Hwy 79	11/1/2020	11/1/2021	11/1/2022	\$ -	\$ -	\$ 395,530	\$ 2,939,750	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,335,280
Potable Water Transmission Lines														
2021-C3	3,100 ft of 14" & 12,900 ft of 16" HOT Parallel Transmission Line ⁽²⁾	1/8/2020	11/3/2020	7/1/2021	\$ -	\$ 347,110	\$ 2,311,320	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,658,430
Total Water Projects					\$ 1,918,000	\$ 2,825,470	\$ 11,774,247	\$ 16,358,907	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32,876,624

Funding Sources - Water:

Developer Funded per Agreement with City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing Bond Funds	\$ 1,918,000	\$ 1,882,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,800,000
New Bond Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water Impact Fees	\$ 1,069,375	\$ 1,968,375	\$ 2,747,750	\$ 3,487,250	\$ 4,440,625	\$ 4,687,125	\$ 2,425,125	\$ 1,703,750	\$ 7,315,250	\$ 29,844,625			

City of Hutto
5-YR Water and Wastewater Capital Improvement Project List
April 18, 2019

Page 103 of 164

Wastewater Projects		Start Start Design	Start Construction	Finish Construction	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027 - FY 2033	Total
Capacity Expansion														
2024-P1	South WWTP Expansion from 2.0 mgd to 4.0 mgd	1/7/2022	3/3/2023	9/1/2024	\$ -	\$ -	\$ -	\$ 3,941,000	\$ 8,927,829	\$ 17,330,491	\$ -	\$ -	\$ -	\$ 30,199,320
2033-P2	Central WWTP Expansion from 0.990 mgd to 3.25 mgd	11/6/2030	12/31/2031	7/1/2033	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39,728,600	\$ 39,728,600
Lift Station Removal and Flow Diversion														
2020-I1	Lakeside Estates Lift Station Decommission and Interceptor ⁽¹⁾	4/6/2019	3/6/2020	12/1/2020	\$ 249,000	\$ 1,200,000	\$ 391,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000
2020-I2	Country Estates Lift Station Flow Diversion to Enclave Lift Station	10/1/2019	2/1/2020	4/1/2020	\$ 59,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 59,000
2021-I3	Glenwood Lift Station Decommission, Prop South WWTP On-site LS, and Interceptor	10/2/2019	10/1/2020	10/1/2021	\$ 847,690	\$ -	\$ 5,768,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,615,690
2023-I4	Creekside Lift Station Decommission and Interceptor	10/8/2021	7/5/2022	5/1/2023	\$ -	\$ -	\$ -	\$ 105,992	\$ 756,148	\$ -	\$ -	\$ -	\$ -	\$ 862,140
Development Driven Improvements														
2022-I5	The Landing Interceptor Pipe bursting	3/7/2021	8/4/2021	1/1/2022	\$ -	\$ -	\$ 32,888	\$ 217,485	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,372
2024-LS1	Central WWTP On-site Lift Station	5/11/2023	2/5/2024	12/1/2024	\$ -	\$ -	\$ -	\$ -	\$ 265,411	\$ 1,234,335	\$ 529,663	\$ -	\$ -	\$ 2,029,409
2025-I6	Cottonwood Creek Parallel Interceptor	10/2/2023	10/1/2024	10/1/2025	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 567,910	\$ 4,159,651	\$ -	\$ -	\$ 4,727,561
2030-I7	Enclave Lift Station Decommission and Brushy Creek Interceptor	4/1/2028	4/1/2029	4/1/2030	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,638,080	\$ 26,638,080
Total Wastewater Projects					\$ 1,155,690	\$ 1,200,000	\$ 6,191,888	\$ 4,264,476	\$ 9,949,388	\$ 19,132,736	\$ 4,689,314	\$ -	\$ 66,366,680	\$ 112,950,173

Funding Sources - Wastewater:

Developer Funded per Agreement with City ⁽¹⁾	\$ 249,000	\$ 700,000	\$ 891,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000
Developer Funds per Agreement with City	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing TWDB Funds	\$ 847,690	\$ -	\$ 992,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000
Existing Bond Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Bond Funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater Impact Fees	\$ 932,064	\$ 1,642,816	\$ 2,855,776	\$ 3,077,088	\$ 3,741,024	\$ 3,926,160	\$ 2,660,000	\$ 2,400,384	\$ 17,556,000	\$ 38,791,312	

Total Funding Sources - Water & Wastewater		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027 - FY 2033	Total
Developer Funded per Agreement with City ⁽¹⁾		\$ 249,000	\$ 700,000	\$ 891,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000
Transfer from Fund Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Existing TWDB Funds		\$ 847,690	\$ -	\$ 992,310	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,840,000
Existing Bond Funds		\$ 1,918,000	\$ 1,882,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,800,000
New Bond Funds		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water and Wastewater Impact Fees		\$ 2,001,439	\$ 3,611,191	\$ 5,603,526	\$ 6,564,338	\$ 8,181,649	\$ 8,613,285	\$ 5,085,125	\$ 4,104,134	\$ 24,871,250	\$ 68,635,937
Total Proposed Water and Wastewater CIP Expense		\$ 3,073,690	\$ 4,025,470	\$ 17,966,135	\$ 20,623,383	\$ 9,949,388	\$ 19,132,736	\$ 4,689,314	\$ -	\$ 66,366,680	\$ 145,826,797
Projected Fund Balance Remaining at Year-End:		\$ 1,942,439	\$ 2,167,721	\$ (10,479,299)	\$ (14,059,045)	\$ (1,767,739)	\$ (10,519,451)	\$ 395,811	\$ 4,104,134	\$ (41,495,430)	\$ (69,710,860)

Notes:

- Project will be funded by Developer(s) (The Bridge and/or Gibney) as part of an agreement with the City for water and/or wastewater service. City funds will not be used for this project.
- Not Used.
- Project costs and implementation schedule are subject to change. These will be finalized upon completion of "Water Well and Well Collection Line Expansion to 5.70 mgd - Permitting and Preliminary Design Project" to be completed by December 31, 2019.
- All project costs were calculated as of February 2019. 3% inflation per year was added to each project with a completion date after September 1, 2020.
- All project information provided in February 2019.
- Use of available fund balance will be considered prior to future bond issuances.
- Water Master Plan updated in April 2016. Supplemental Update in March 2019.
- Wastewater Master Plan updated in July 2018. Supplemental Update in March 2019.
- Wastewater impact fee used in calculation was \$2,128/service unit equivalent for plats recorded after February 1, 2013.
- Water impact fee used in calculation was \$3,625/service unit equivalent for plats recorded after February 1, 2013.

Table 1.1 – Water and Wastewater Capital Improvement Project Summary

<u>Project Date</u>	<u>Project ID</u>	<u>Project Name</u>	<u>Project Location</u>	<u>Project Type</u>	<u>Reason Project is Needed and Key Project Points</u>	<u>Pipeline Classification</u>	<u>Engineer’s Opinion of Most Probable Construction Cost</u>
FY 2019	2019-A1	Water Well and Well Collection Line Expansion to 5.70 mgd - Permitting and Preliminary Design	HOT Water Supply	Professional Services	Coordinate water rights acquisition, conduct permitting work for new wells, analyze location of new wells, model proposed wells and well collection lines, and develop preliminary design for three new water wells in HOT well field. This study will be analyzing the most cost effective way to maximize the raw water supply from the HOT wells in the mid-term time range.	N/A	\$175,000
FY 2020 thru FY 2022	2022-D1	Water Well Capacity Expansion from 3.6 mgd to 5.70 mgd (three wells) ⁽³⁾	HOT Water Supply	Groundwater Supply	Final design and construction of three new water wells to increase the total water production of the HOT wells to 5.70 mgd. The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.	N/A	\$3,688,050
FY 2020 thru FY 2022	2022-D2	Well Collection Line Expansion from 3.6 mgd to 5.70 mgd (4 miles of 16" line) ⁽³⁾	HOT Water Supply	Well Collection Lines	Design and construction of well collection lines from three new water wells to Shiloh GST. The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.	Rural	\$3,955,300
FY 2020 thru FY 2021	2020-B1	890 PP Expansion along Limmer Loop - Phase I	890-ft PP	Valving for Expanding 890-ft PP	Design and construction of pressure reducing valves (PRV) and 16” line to extend the 890-ft PP to include Hutto Square. This project will boost pressures in Hutto Square in order to remain compliant with TCEQ minimum pressure requirements during max demand days.	Urban	\$462,470
FY 2019	2019-A2	Capacity Rerate Analysis of Exist HOT Wells	HOT Water Supply	Professional Services	Study will rerate HOT well capacity from recent rehabilitation efforts in 2018/2019. Rerating the wells for the anticipated increase in production capacity can defer costs on well improvement projects and increase water supply capacity so the City maintains TCEQ compliance.	N/A	\$150,000
FY 2020	2020-B2	29.5 mgd Ultimate Demand Water Supply Alternatives Study	Ultimate Water Supply	Professional Services	Study will analyze water supply alternatives to support the ultimate water demand and plan for City-owned and operated surface water production facilities long-term. This study will develop a plan for the City to produce and maintain full control of its entire water supply at ultimate build-out and eliminate dependence on water supply from other entities.	N/A	\$200,000
FY 2019	2019-A3	Shiloh Pumping Station Expansion from 2.16 mgd to 3.10 mgd	HOT Water Supply	Pumping Station	Replace pumps at Shiloh to convey 3.10 mgd of water from HOT wells to Frame Switch. This pumping station is the current bottle neck preventing the maximum use of the HOT well capacity. 3.10 mgd is the maximum amount of water the station can produce without incurring much higher costs to achieve 4.0 mgd.	N/A	\$300,000
FY 2019 thru FY 2021	2021-C1	Shiloh Pumping Station Expansion from 3.10 mgd to 5.70 mgd	HOT Water Supply	Pumping Station	Design and construction of Shiloh pumping station to convey 5.70 mgd from the wells to Frame Switch. This improvement will maximize the capacity of the existing 26-mile long 16” transmission main. The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.	N/A	\$4,911,860
FY 2019 thru FY 2021	2021-C2	HOT In-line 5.70 mgd Pumping Station	HOT Water Supply	Pumping Station	Design and construction of HOT in-line pumping station to convey 5.70 mgd from the wells to Frame Switch in tandem with the Shiloh pump station improvement. This improvement will maximize the capacity of the existing 26-mile long 16” transmission main. The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.	N/A	\$5,251,500
FY 2020 thru FY 2022	2022-D3	Frame Switch 890 PP 5.70 mgd Pumping Station	890-ft PP	Pumping Station	Design and construction of in-line pumping station to convey 5.70 mgd from Frame Switch EST to the distribution system. Amount the many alternatives analyzed, this is the most cost effective option that incorporates building permanent facilities and doesn’t strand assets in the future.	N/A	\$4,297,380
FY 2020 thru FY 2022	2022-D4	Frame Switch 801 PP Pumping Station Expansion from 4.32 mgd to 6.48 mgd	801-ft PP	Pumping Station	Design and construction of additional pumping at Frame Switch to convey 6.48 mgd from the GST to EST. This improvement is necessary to move water as part of the supply chain from the wells to the distribution system.	N/A	\$2,968,613
FY 2020 and FY 2022	2022-D5	Frame Switch 801 PP Elevated Storage Tank Piping Modifications	801-ft PP	Storage Modification	Design and construction to add dedicated inlet and tank mixing system in the Frame Switch EST to improve water quality, prevent water age issues, and prevent thermal stagnation.	N/A	\$522,741
FY 2020 thru FY 2022	2022-D6	3,650 ft of 24" & 5,725 ft of 30" Distribution Line on Hwy 79	801-ft PP	Distribution Line	Design and construction of 24” and 30” distribution lines to improve system reliability and provide more capacity to the 801-ft PP. This project will provide the necessary capacity to feed water to the 801-ft PP from Frame Switch to remain compliant with TCEQ minimum pressure requirements during max demand days.	Urban/Rural	\$3,335,280

<u>Project Date</u>	<u>Project ID</u>	<u>Project Name</u>	<u>Project Location</u>	<u>Project Type</u>	<u>Reason Project is Needed and Key Project Points</u>	<u>Pipeline Classification</u>	<u>Engineer’s Opinion of Most Probable Construction Cost</u>
FY 2019 thru FY 2020	2020-C3	3,100 ft of 14" & 12,900 ft of 16" HOT Parallel Transmission Line ⁽²⁾	HOT Water Supply	Transmission Line	Design and construction of 14” and 16” transmission lines parallel to the existing 16” HOT transmission main to convey 5.70 mgd from the wells to Frame Switch. This improvement will maximize the capacity of the existing 26-mile long 16” transmission main and enable pumps to push the 5.70 mgd without exceeding the pressure rating of the pipe.	Rural	\$2,658,430
FY 2022 and FY 2024	2024-P1	South WWTP Expansion from 2.0 mgd to 4.0 mgd	South WWTP	WWTP	Design and construction of the South WWTP expansion from 2.0 mgd to 4.0 mgd. This improvement will enable the treatment of wastewater produced by the City’s growth. The loading and timing of each WWTP improvement has been balanced and deferred as long as possible to maximize the existing treatment capacity that is in place today.	N/A	\$30,199,320
FY 2030 and FY 2033	2033-P2	Central WWTP Expansion from 0.990 mgd to 3.25 mgd	Central WWTP	WWTP	Design and construction of the Central WWTP expansion from 0.990 mgd to 3.25 mgd. This improvement will enable the treatment of wastewater produced by the City’s growth. The loading and timing of each WWTP improvement has been balanced and deferred as long as possible to maximize the existing treatment capacity that is in place today.	N/A	\$39,728,600
FY 2019 thru FY 2021	2020-I1	Lakeside Estates Lift Station Decommission and Interceptor ⁽¹⁾	Lakeside Estates	Interceptor	Design and construction of approximately 7,500 LF of 12” to 15” wastewater interceptor from the Lakeside LS to the Enclave LS. This project serves to remove the cost of sending the wastewater to Pflugerville, remove the cost of operating and maintaining the Lakeside LS, bring revenue to the City in the form of wastewater customers, and open the FM 685 corridor for future development.	Urban	\$1,840,000
FY 2020	2020-I2	Country Estates Lift Station Flow Diversion to Enclave Lift Station	Country Estates	Forcemain Modification	Divert Country Estates LS via project constructed by city staff to take flow from Central and divert to South WWTP. This will help extend the time needed until Central WWTF reaches its current capacity by diverting 121,000 gallons per day to the South plant.	Urban	\$59,000
FY 2019 and FY 2021	2021-I3	Glenwood Lift Station Decommission, Prop South WWTP On-site LS, and Interceptor	Glenwood	Interceptor	Design and construction of 30” wastewater interceptor from the Glenwood lift station to the South WWTF. Defers the construction of an expansion at the Central WWTP by removing 0.410 mgd today and allowing additional future flows to be pumped from Central to the Glenwood LS wet well which can then flow to the South WWTP.	Urban	\$6,615,690
FY 2021 thru FY 2023	2023-I4	Creekside Lift Station Decommission and Interceptor	Creekside	Interceptor	Design and construction of 10” wastewater line connecting Creekside Lift Station to Glenwood Lift Station via gravity flow. This will allow Creekside to be decommissioned and an additional 73,000 gallons per day diverted to the South WWTF, which will in turn provide needed capacity to the Central WWTF.	Urban	\$862,140
FY 2021 thru FY 2022	2022-I5	The Landing Interceptor Pipe bursting	The Landing	Interceptor	Pipe bursting a segment of existing 12” wastewater line along Whitfield Dr. to become a 15” line. The existing wastewater infrastructure would then be adequate to serve any future development in the immediate area west and north west of the Co-Op. This could become a developer project to minimize capital project costs for the city, while still optimizing the existing infrastructure.	Urban	\$250,372
FY 2023 thru FY 2025	2024-LS1	Central WWTP On-site Lift Station	Central WWTP	WWTP	Design and construction of a new lift station on the Central WWTF site. Central LS will be designed to pump 1.448 mgd ADF so that capacity of Glenwood Interceptor is maxed out to 100% when it comes off line in September 2033. This will divert 1.009 mgd ADF from Central to the South WWTF.	N/A	\$2,029,409
FY 2024 thru FY 2025	2025-I6	Cottonwood Creek Parallel Interceptor	Cottonwood Creek	Interceptor	Design and construction of 18”-30” wastewater interceptor parallel to the existing Cottonwood Creek Interceptor. The existing interceptor is rapidly nearing capacity, and with expected future growth in the area, a parallel interceptor will be needed to increase the overall capacity to accommodate all expected future development.	Urban	\$4,727,561
FY 2028 and FY 2030	2030-I7	Enclave Lift Station Decommission and Brushy Creek Interceptor	Enclave	Interceptor	Design and construction of approximately 18,000 LF of 36” to 42” wastewater interceptor from the Enclave LS to the South WWTP. This project will decommission the Enclave LS and will include a new permanent LS on the South WWTP site.	Rural	\$26,638,080

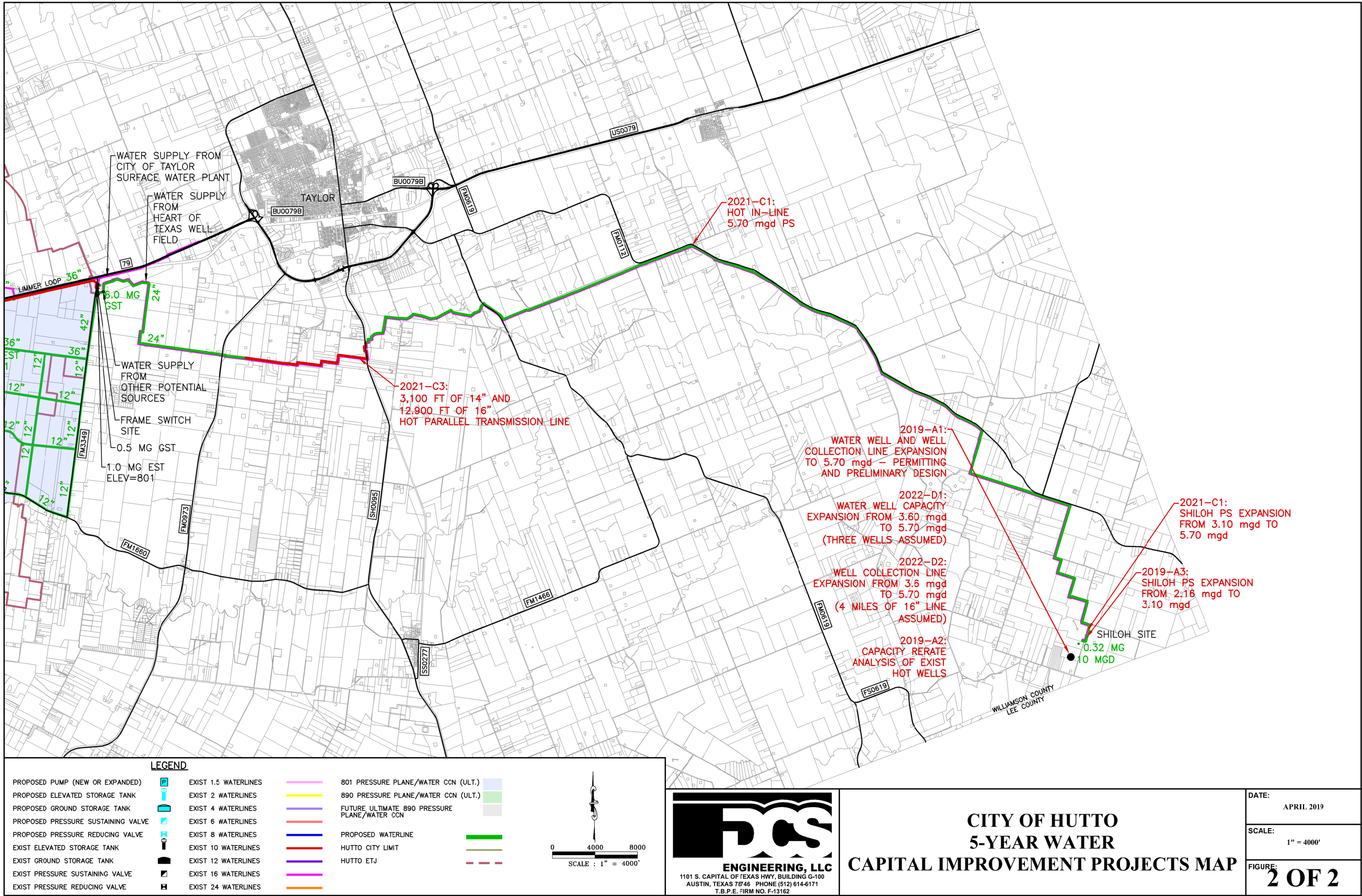
Grand Total = \$145,826,797

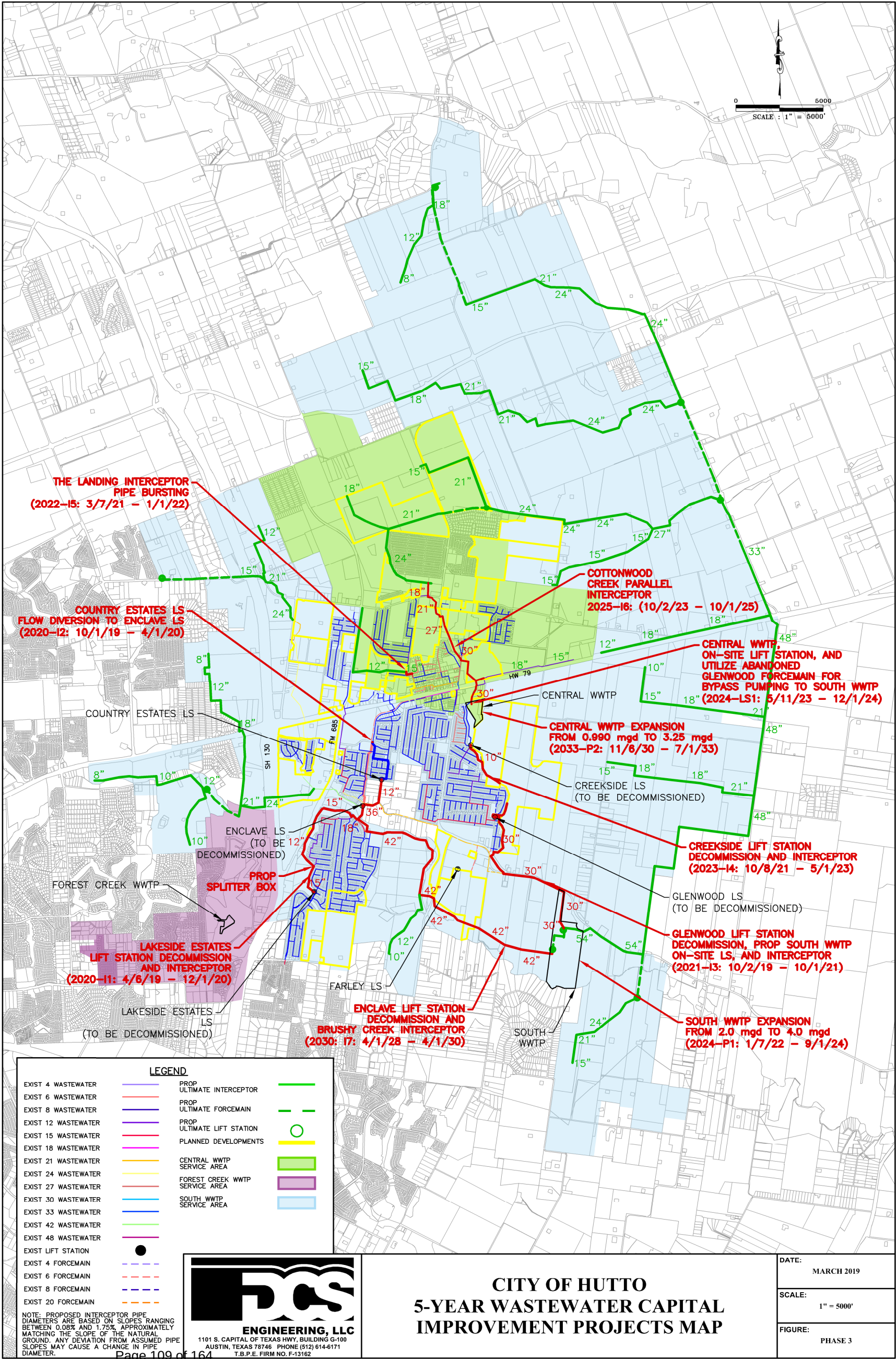
Notes:

- 1 Project will be funded by Developer(s) (The Bridge and/or Gibney) as part of an agreement with the City for water and/or wastewater service. City funds will not be used for this project.
- 2 Shiloh Pumping Station capacity increases to 3.24 mgd with the existing pumps due to less headloss when new parallel pipes are installed. Funds received from Meritage (i.e. \$298,806.90 in cash) to be used towards wastewater project. The 14" forcemain materials received from Meritage will be used in the HOT Transmission LIne project (i.e. \$146,279.20 in value) as part of an agreement with the City for water and/or wastewater service.
- 3 Project costs and implementation schedule are subject to change. These will be finalized upon completion of "Water Well and Well Collection Line Expansion to 5.70 mgd - Permitting and Preliminary Design Project" to be completed by December 31, 2019.
- 4 All project costs were calculated as of February 2019. 3% inflation per year was added to each project with a completion date after September 1, 2020.
- 5 All project information provided in February 2019.
- 6 Use of available fund balance will be considered prior to future bond issuances.
- 7 Water Master Plan updated in April 2016. Supplemental Update in March 2019.
- 8 Wastewater Master Plan updated in July 2018. Supplemental Update in March 2019.
- 9 Wastewater impact fee used in calculation was \$2,128/service unit equivalent for plats recorded after February 1, 2013.
- 10 Water impact fee used in calculation was \$3,625/service unit equivalent for plats recorded after February 1, 2013.



Page 108 of 164





WATER SYSTEM – TCEQ ALTERNATIVE CAPACITY REQUIREMENT APPLICATION

1. Water System – TCEQ Alternative Capacity Requirement (ACR) Application

The last ACR application was submitted to TCEQ by DCS in February 2017 and approved for the reduction of the minimum capacity requirements in accordance with the Title 30 of the Texas Administrative code (30 TAC) §290.45(g). DCS was tasked with analyzing if the City can submit an updated ACR to TCEQ to lower minimum water supply requirements to reflect the City's actual usage.

- o Current ACR flow per connection = 0.342 gpm/connection
- o The maximum flow per connection value needs to be lower than 0.342 gpm/connection for the last 3 years to resubmit ACR and reduce minimum capacity requirements further.
 - The following tables show maximum daily flows (gal/day) and connections for each month over the past 3 years.
 - The month when the highest flow per connection occurs is on June 2018.
 - Flow per connection (June 2018) at 2,658,600 gal/day and 5,248 connections = 0.352 gpm/connection.
 - We understand there were metering issues during this time; however, we were not able to dismiss the value recorded using other data sources or lack thereof.
 - Since the maximum flow per connection for the past 3 years is higher than what is used in the current ACR, it is not beneficial for the city to reapply for a new ACR.
 - The flow per connection is higher than the current ACR for the months of June, July, and August in 2018. This impacts when the city will be able to reapply to get a lower ACR.
- o Next opportunity to analyze the flow per connection and reapply for another ACR will be September of 2021.

Month	Day	Year	MAX Daily Flows (Gal/day)
Jan	14	2016	1,273,000
Feb	16	2016	1,260,000
Mar	9	2016	1,345,000
Apr	26	2016	1,347,000
May	29	2016	1,453,000
Jun	28	2016	1,842,000
Jul	25	2016	2,142,000
Aug	11	2016	1,862,000
Sep	25	2016	1,698,000
Oct	4	2016	2,238,000
Nov	1	2016	1,456,000
Dec	17	2016	1,517,000
Jan	28	2017	1,389,000
Feb	24	2017	1,279,795
Mar	20	2017	1,432,884
Apr	24	2017	554,000
May	11	2017	1,249,000
Jun	19	2017	1,646,000
Jul	25	2017	2,177,000
Aug	1	2017	2,049,000
Sep	5	2017	1,777,000
Oct	27	2017	1,893,000
Nov	11	2017	1,943,000
Dec	1	2017	1,936,000
Jan	21	2018	2,076,000
Feb	24	2018	1,656,000
Mar	2	2018	2,108,000
Apr	24	2018	1,760,000
May	29	2018	1,806,000
Jun	11	2018	2,658,600
Jul	31	2018	2,585,000
Aug	15	2018	2,653,000
Sep	24	2018	1,873,000
Oct	6	2018	1,260,000
Nov	17	2018	1,445,000
Dec	3	2018	1,709,000

Hutto - Monthly Water Connections

	2016	2017	2018
Jan	4872	5023	5162
Feb	4825	5037	5170
Mar	4835	5049	5181
Apr	4894	5081	5196
May	4953	5092	5232
Jun	5013	5096	5248
Jul	5014	5115	5249
Aug	5029	5116	5216
Sep	4975	5117	5243
Oct	5010	5168	5273
Nov	5083	5113	
Dec	5097	5156	
Net Change Oct.-Oct.	234	158	105

WATER SYSTEM – WATER SUPPLY STUDY

2. Water System – Water Supply Study

DCS performed an analysis of Shiloh Pumping Station, 16" transmission line; water distribution system; water facilities; existing flows; and available capacities and identified alternatives to fully utilize the available capacity which can be generated from the well fields and conveyed to the City. This effort identified select project(s) from the water master plan which can be fully implemented, partially implemented, or modified for implementation to achieve the above. Identified alternatives were selected based on fulfilling the City's principles of: a) deferring capital improvement expenditures as long as possible in order to minimize the debt burden on rate payers; b) construct only permanent facilities which will be incorporated into the ultimate water master plan distribution and/or water supply systems (i.e. no temporary infrastructure/throw away costs); c) provide ample capacity in the water distribution system and water supply facilities to support continued development within the City's water CCN; and d) fully utilize the existing well field or water supply wholesale contracts prior to constructing additional capacity. Engineer's opinion of most probable project cost was generated for the proposed projects including an implementation schedule. A report was not produced as part of this effort. Deliverables will include cost estimate(s), project schedules, and an exhibit showing the conceptual layout of the proposed project(s). If a report is desired by the City, a separate scope and fee can be generated for this for the City's consideration.

- o The existing system water model was used from the City of Hutto Water Master Plan conducted by DCS in 2016.
- o The existing system model was modified for a 5.70 mgd max day demand (MDD). This model was used to simulate the water system performance of maximizing the 16" HOT transmission main at 5.70 mgd.
 - Water sources include 5.70 mgd from the HOT well fields. Manville and Taylor were not included as a water supply. City indicated the desire to remove their dependence on the Taylor and Manville water supply.
 - Proposed developments identified by the flow projections task were used to update the model loading to get the 5.70 mgd MDD.
 - Model scenarios were run to develop CIP projects that aligned with the City's guiding principles mentioned above to defer project costs, construct permanent facilities, install infrastructure that can be expanded upon, and to fully utilize the HOT well field.
- o Section 4 of these meeting minutes cover the analysis in more detail including the update to the 5-year CIP list for the water system that was developed through the water supply study.

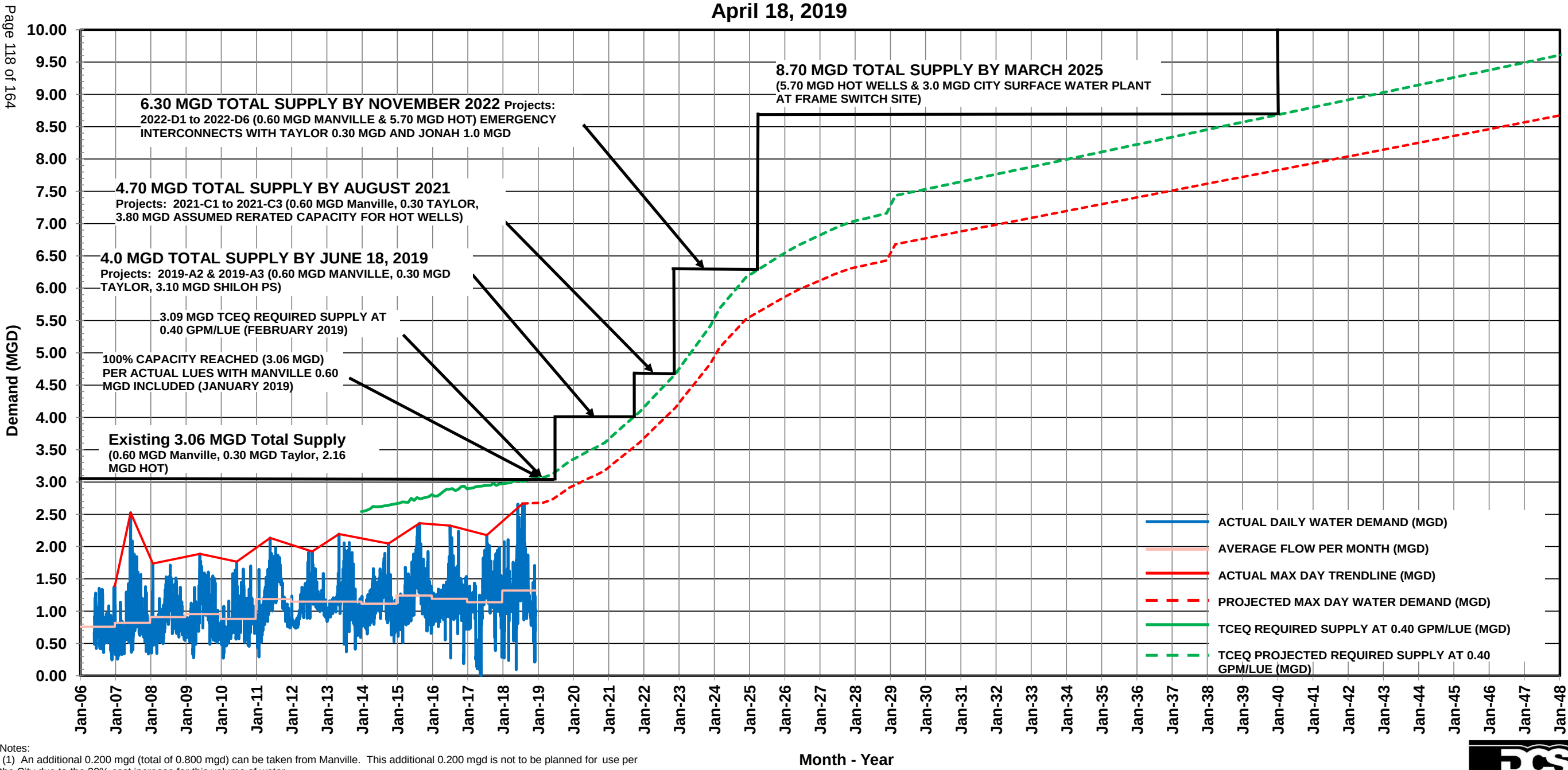
WATER FLOW PROJECTIONS

3. Water Flow Projections

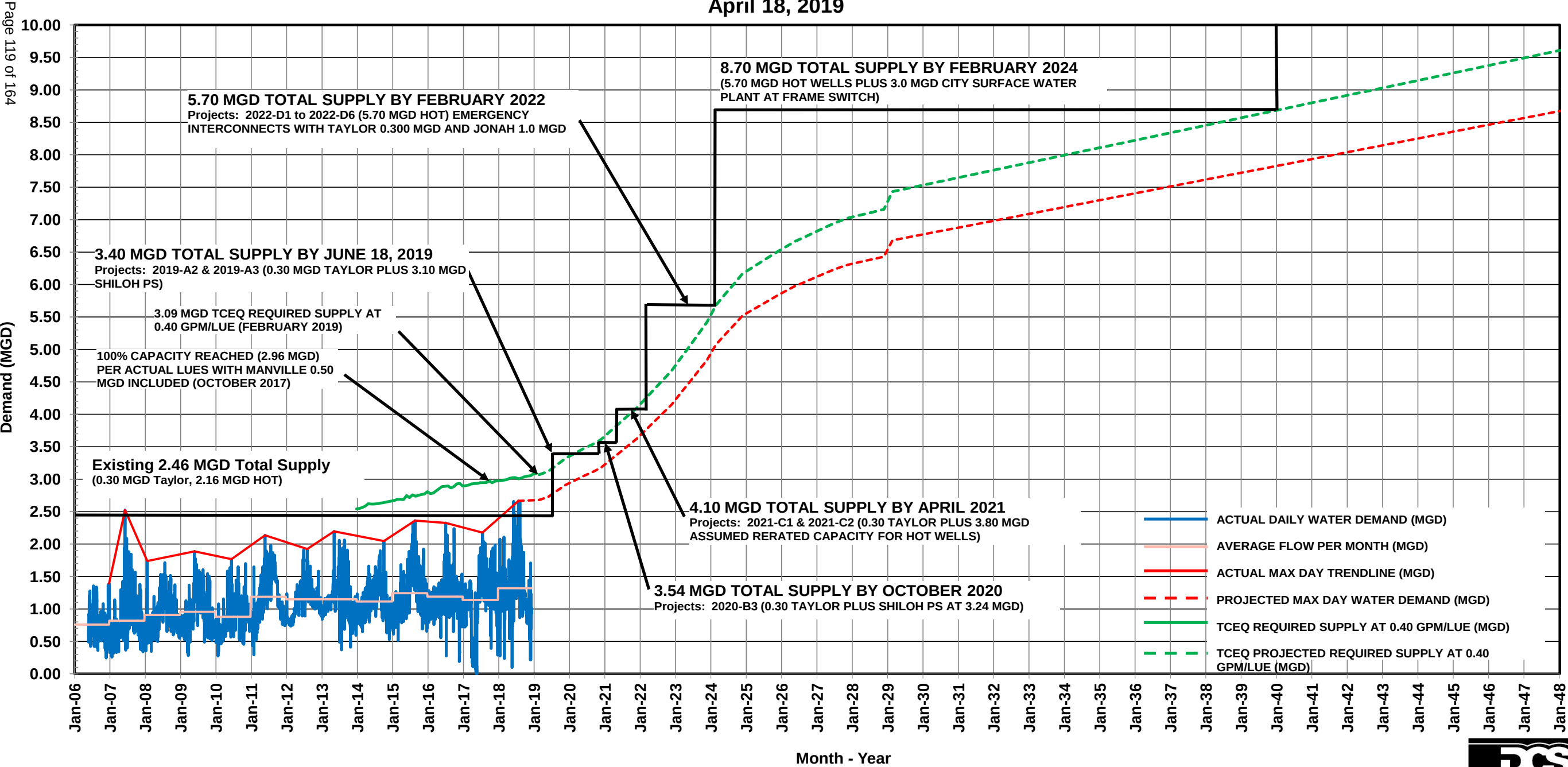
This task included creating a water flow projection graph for the City's Water CCN with precise development data. The City's Water CCN was geographically overlaid with developments which are known at this time within the CCN limits. Each development's schedule to achieve full build-out and number of new LUEs per year was collected in tabular format. A unique numeric identifier was assigned to each tract under development for cross referencing between the table and map showing the location of each development. The existing water supply/water facility capacity was added to the graph along with existing actual flows for average and maximum days.

- o Flow projection data is based on the anticipated development activity per meeting with City on 1/18/19.
 - All data has been checked and verified by the City planning department. Each development was carefully analyzed to determine the quantity and timing of future connections.
 - Minimum projected growth rates were assumed for growth beyond 2 years. The minimum water growth rate is assumed to be 200 LUE's per year from the most recent master plan.
- o The City's actual average flow/connection of 264 gpd/LUE was used to develop flow projections. This number should be re-evaluated with each update to the flow projections since it may increase as the water rates decline and water usage increases.
- o The need and timing for all proposed water infrastructure projects are based on the flow projections generated in this work effort.
 - Flow Projection graphs employ a "Just in Time" approach such that the required infrastructure projects and their associated costs are pushed as far into the future as possible.
- o The water supply/capacity was modeled with and without Manville's 0.50 MGD contract.
- o DCS recommends closely monitoring actual development/flows and updating the flow projections every 6 months to ensure continued accuracy of the data.

Water System Flow Projection Graph
Existing Conditions with Manville
April 18, 2019



Water System Flow Projection Graph
Existing Conditions without Manville
April 18, 2019



City of Hutto Flow Projections - Land Use and Parcel ID

ID	Acreage	Development Name	Notes	Land Use Density (LUE/acre)	Water Total LUEs	Wastewater Total LUEs	In Water CCN?	In Wastewater CCN?
1	151.9	Brooklands	The Brooklands Subdivision totals to 628 LUE's per meeting with City on 1/18/19. The City provided an estimate of the number of residential LUE's to be built each year through 2026. Also includes 5.59 Ac of commercial.	4.39	667	667	Yes	South
2	167.5	Cross Creek (Meritage)	Cross Creek (Meritage) Subdivision built on the Neal Tract Contains 504 LUE's (488 houses and 16 LUEs of amenity center/parks) per meeting with City on 1/18/19. This subdivision will be single family homes with an amenity center and parks. The plans are complete and the developers are highly motivated. The developers want to begin selling houses by August 2019. The City provided an estimate of the number of house LUE's to be built each year through 2024. The 16 amenity center LUE's were evenly distributed over the first 4 quarters on development.	3.01	504	504	Yes	Flip
3	315.0	RSI	RSI Subdivision and commercial totaling 1,500 LUES per meeting with City on 1/18/19. RSI wants to build 150 LUE's per year. The City has provided an estimate of the number of LUE's to be built each year through 2028. From 2028, 140 LUE's per year were added until the total was reached.	4.76	1,500	1,500	No	Central
4	169.0	Packsaddle	Packsaddle subdivision will contain 545 LUE's including a church and day care per meeting with City on 1/18/19. They have not submitted a preliminary plan yet and wastewater service will be dependant on RSI. The first house is expected to be occupied in 2021. Per conversation with City, 50 LUE's will be planned for 2021 and the balance of the LUE's will be evenly distributed over the following 6 years.	3.22	545	545	No	Central
5	165.0	School Complex	School Complex North of Packsaddle will ultimately contain 372 LUE's based on flows from similar sites per meeting with City on 1/18/19. The ultimate build out (in 15-20 years) will contain 3 schools, a fine arts center, bus barn, and fire station. The current phase is only constructing the 9th grade center and ag facility and expected to be complete in 2 years. The ag facility will have pretreatment for washdown water going to City wastewater system.	2.25	372	372	No	Central
6	253.1	Hutto Crossing Phase 4	Hutto Crossing Phase 4 LUE's were calculated from the Preliminary Plat. Single Family Total Buildout 494 LUE's, 24.85ac multifamily/commercial (17 lue/ac) and 75.76 ac nonresidential (7.04 lue/ac). 310 Apartments (North Creek Apartments) are currently under construction. The City provided an estimate of the number of LUE's to be built each year through 2022. After 2022, project 100 LUE's per year to build out.	5.73	1,450	1,450	Yes	South
7	23.8	Hutto Crossing Phase 3	Hutto Crossing Phase 3 LUE's were determined from the Preliminary Plat (121 Single Family LUE's). The City has provided an estimate of the number of LUE's to be built each year through 2020. After 2020, the balance of the total LUE's will be distributed over 5 years.	5.08	121	121	Yes	South
8	92.0	Hutto Crossing Phase 1	The LUE's for the Phase 1 area were calculated using a density of 7.04 LUE's/ac for Commercial. There is only a small amount of activity in the Phase 1 area right now. This area will include a dentists office per meeting with City on 1/18/19. DCS assumed that the development would begin in 2024 and would complete over the following 5 years.	7.04	648	648	Yes	South
9	175.9	Titan Innovation Phase 1 and 2	Titan Innovation contains 2,500,000 sq ft Heavy Industrial (Brycomm and Paradigm have been announced so far). Project 350,000 sq ft in 2019, 500,000 sq ft in 2020, and distribute the remaining sq ft over the following 4 years per meeting with City on 1/18/19. Apply 1 LUE per 5,000 sq ft of manufacturing.	2.84	500	500	Yes	South
10	57.8	The Landing	The Landing zoning will be complete by the end of 2019. Architectural renderings are in progress but not yet submitted to the City. If a developer like the Co-op comes in it could move quickly from there. This area contains 1,200 mixed use LUE's including apartments, restaurants, and assisted living. Project 25% of the LUE's in 2022, 50% in 2023, and 25% in 2024 per meeting with City on 1/18/19.	20.76	1,200	1,200	Yes	South
11	33.1	The Co-Op	The Co-Op will contain apartments, retail, a six story hotel, a movie theater/brewery and Hutto City Hall and City Library. The brewery will be small with only 3-5 tanks. and additional 71 LUEs of capacity are allocated for the brewery WWTP capacity due to organic loads. This totals to 625 LUE's. The Co-Op is moving as fast as possible and expects to be fully built out within 5 years. Project 100 LUE's in 2019 and distribute the balance of the LUE's over the remaining 5 years with a curved distribution to reflect higher development in the middle years of that period per meeting with City on 1/18/19.	19.18	635	706	Yes	Central
12	72.0	Mager Meadows	Mager Meadows Subdivision contains 208 LUE's per meeting with City on 1/18/19. The City provided an estimate of the number of LUE's to be built each year through 2022. 78 LUE's are assumed to be already developed per projection provided by City.	2.89	208	208	Yes	Central
13	26.5	Northtown Commons	Northtown Commons will include AEND Industries (A skateboard wheel manufacturer). Project 2/3's of the LUE's starting in 2 years and the last 1/3 within the following 3 years per meeting with City on 1/18/19.	1.66	44	44	Yes	Central
14	39.7	Carol Meadows	Carol Meadows subdivision totals to 79 LUE's per meeting with City on 1/18/19. The City provided an estimate of the number of LUE's to be built each year through 2019. 64 LUE's are assumed to be already developed per projection provided by City.	1.99	79	79	No	Central
15	146.0	Hutto Highlands Phase 2	The LUE's reflected (486 LUE's) here are for phase 2 only. Hutto Highlands North may be developed after phase 2 (More than 10 years from now). The City provided an estimate of the number of LUE's to be built each year through 2024. 2 LUE's are assumed to be already developed per projection provided by City.	3.33	486	486		

City of Hutto Flow Projections - Land Use and Parcel ID

ID	Acreage	Development Name	Notes	Land Use Density (LUE/acre)	Water Total LUEs	Wastewater Total LUEs	In Water CCN?	In Wastewater CCN?
16	68.8	Hutto Square	Hutto Square Subdivision section 5A and 5B contains 149 LUE's per meeting with City on 1/18/19. The City provided an estimate of the number of LUE's to be built each year through 2023. 21 LUE's are assumed to be already developed per projection provided by City.	2.17	149	149	No	Central
17	93	Roznovak	The City is in communication with the engineer for the Roznovak tract. Roznovak is a residential subdivision with 59.8 Ac of single family, 15.9 Ac of multi family, and 2.7 Ac of commercial space. The development is more than 2 years from flushing toilets but may speed up if wastewater service were made more readily available. Project 50 LUE's in 2021 and evenly distribute the remaining LUE's over the following 6 years.	5.94	552	552	Yes	Central
18	243.6	The Meadows of Cottonwood Creek (Lennar)	The Meadows of Cottonwood Creek (Lennar) subdivision includes 800 LUE's. A development agreement is being finalized currently. Streets and lot sizes are being completely reworked from the 2007 preliminary exhibit. Project 150 LUE's per year starting in 2021 through build out per meeting with City on 1/18/19.	3.28	800	800	Yes	South
19	44.7	The Bridge	The Bridge Subdivision contains 214 Single family lots and 4.01 ac Commercial (7.04 LUEs/ac) totaling 242 LUE's. The City confirmed this number at the 1/18/19 meeting. Project 50 LUE's per year starting in 2021 to build out.	5.41	242	242	No	South
20	120	Gibney Tract Subdivision	Gibney Tract Subdivision is expected to develop at the same time as The Bridge subdivision. These developments will depend on the availability of Wastewater services. This subdivision contains 400 LUE's per meeting with City on 1/18/19. Project 100 LUE's per year starting in 2021 to build out. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	3.33	400	400	No	South
21	57.5	Riverwalk Phases 1-3	Riverwalk Phases 1-3 are still under construction but all infrastructure is currently in place. The City has provided an estimate of the number of LUE's to be built each year through 2019. Assume 1/2 of the LUE's built (88) are lived in now per meeting with City on 1/18/19. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	3.22	185	185	No	South
22	18.62	Hanson's Corner	Consists of approximately 30,900 sq ft restaurant, 230 Hotel Rooms, and 14,700 sq ft retail per online brochure. Hotel will be developed in long term per city. Apply .0021 LUE per sq ft of restaurant, 0.7554 LUE per hotel room, and .000281 LUE per sq ft of retail. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	13.05	243	243	Yes	South
23	17.2	Highlights of Hutto Plaza	Highlights of Hutto Plaza contains 6,700 sq ft restaurant and 27,804 sq ft retail. Site is under construction as of 2/1/19. Apply .0021 LUE per sq ft of restaurant and .000281 LUE per sq ft of retail.	1.28	22	22	Yes	South
24	75.35	Perfect Game Fields and Hotel	Perfect Game Fields and Hotel (600 rooms) - Apply .7554 LUE per hotel room. This development is still in very preliminary stages. City expects 5-10 more years before development is complete as of 1/18/19 meeting. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	6.01	453	453	Yes	Central
25	3.86	FM 1660 Gas Station	Proposed gas station with car wash near FM 1660 and Limmer Loop. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	3.11	12	12	No	Central
26	6	JRS Manufacturing	JRS Manufacturing will be located just north of the Central WWTP. They manufacture small metal face plates. Development will contain 35,724 sq ft per meeting with City on 1/18/19. Apply 1 LUE per 5,000 sq ft of manufacturing. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	1.17	7	7	Yes	Central
27	31.86	Townwest Commons	Townwest Commons contains 4,000 sq ft of restaurants and 4,000 sq ft of retail LUE's per meeting with City on 1/18/19. Their plat is complete as of 1/18/19 meeting. Apply .0021 LUE per sq ft of restaurant and .000281 LUE per sq ft of retail. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	0.31	10	10	Yes	South
28	2.31	North Forest Office	North Forest Office space between Landing and CO-OP. Contains 25,590 sq ft medical and office per meeting with City on 1/18/19. Apply .000237 LUE per sq ft for office space. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	2.60	6	6	Yes	Central
29	1.54	Animal Hospital	Animal Hospital at Great Western contains approximately 5,000-7,000 sq ft per meeting with City on 1/18/19. This location will be 24 hrs and may include a boarding facility in the future. Apply .000237 LUE per sq ft for office space. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	1.30	2	2	No	South
30	3.47	Fire Station	Fire Station is currently under construction near Swindoll Ln. It will be 11,608 sq ft on 2-3 acres per meeting with City on 1/18/19. From Hutto Fire Rescue Master Plan, it will have 12 occupants. Apply .3604 LUE per occupant in Fire Station. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	1.15	4	4	Yes	South
31	0.93	Car Wash	Self Serve Car wash is located on Chris Kelley south of Carl Stern. It will contain approximately 6 Bays per meeting with City on 1/18/19. Apply 1.54 LUE per bay. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	9.68	9	9	Yes	South

City of Hutto Flow Projections - Land Use and Parcel ID

ID	Acreage	Development Name	Notes	Land Use Density (LUE/acre)	Water Total LUEs	Wastewater Total LUEs	In Water CCN?	In Wastewater CCN?
32	7.56	Christ the Rock Church	Christ the Rock Church has submitted their plat per meeting with City on 1/18/19. Church is currently meeting in Cottonwood Creek Elementary School. The church owns 7.56 acres north of the elementary school to develop their new site on. Assumed 2,000 congregation at .0037 LUE per occupant equals 7.4 LUEs. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	0.93	7	7	No	Central
33	1.25	Front Street Retail	Front Street retail and gas station contains 12,000 sq ft retail and no car wash per meeting with City on 1/18/19. Apply .000281 LUE per sq ft of retail. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	2.40	3	3	Yes	Central
34	NA	Lakeside Subdivision	Lakeside Subdivision flows are to be redirected from Pflugerville to Hutto wastewater treatment facilities. Assumed 6 month extension by City from Jan 2020 to June 2020.	NA	558	558	No	South
35	NA	Coyote Trail	Coyote Trail subdivision is already constructed. The City is selling water wholesale to Jonah to serve this area with 1 master meter as of about September 2018. The subdivision Contains approximately 30 houses/LUE's. This is not projected since the flows are already reflected in the flow data as of 2/1/19. The shape of this development drawn in CAD is approximate (Based on city hand sketch during meeting).	NA	30	30	Yes	Developed
36	NA	Tex-Mix Concrete Plant	Tex Mix is moving to the opposite side of SH-130 per meeting with City on 1/18/19. There will be some self storage and industrial developments near the new site of the concrete plant. No water or ww projected from this site as of 2/1/19.	NA			No	No
37	NA	Glenwood Lift Station	The Glenwood Lift Station is currently pumping flow to the Central WWTP. This lift station will be taken off-line via the Cottonwood Creek Interceptor diverting the Glenwood LS and Creekside LS from the Central WWTP to the South WWTP via permanent interceptors, as of 2/1/19	NA	2,192	2,192	Developed	Flip
38	NA	Creekside Lift Station	The Creekside Lift Station is currently pumping flow to the Central WWTP. This lift station will be taken off-line via the Cottonwood Creek Interceptor diverting the Glenwood LS and Creekside LS from the Central WWTP to the South WWTP via permanent interceptors, as of 2/1/19	NA	396	396	Developed	Flip
39	NA	Country Estates Lift Station	The Country Estates Lift Station is currently pumping flow to the Central WWTP. This lift station will be taken off-line via connecting the Country Estates FM to the abandoned in place 8" Enclave FM, and routing the 8" FM at the Enclave LS site into the wetwell so Country Estates LS discharge is directly into the wet well, as of 2/1/19	NA	656	656	Developed	Flip
40	NA	Farley Lift Station	The Farley Lift Station was previously pumping to the Glenwood LS. Per email from City dated 2/19/2019, the Farley LS will be redirected to pump into the Enclave FM on 2/22/19 which is treated by the South WWTP.	NA	107	107	Developed	Flip
41	38.6	The Narrows	The Narrows has an approved PUD for retail, multifamily, and industrial development. It will include 6,000 sq ft of fast food, 3,000 sq ft of convenience store with gas station, 14,000 sq ft of restaurant, 24,350 sq ft retail, 300 unit multi-family, 15,840 sq ft office, 23,760 sq ft warehouse, 50,000 sq ft manufacturing, and approximately 24,000 sq ft of mini-warehouse (Assumed same density as lot # 5).	5.99	231	231	Yes	South
42	0.92	KFC	KFS on FM 620 and Knowles that is about 2,100 sq ft. Assumed to develop in Q1 2021.	4.79	4	4	Yes	South
43	112.3	Hutto Highlands North	Land plan and total LUE's were provided by City. This development is anticipated to come online beginning in Q1 2024 per email from City on 3/14/19. It is assumed to develop at a rate of 60 LUE's per year	3.02	339	339	No	Central
44	75.8	Decker	Land plan and total LUE's were provided by City. This development is anticipated to come online beginning in Q1 2024 per email from City on 3/14/19. It is assumed to match the beginning of development with Hutto Highlands North then build out over three years.	1.29	98	98	No	Central
After 2 years, it is assumed that the City's water and wastewater connections will grow at a steady rate. A variable number of connections is added to the proposed LUEs from known developments to reach the desired growth rate projection. The wastewater projection is split such that the Central WWTP receives 52% of the expected flow and the South WWTP receives 48%.				Proposed LUE's per year from WMP and WWMP after 2 years:	200	1128		
Total =	2,913.5				16,676	16,747		

Water Connection from City of Hutto - Dated 3/18/19

	2014	2015	2016	2017	2018	2019
Jan	4415	4628	4872	5023	5162	5350
Feb	4428	4642	4825	5037	5170	5364
Mar	4452	4674	4835	5049	5181	
Apr	4489	4667	4894	5081	5196	
May	4553	4663	4953	5092	5232	
Jun	4544	4771	5013	5096	5248	
Jul	4543	4713	5014	5115	5249	
Aug	4553	4790	5029	5116	5216	
Sep	4567	4752	4975	5117	5243	
Oct	4576	4776	5010	5168	5273	
Nov	4597	4797	5083	5113	5293	
Dec	4612	4812	5097	5156	5299	
Fiscal Year Total =		185	223	142	126	121

WATER SYSTEM – ANALYSIS AND UPDATE TO 5-YEAR CIP LIST

4. Water System – Analysis and Update to 5-Year CIP List

DCS performed an analysis of Shiloh Pumping Station, 16” transmission line; water distribution system; water facilities; existing flows; and available capacities and identified alternatives to fully utilize the available capacity which can be generated from the well fields and conveyed to the City. This effort identified select project(s) from the water master plan which can be fully implemented, partially implemented, or modified for implementation to achieve the above. Identified alternatives were selected based on fulfilling the City’s principles of: a) deferring capital improvement expenditures as long as possible in order to minimize the debt burden on rate payers; b) construct only permanent facilities which will be incorporated into the ultimate water master plan distribution and/or water supply systems (i.e. no temporary infrastructure/throw away costs); c) provide ample capacity in the water distribution system and water supply facilities to support continued development within the City’s water CCN; and d) fully utilize the existing well field or water supply wholesale contracts prior to constructing additional capacity. Engineer’s opinions of most probable project cost were generated for the proposed projects including an implementation schedule. A report was not produced as part of this effort. Deliverables included cost estimate(s), project schedules, and an exhibit showing the conceptual layout of the proposed project(s). If a report is desired by the City, a separate scope and fee can be generated for this for the City’s consideration.

- o The 5-year water CIP map in the Executive Summary shows the location of each capital improvement project with Project IDs that correspond to project information shown in Table No. 1.1.
- o Table No. 1.1 is a capital improvement project summary for all of the water projects proposed by this study.
 - The Project Date shows what fiscal year(s) each project needs to occur to supply enough water to support anticipated growth.
 - The Project ID is a unique ID to correlate projects between Table No 1.1 and Figure 1 of the Executive Summary

Water Supply Expansion:

- o DCS recommends conducting a study to expand the HOT wells to 5.70 mgd in FY 2019. It is imperative to get this study done soon and begin the process of water rights acquisition (purchasing or leasing) and permitting the new wells to meet the City’s anticipated water demands. Water rights acquisition and permitting the new wells can be a long and unpredictable process.
 - Project ID: 2019-A1
 - Project Name: Water Well and Well Collection Line Expansion to 5.70 mgd - Permitting and Preliminary Design
 - This study will be analyzing the most cost effective way to maximize the raw water supply from the HOT wells in the mid-term time range.
 - Coordinate water rights acquisition, conduct permitting work for new wells, analyze location of new wells, model proposed wells and well collection lines, and develop preliminary design for three new water wells in HOT well field.
- o DCS anticipates that two to three new water wells will need to be added to the HOT well fields to expand the total water production from 3.6 mgd to 5.70 mgd. Adding more wells to the HOT well fields is the most cost efficient way to get the needed water supply while staying true to the guiding principles outlined above. This expansion is a mid-term water supply solution.
 - Project ID: 2022-D1
 - Project Name: Water Well Capacity Expansion from 3.6 mgd to 5.70 mgd (three wells)
 - Final design and construction of three new water wells to increase the total water production of the HOT wells to 5.70 mgd.
 - The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.
- o This project covers design and construction of the well collection lines to expand the HOT well field capacity from 3.6 mgd to 5.70 mgd. Since the locations of the new wells are unknown, DCS assumed that there will be 4 miles of 16” pipe to serve the three new water wells.

- Project ID: 2022-D2
- Project Name: Well Collection Line Expansion from 3.6 mgd to 5.70 mgd (4 miles of 16" line has been assumed as a place holder for this project. Finalized locations will dictate length and diameter of the pipe.)
- Design and construction of well collection lines from three new water wells to Shiloh GST.
- The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.

System Strength & Reliability:

- o DCS recommends expanding the 890-ft PP to include the Hutto Square subdivision in FY 2020. Hutto Square currently is served in the 801-ft PP and notoriously has lower water pressures than the rest of the customers in the 801-ft PP. As water demands in the system continue to increase, the pressures in Hutto Square will continue to drop lower during peak usage. The water model shows that Hutto Square will be non compliant with TCEQ minimum pressure requirements as the system continues to grow if it remains in the 801-ft PP. Expanding the Hutto Square subdivision into the 890-ft PP will keep that portion of the distribution system compliant with TCEQ minimum pressure requirements.
 - Project ID: 2020-B1
 - Project Name: 890 PP Expansion along Limmer Loop - Phase I
 - Design and construction of two pressure reducing valves (PRV), decommission of one existing pressure sustaining valves (PSV), and 1,600 LF of 16" pipe to extend the 890-ft PP to include Hutto Square.
 - This project will boost pressures in Hutto Square in order to remain compliant with TCEQ minimum pressure requirements during max demand days.
- o DCS recommends rerating the water production capacity of the HOT wells after all of the 2018/2019 well rehabilitation is complete. DCS anticipates that the wells will produce more water than measured during the HOT Well Field purchase in 2017 due to increased well efficiencies (i.e. changing pumps, cleaning wells screens, etc). Rerating the wells for the anticipated increase in production capacity can defer costs on well improvement projects and increase water supply capacity per TCEQ compliance.
 - Project ID: 2019-A2
 - Project Name: Capacity Rerate Analysis of Exist HOT Wells
 - Study will rerate HOT well capacity from recent rehabilitation efforts in 2018/2019.
 - Study will include a 36-hr well pumping test.
- o DCS recommends conducting a study to analyze and plan how the City will supply water through ultimate build-out. DCS will compare options to add surface water as another water supply to support the anticipated ultimate water demands. Exhibit No. 1 illustrates a potential route to get water from Granger Lake to Frame Switch pump station property. Adding a surface water supply will be highly beneficial for Hutto to support future growth, own and control their entire water supply, and create a highly robust water supply system.
 - Project ID: 2020-B2
 - Project Name: 29.5 mgd Ultimate Demand Water Supply Alternatives Study
 - Study will analyze water supply alternatives to support the ultimate water demand and plan for City-owned and operated surface water production facilities long-term.
 - This study will develop a plan for the City to produce and maintain full control of its entire water supply at ultimate build-out and eliminate dependence on water supply from other entities.

Pumping Station Improvements:

- o Currently, the Shiloh pumping station is the bottleneck preventing the maximum use of the HOT well capacity. This project will include a "quick-hit" measure to expand the current pumping capacity from 2.16 mgd to 3.10 mgd. This project will include changing the two existing split-case pumps with two more efficient split-case pumps. The pump horsepower will not change, thus no electrical modifications will be needed. This is the least expensive way to get more flow from the Shiloh pump station quickly.
 - Project ID: 2019-A3
 - Project Name: Shiloh Pumping Station Expansion from 2.16 mgd to 3.10 mgd

- Replace pumps at Shiloh to convey 3.10 mgd of water from HOT wells to Frame Switch.
 - This pumping station is the current bottle neck preventing the maximum use of the HOT well capacity.
- o When the HOT well field capacity is expanded to 5.70 mgd, so will the Shiloh pump station. This project includes 4 vertical turbine pumps with VFDs, a pump/electrical/chemical building, new electric service feed, upgraded yard piping, and another emergency generator at the Shiloh pump station site. The site will be setup to be a reliable pumping station, since the city's main water supply depends on it.
- Project ID: 2021-C1
 - Project Name: Shiloh Pumping Station Expansion from 3.10 mgd to 5.70 mgd
 - Design and construction of Shiloh pumping station to convey 5.70 mgd from the wells to Frame Switch.
 - This improvement will maximize the capacity of the existing 26-mile long 16" transmission main.
 - The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.
- o When the HOT well field capacity is expanded to 5.70 mgd, so will the Shiloh pump station. This project includes the design and construction of the HOT in-line pumping station to convey 5.70 mgd from the wells to Frame Switch in tandem with the Shiloh pump station improvement. This project includes 4 vertical turbine pumps with VFDs, a pump/electrical building, new electric service feed, yard piping, and an emergency generator. The site will be setup to be a reliable pumping station, since the city's main water supply depends on it. The site is already owned by the City.
- Project ID: 2021-C2
 - Project Name: HOT In-line 5.70 mgd Pumping Station
 - This improvement will maximize the capacity of the existing 26-mile long 16" transmission main.
 - The City will need more water supply and will be investing capital into a water supply that is owned and operated by the City.
- o The existing 16" transmission main beginning at Frame Switch EST that feeds the 801-ft PP and ultimately discharges into the Northwest GST does not have the capacity to feed water into the system at the 5.70 mgd water model scenario. DCS analyzed many alternatives and building an in-line pump station to boost the pressures from the 801-ft PP to the 890-ft PP. The solution described below is the most cost effective option that incorporates building permanent facilities and doesn't strand assets in the future. This project includes 4 constant speed vertical turbine pumps, 1 vertical turbine jockey pump with a VFD, a pump/electrical building, new electric service feed, yard piping, and an emergency generator.
- Project ID: 2022-D3
 - Project Name: Frame Switch 890 PP 5.70 mgd Pumping Station
 - Design and construction of in-line pumping station to convey 5.70 mgd from Frame Switch EST to the distribution system.
 - Facilities will be utilized in the ultimate system to feed the 890-ft PP.
 - This option keeps the 1.0 mg Frameswitch EST operational in the system. Other alternatives would have removed it from service for a number of years and also required construction of additional ground storage tank.
- o For the water supply system to serve the City with 5.70 mgd, the existing Frame Switch pumping station will need to be expanded. The existing Frame Switch pumping station transfers water from the GST to the EST in the 801-ft PP. DCS proposes the two existing pumps be relocated to the new pump/electrical building done with the "2022-D3" project and for two identical pumps be added to get a firm pumping capacity of 6.48 mgd.
- Project ID: 2022-D4
 - Project Name: Frame Switch 801 PP Pumping Station Expansion from 4.32 mgd to 6.48 mgd
 - Design and construction of additional pumping at Frame Switch to convey 6.48 mgd from the GST to EST.
 - This improvement is necessary to move water as part of the supply chain from the wells to the distribution system.

Storage:

- o DCS recommends adding a new dedicated inlet with mixing system into the Frame Switch EST. The proposed inlet and tank mixing system will serve to improve water quality, prevent water age issues, and prevent thermal stagnation. This new inlet is required for the tank to remain in operation with the proposed system configuration. It is not optional.
 - Project ID: 2022-D5
 - Project Name: Frame Switch 801 PP Elevated Storage Tank Piping Modifications
 - Design and construction to add dedicated inlet and tank mixing system in the Frame Switch EST to improve water quality, prevent water age issues, and prevent thermal stagnation. And maintain use of this existing EST during the earlier phases of the City's water system.

Distribution System Water Lines:

- o This project improves the system reliability and is necessary to convey 5.70 mgd demand through the system. This improvement enables Frame Switch to feed the 801-ft PP and the 890-ft PP simultaneously.
 - Project ID: 2022-D6
 - Project Name: 3,650 ft of 24" & 5,725 ft of 30" Distribution Line on Hwy 79
 - Design and construction of 24" and 30" distribution lines to improve system reliability and provide more capacity to the 801-ft PP.
 - This project will provide the necessary capacity to feed water to the 801-ft PP from Frame Switch to remain compliant with TCEQ minimum pressure requirements during max demand days.

Potable Water Transmission Lines:

- o This improvement will maximize the capacity of the existing 26-mile long 16" transmission main and enable pumps to push the 5.70 mgd without exceeding the pressure rating of the pipe. This improvement is required to use the City owned land for the in-line pumping station along the 16" HOT Parallel Transmission Line.
 - Project ID: 2020-C3
 - Project Name: 3,100 ft of 14" & 12,900 ft of 16" HOT Parallel Transmission Line
 - Design and construction of 14" and 16" transmission lines parallel to the existing 16" HOT transmission main to convey 5.70 mgd from the wells to Frame Switch.



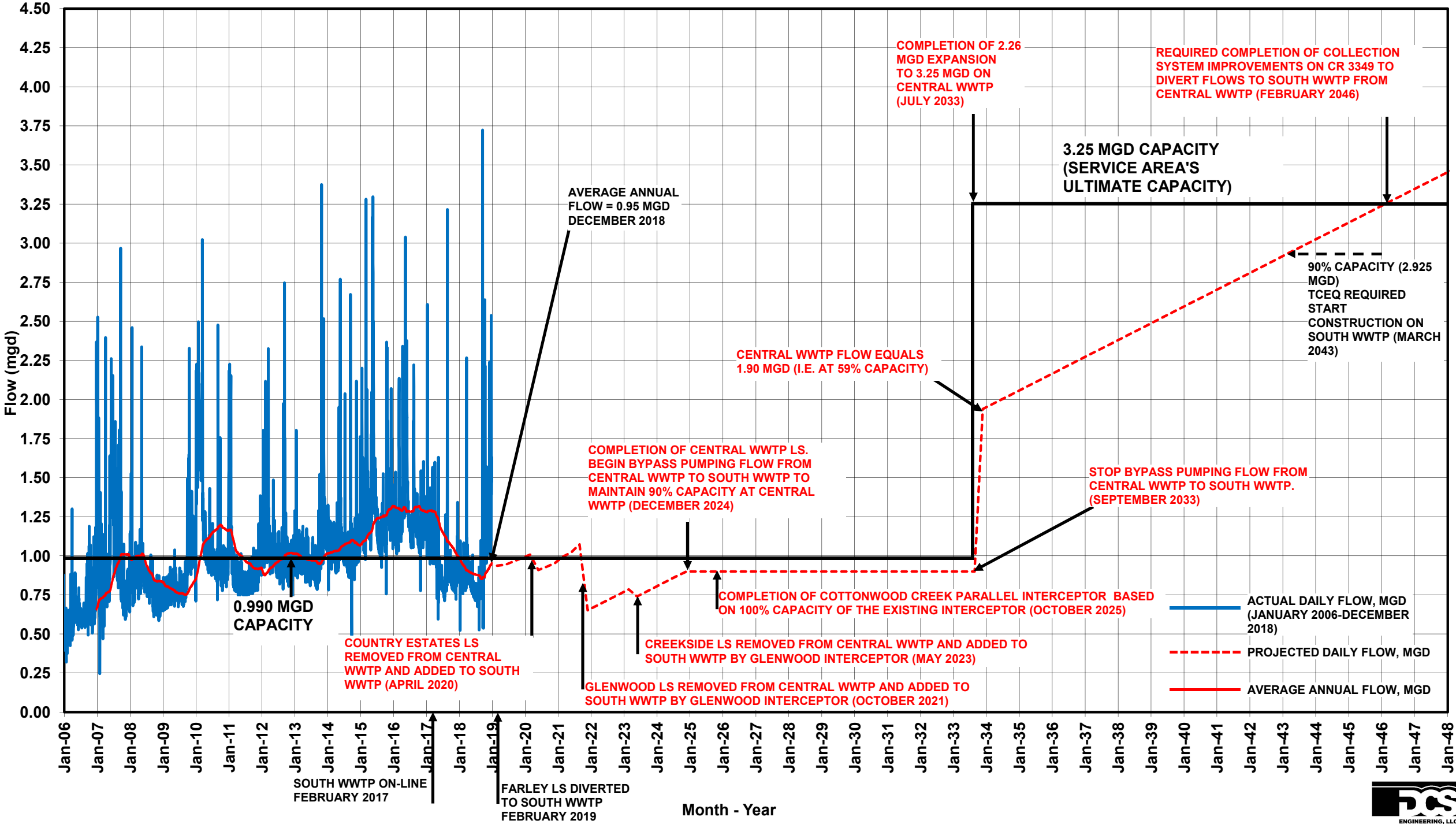
WASTEWATER FLOW PROJECTIONS FOR CENTRAL AND SOUTH WWTP

5. Wastewater Flow Projections for Central and South WWTP

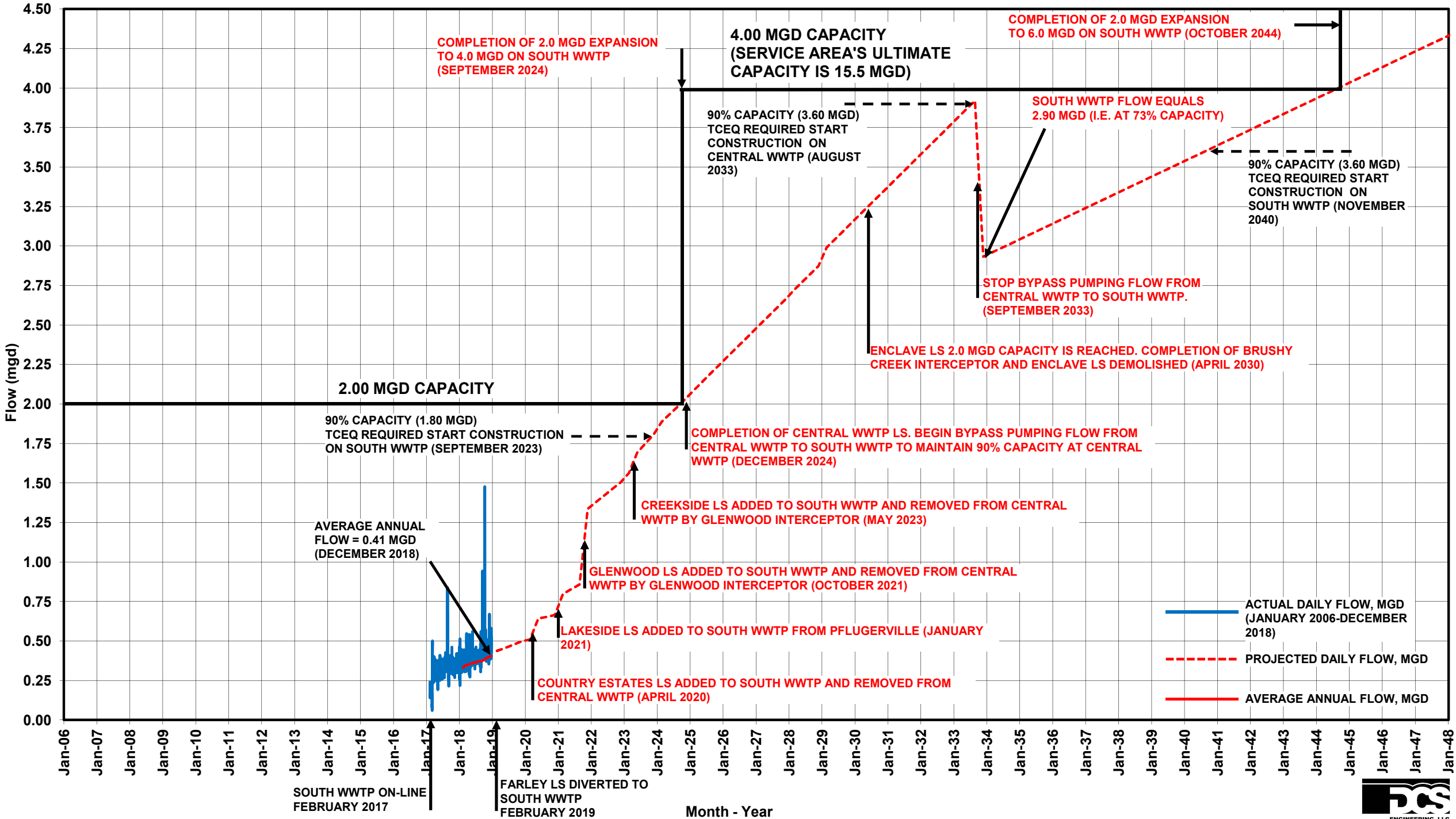
This task included updating the existing wastewater flow projection graphs for the South WWTP and Central WWTP with more precise development data based on their respective service areas. Each service area, for the ultimate condition, was geographically overlaid with developments which are known at this time within the City's Wastewater CCN limits. Each development's schedule to achieve full build-out and number of new LUEs per year will be collected in tabular format. A unique numeric identifier was assigned to each tract under development for cross referencing between the table and map showing the location of each development. Modifications to the City's lift stations that are planned or have been completed since July 2018 were incorporated into the graph to reflect the flow diversion between the two WWTPs. Existing WWTP capacities were added to the graph along with existing actual flows and average flows. Milestone dates were identified for completion of WWTP capacity expansions including a project schedule for design, bidding, and construction.

- o Flow projection data is based on real development activity per meeting with City on 1/18/19.
 - All data has been checked and verified by the City planning department. Each development was carefully analyzed to determine the quantity and timing of future connections.
 - Minimum projected growth rates were assumed for growth beyond 2 years. The minimum wastewater growth rate is assumed to be 1,128 LUE's per year from the most recent master plan.
- o The City's actual average flow/connection of 183 gpd/LUE was used to develop flow projections. This number should be re-evaluated with each update to the flow projections.
- o The need and timing for all proposed wastewater infrastructure projects are based on the flow projections generated in this work effort.
 - Flow Projection graphs employ a "Just in Time" approach such that the required infrastructure projects and their associated costs are pushed as far into the future as possible.
- o A flow projection graph was created for each WWTP and the projects were designed to maximize the capacity of both plants prior to constructing new capacity.
- o DCS recommends closely monitoring actual development/flows and updating the flow projections every 6 months to ensure continued accuracy of the data.
- o Refer to the Water Flow Projections (Section 3) for the development table and map.

5-Year Wastewater Capital Improvement Projects - Central WWTP Flow Projection Graph
March 22, 2019



5-Year Wastewater Capital Improvement Projects - South WWTP Flow Projection Graph
March 22, 2019



Wastewater Connection from City of Hutto - Dated 3/18/19

	2014	2015	2016	2017	2018	2019
Jan	6442	7009	7233	7644	7938	8401
Feb	6492	7038	7289	7701	7982	8409
Mar	6506	7028	7313	7739	8010	
Apr	6676	7167	7378	7771	8032	
May	6585	7073	7473	7808	8079	
Jun	6651	7075	7585	7828	8120	
Jul	6729	7125	7595	7876	8181	
Aug	6766	7279	7632	7873	8227	
Sep	6807	7241	7575	7865	8250	
Oct	6808	7815	7632	7910	8282	
Nov	6876	6739	7649	7896	8289	
Dec	6915	7628	7660	7912	8341	

Fiscal Year Total = 434 334 290 385 159

Percentage of New Water

LUE/WW LUE = 43% 67% 49% 33% 76%

CENTRAL WWTP PRELIMINARY ENGINEERING

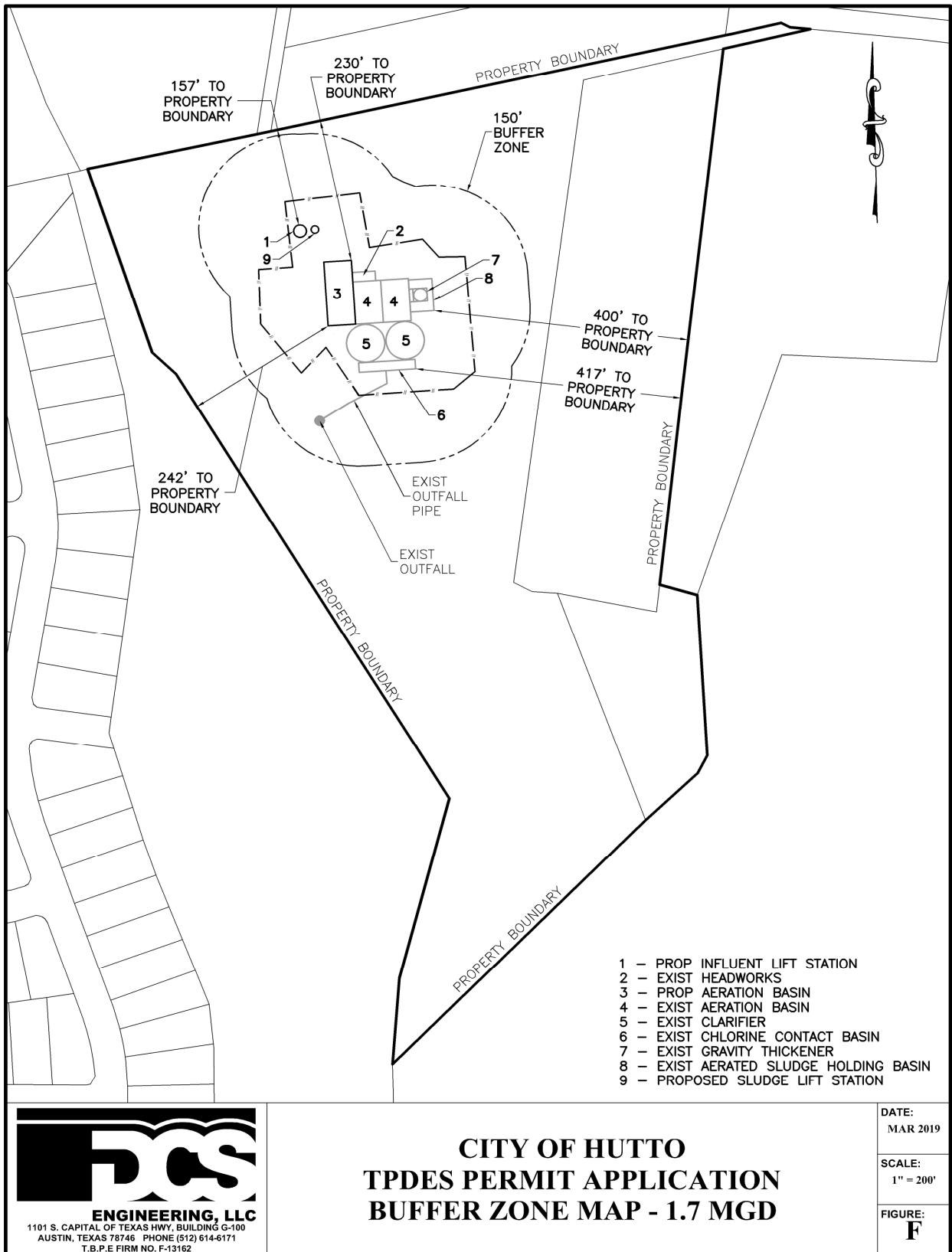
6. Central WWTP Preliminary Engineering

The scope of the preliminary engineering analysis included analyzing the existing wastewater treatment plant process design and existing facility equipment capacities, developing a conceptual site layout for the expansion of the Central WWTP to 3.25 mgd, and generating an engineer's opinion of most probable construction cost estimate and schedule to implement the improvements required at the WWTP facility. The construction cost estimate and schedule are reflected in the Wastewater CIP table.

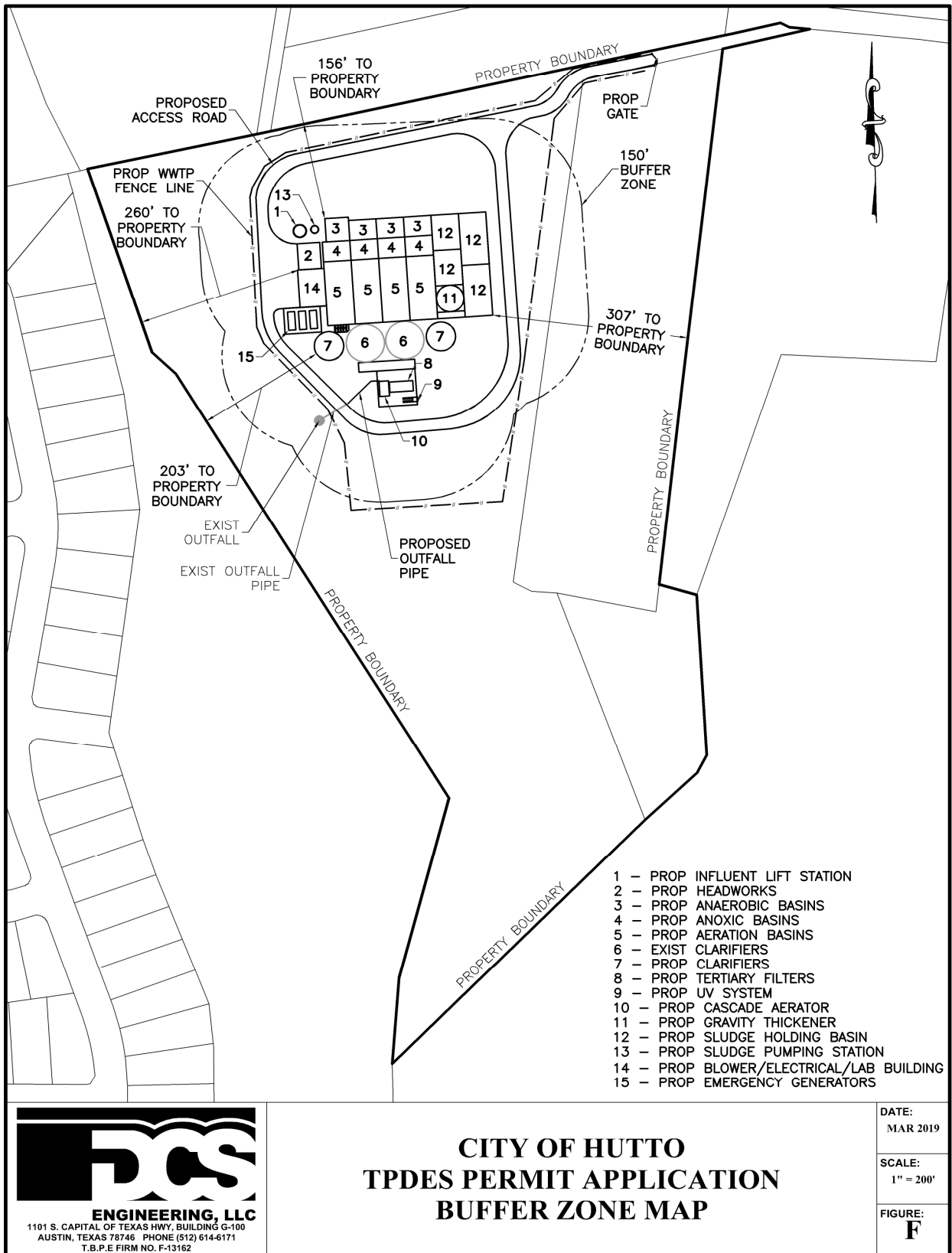
- o The plant capacity will be increased from its existing actual capacity of 0.990 mgd (not the 1.70 mgd it is permitted for) to 3.25 mgd and sized to accommodate an influent BOD of 353 mg/L (i.e. current average plus one standard deviation).
- o The proposed plant will be a biological nutrient removal (BNR) process design with tertiary filters and UV disinfection.
- o This will be the ultimate phase of the facility which will modify and incorporate portions of the existing facilities.
- o The treatment process will include a new on-site influent lift station with submersible pumps; a new headworks facility including two new mechanically cleaned fine bar screens and a manually cleaned auxiliary bar screen in the emergency bypass channel; eight new BNR basins will be added (4 anaerobic, 4 anoxic); two new aeration basins will be added and the two existing basins will be expanded for a total of 4 basins; two new final clarifiers for a total of 4 sized for a peak flow of 10.73 mgd will be provided with a new clarifier splitter box; new return activated sludge pumping systems; and new airlift waste activated sludge pumps.
- o The new tertiary treatment building will consist of three new tertiary disk filter basins with a firm capacity of 10.73 mgd, two new channels of ultraviolet disinfection modules sized for 10.73 mgd peak flow, and a new cascade aerator. Four new aerated sludge holding basins with a gravity sludge thickener will partially dewater and hold sludge prior to it being sent to the South WWTF for sludge dewatering.
- o The sludge will be transported by converting the existing on-site lift station into a sludge pumping station and utilizing the existing force mains to pump the sludge south until it is discharged into the proposed Enclave Interceptor. It will then flow by gravity to the South WWTF for final treatment and dewatering via belt-presses.
- o This phase will expand the existing blower capacity located in a new blower building. Associated piping modifications to route the flow through the plant will be required.

The following exhibits were taken from the Central WWTP Major Amendment Permit Application. In addition, an aerial overlaid view of the conceptual site layout is included.

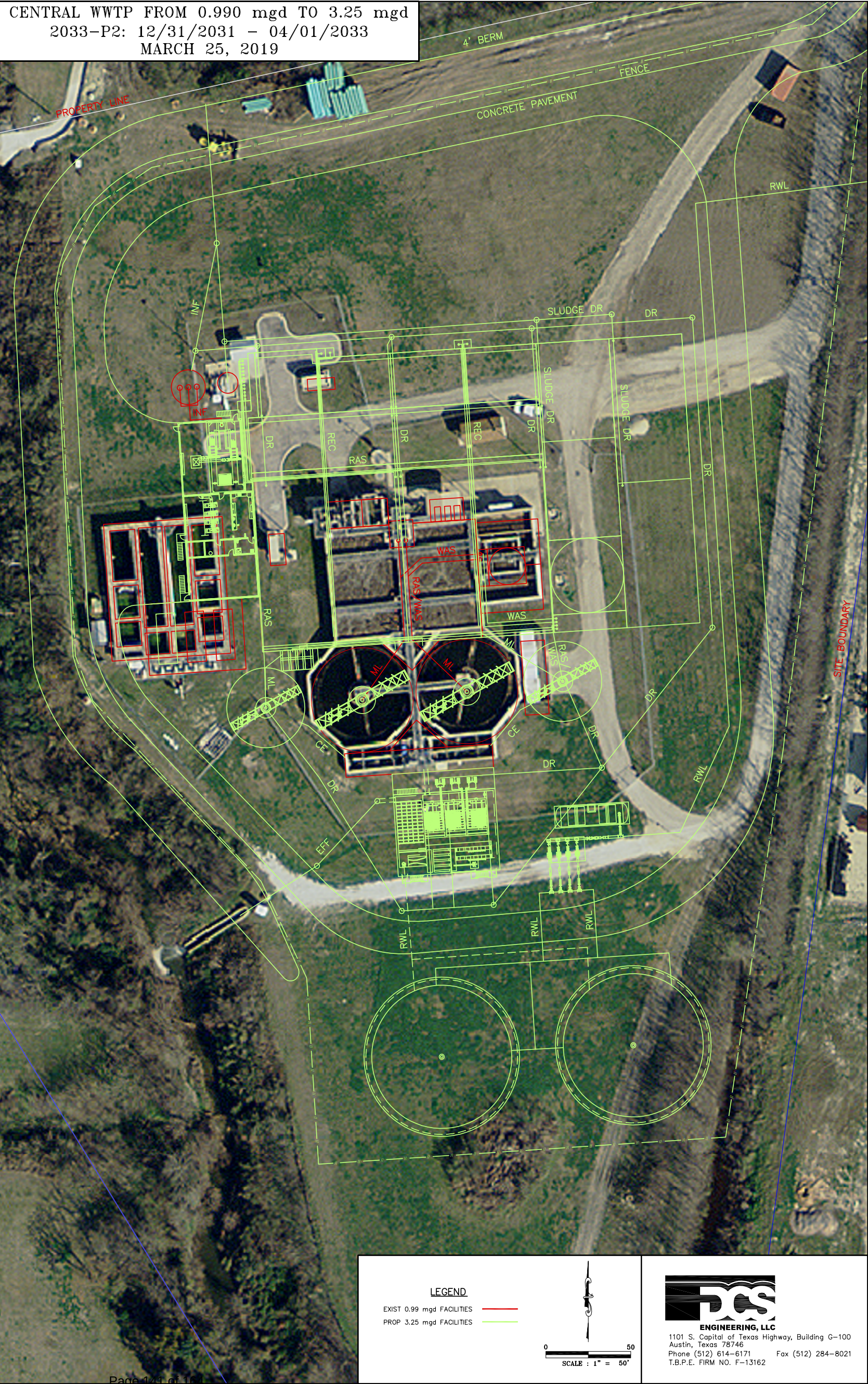
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FILENAME: Z:\Projects\20101368 - CCH Central & South WWTP Permit\300 - Central WWTP Renewal & Major Amendment\3.1 - Drawings\Attachment\Attachment F.dwg, LAST SAVED ON: Mar 12 2019 3:33pm, PLOTTED BY: MKHALIGHI, ON: Mar 12 2019 3:49pm, CPG



CENTRAL WWTP FROM 0.990 mgd TO 3.25 mgd
2033-P2: 12/31/2031 - 04/01/2033
MARCH 25, 2019



CENTRAL WWTP DISCHARGE PERMIT – MAJOR AMENDMENT

7. Central WWTP Discharge Permit – Major Amendment

This task included a Major Permit Amendment with the Texas Commission on Environmental Quality (TCEQ) for a Texas Pollutant Discharge Elimination System (TPDES) permit for the Central WWTP from a permitted capacity of 1.7 mgd to a 3.25 mgd ultimate capacity. The permit will have a total of three phases with 0.990 mgd, 1.70 mgd, and 3.25 mgd capacities. At this time, DCS is aware this WWTF has more stringent BOD, TSS, and ammonia nitrogen limits (i.e. 7 mg/L, 12 mg/L, and 1.5 mg/L) which may become more stringent with the increased capacity being requested. We are not aware of any special permitting issues associated with this WWTF such as total dissolved solids, phosphorus limits, nitrate-nitrogen limits, or on-site biosolids management (i.e. composting, etc.). However, we anticipate that phosphorus and/or nitrate-nitrogen limits may be added to the permit by TCEQ due to this capacity increase. Sludge disposal for this facility will be stipulated in the permit application to be at: a) the South WWTF transported by pipe or truck; b) wet hauled to another facility; c) dewatered on-site and dry hauled to a landfill.

- o Central WWTF Major Amendment to raise the ultimate permitted flow from 0.990 to 3.25 mgd average daily flow, with a peak flow in the ultimate phase of 10.73 mgd.
 - Existing flows at Central will exceed capacity in near future. Will likely have an ammonia permit violation in December 2019
 - Super chlorinate at Central WWTP whenever flow goes over 0.990 mgd to burn off ammonia, this will increase Cl₂ and Sodium Bisulfate chemical usage for a short time.
 - When Central LS comes offline in Sept. 2033 the flow to Central WWTF will be 1.90 mgd and 2.90 mgd to South WWTF
 - If Mega site hits, build Central LS early and send flows to Central for treatment or conveyance to the South WTP and max out Glenwood Interceptor to 100% pipe capacity
- o Permit to include application for Transfer of Ownership to remove Brazos River Authority as co-applicant (co-owner).

SOUTH WWTP PRELIMINARY ENGINEERING

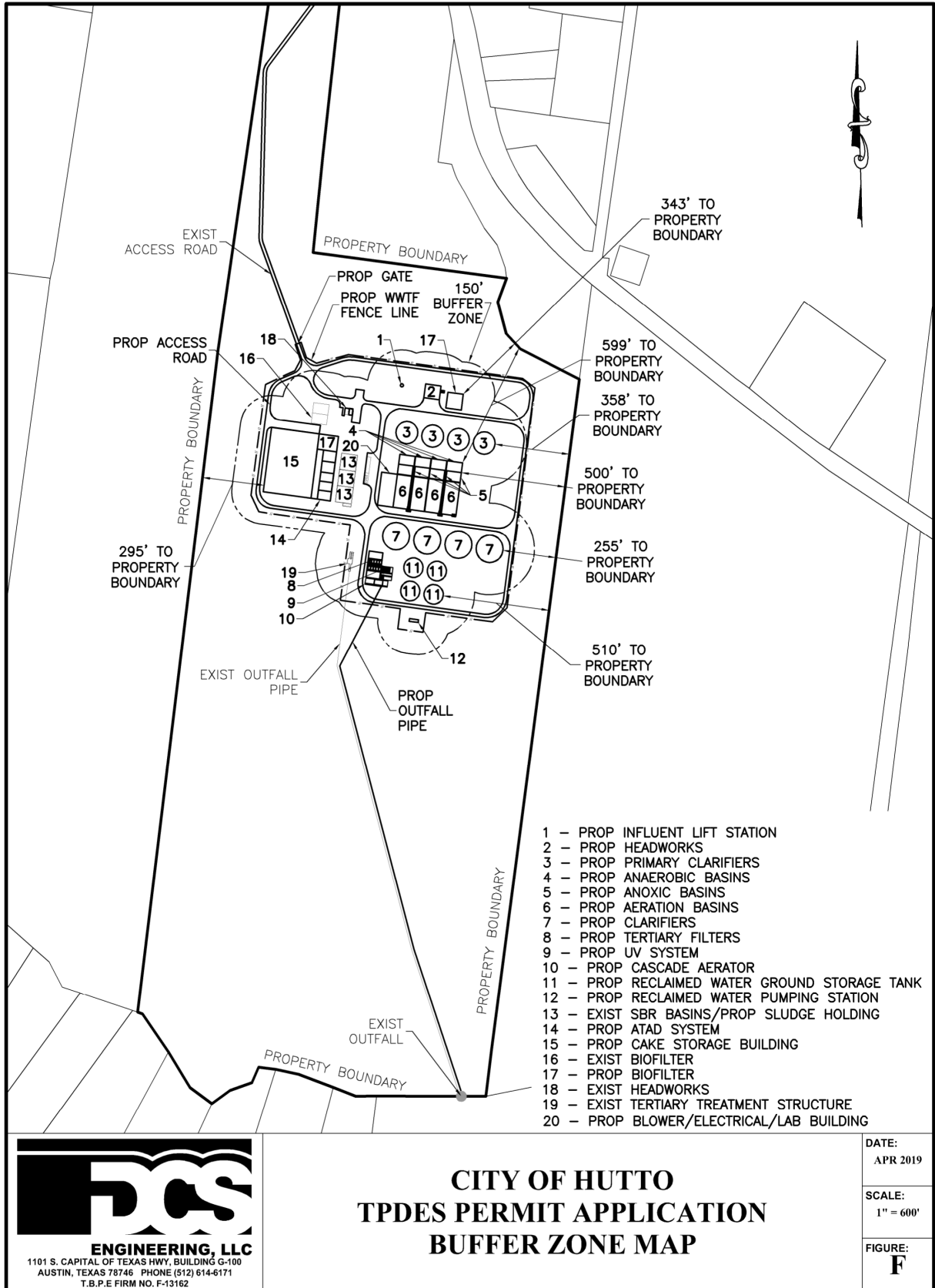
8. South WWTP Preliminary Engineering

The scope of the preliminary engineering analysis included analyzing the existing wastewater treatment plant process design and existing facility equipment capacities, developing a conceptual site layout for the expansion of the South WWTP to 15.5 mgd, and generating an engineer's opinion of most probable construction cost estimate and schedule to implement the improvements required at the WWTP facility. The cost estimate was created for an expansion from 2.0 mgd to 4.0 mgd. The construction cost estimate and schedule are reflected in the Wastewater CIP table.

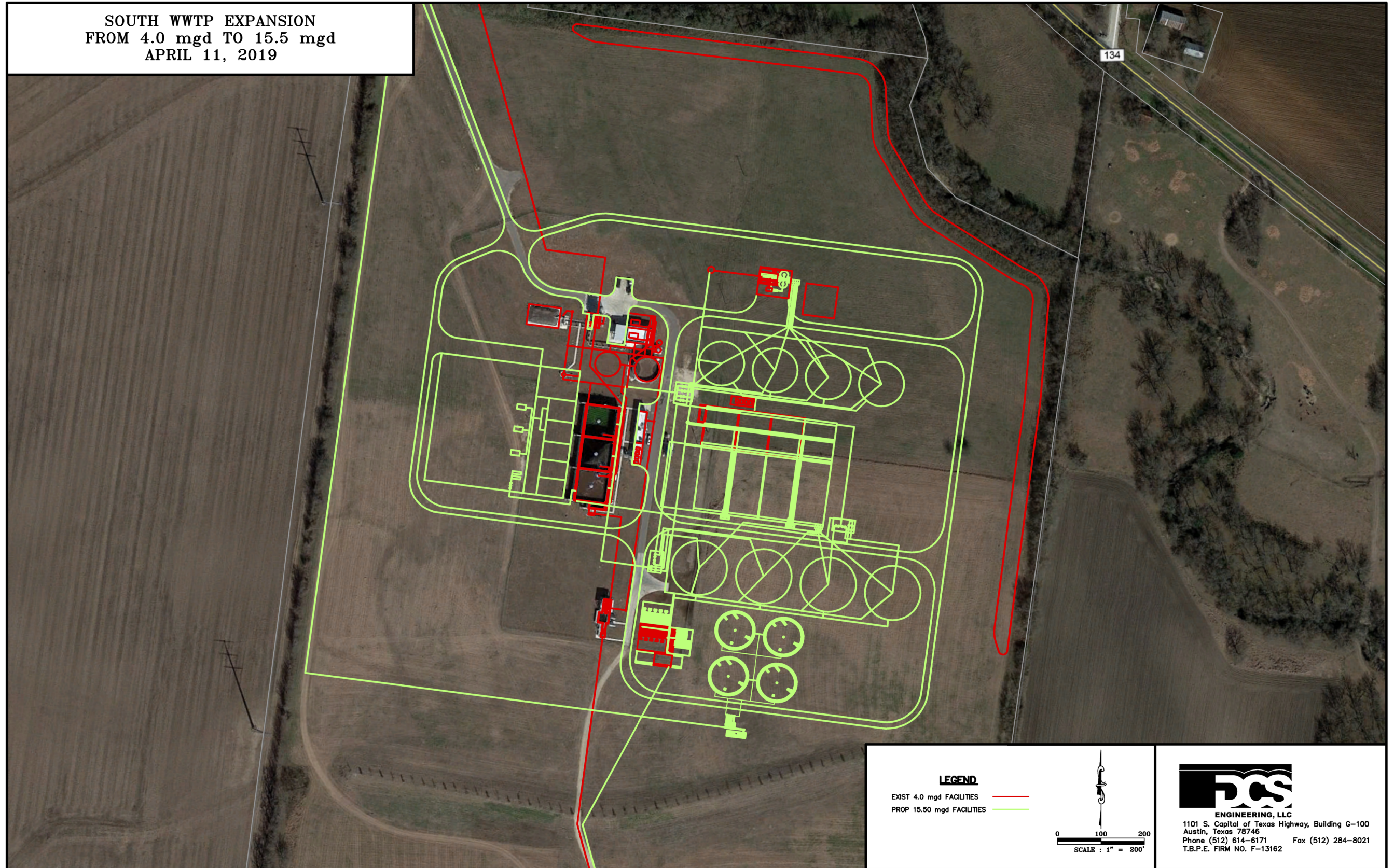
- o The plant capacity in the Wastewater Master Plan was assumed to be 1.50 mgd due to the increased BOD concentration. However, as part of this analysis, DCS performed a process design analysis for the existing Sequencing Batch Reactor (SBR) facilities and determined that its original design capacity of 2.0 mgd is a correct value, even with the increased BOD concentration. Thus, the existing WWTP will be increased from 2.0 mgd to 15.5 mgd and sized to accommodate an influent BOD of 353 mg/L (i.e. current average plus one standard deviation).
- o The proposed plant will be a biological nutrient removal (BNR) process design with tertiary filters and UV disinfection.
- o This will be the ultimate phase of the facility which will modify and incorporate portions of the existing facilities.
- o The treatment process will include a new headworks facility including four new mechanically cleaned fine bar screens and a manually cleaned auxiliary bar screen in the emergency bypass channel; two new vortex grit chambers; four new primary clarifiers; four new anaerobic basins, four new anoxic basins, four new aeration basins, four new final clarifiers sized for a peak flow of 62.0 mgd will be provided with a new clarifier splitter box; new return activated sludge pumping station with a firm capacity of 62.0 mgd; and a new waste activated sludge pumping station. New tertiary treatment facilities will consist of ten new filter basins with a firm capacity of 62.0 mgd, 7 new channels of ultraviolet disinfection modules totaling 9 channels sized for 62.0 mgd peak flow, an expanded cascade aerator, and a second parallel outfall pipe to Brushy Creek.
- o Waste activated sludge from the proposed secondary clarifiers will be sent to a sludge holding tank and further to drum thickeners for sludge thickening. The thickened sludge will be pumped to the ATAD system for stabilization and finally to belt filter presses to obtain Class A cake solids. The cake will be stored in the cake storage building and will be either marketed for land application or sent to a permitted landfill based on demand.

The following exhibits were taken from the South WWTP Major Amendment Permit Application. In addition, an aerial overlaid view of the conceptual site layout is included.

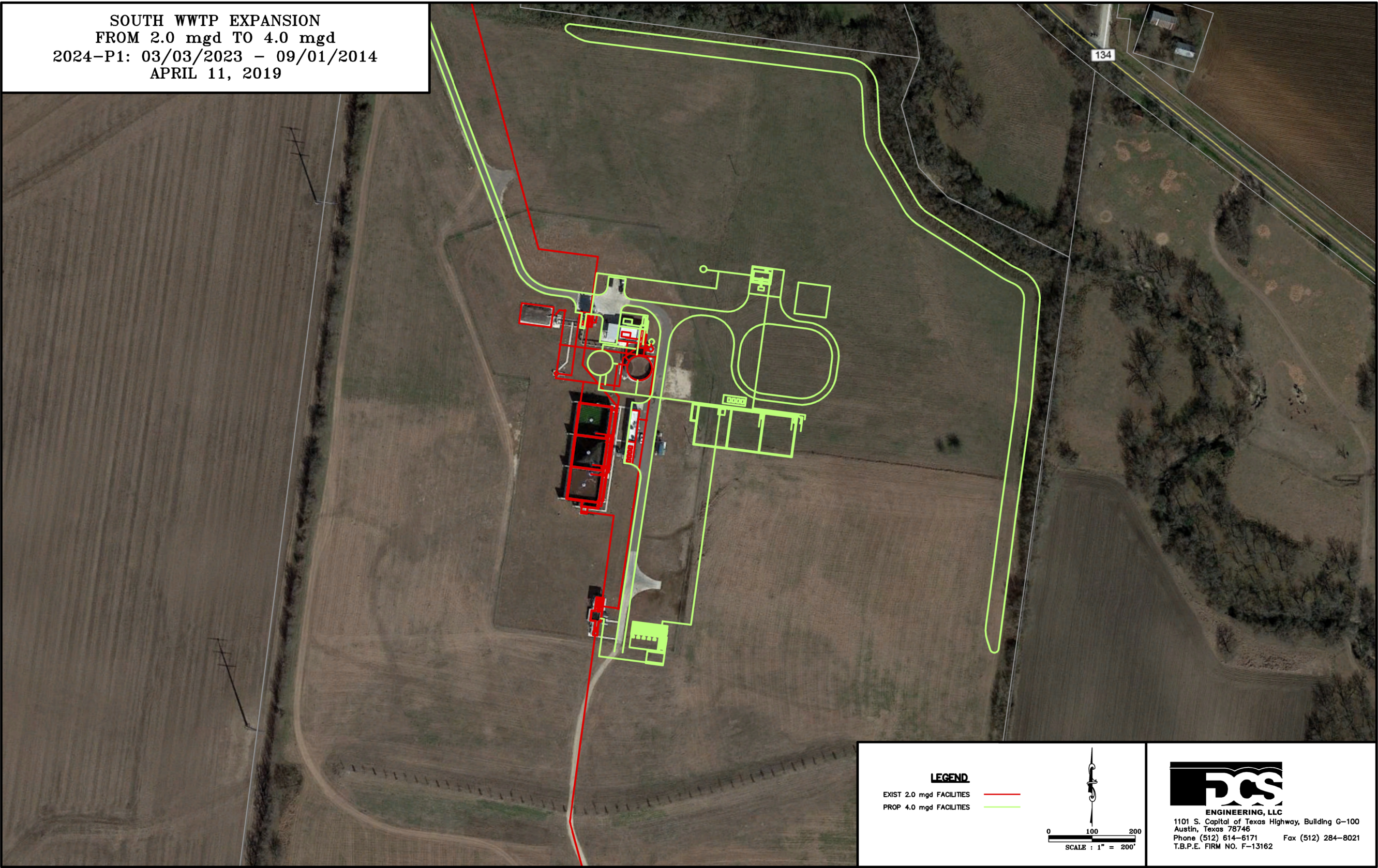
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SOUTH WWTP EXPANSION
FROM 4.0 mgd TO 15.5 mgd
APRIL 11, 2019



SOUTH WWTP EXPANSION
FROM 2.0 mgd TO 4.0 mgd
2024-P1: 03/03/2023 - 09/01/2014
APRIL 11, 2019



**SOUTH WWTP DISCHARGE PERMIT – RENEWAL AND
MAJOR AMENDMENT**

9. South WWTP Discharge Permit – Renewal and Major Amendment

This task included a Renewal and Major Permit Amendment with the TCEQ for a TPDES permit for the South WWTF from a permitted capacity of 4.0 mgd capacity to a 15.5 mgd ultimate capacity. The permit will have a total of three phases including 2.0 mgd, 4.0 mgd, and 15.5 mgd. At this time, DCS is aware this WWTF has typical BOD, TSS, and ammonia nitrogen limits (i.e. 10 mg/L, 15 mg/L, and 2.0 mg/L) with a phosphorus monitoring requirement. These are anticipated to become more stringent with the increased capacity being requested. We are not aware of any special permitting issues associated with this WWTF such as total dissolved solids, nitrate-nitrogen limits, or on-site biosolids management (i.e. composting, etc.). However, we anticipate that phosphorus and/or nitrate-nitrogen limits may be added to the permit by TCEQ due to this capacity increase. Sludge disposal for this facility will be stipulated in the permit application to be: a) wet hauled to another facility; b) dewatered on-site and dry hauled to a landfill. We do anticipate that the South WWTF will be the City's long term singular location for dewatering sludge generated by both WWTFs.

- o Permit amendment is to increase the plant's average annual capacity to 15.5 mgd average daily flow with a peak flow of 62.0 mgd
 - Analysis reveals that the average BOD plus one standard deviation is 353 mg/L
 - Sludge treatment will include the utilization of an Autothermal Thermophilic Aerobic Digestion system to produce Class A Biosolids in lieu of composting
- o Analysis shows South plant UV system not operating properly and will require further investigation and maintenance and/or replacement to maintain TCEQ standards.

WASTEWATER SYSTEM – ANALYSIS AND UPDATE TO 5-YEAR CIP LIST

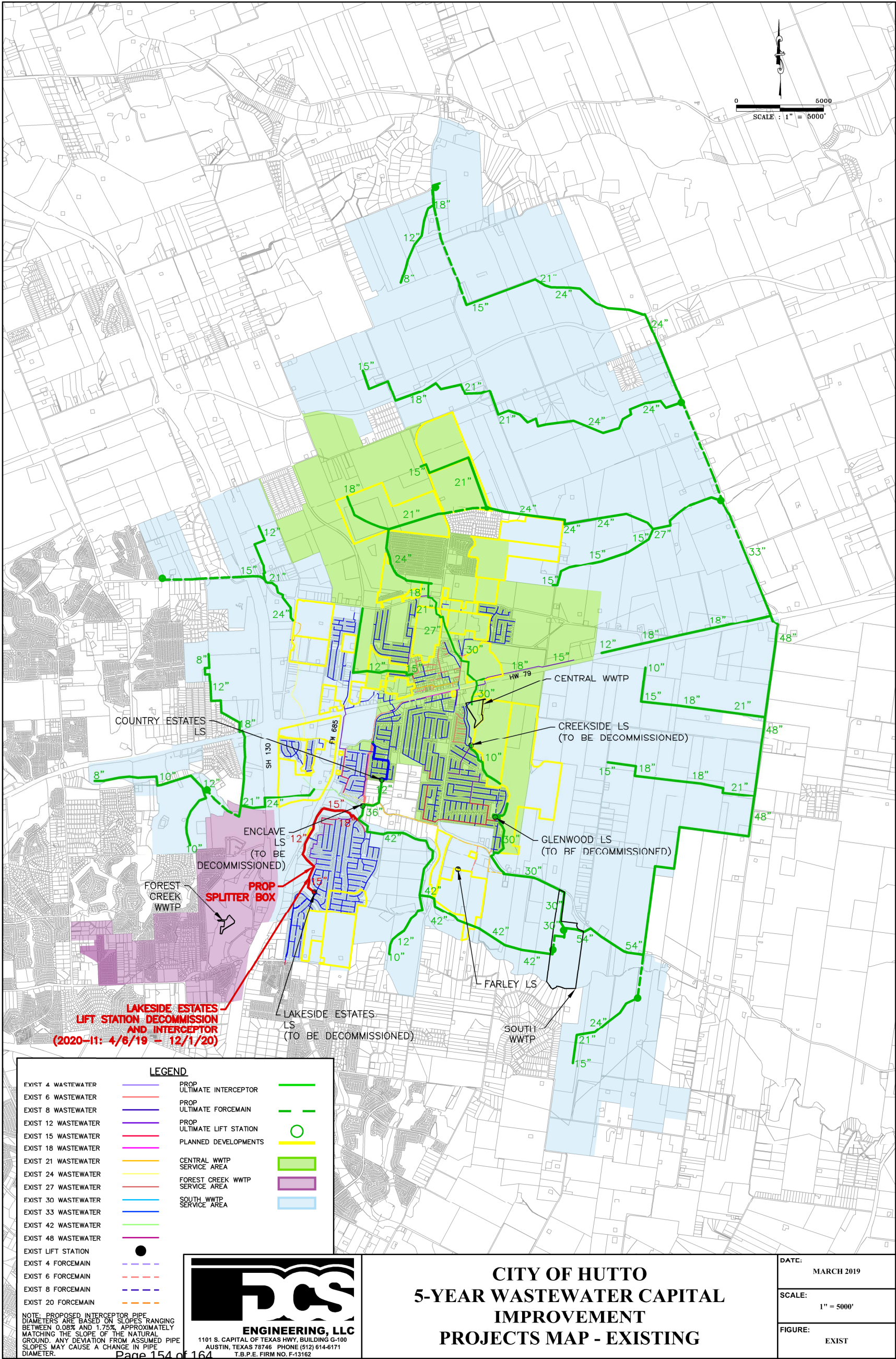
10. Wastewater System – Analysis and Update to 5-Year CIP List

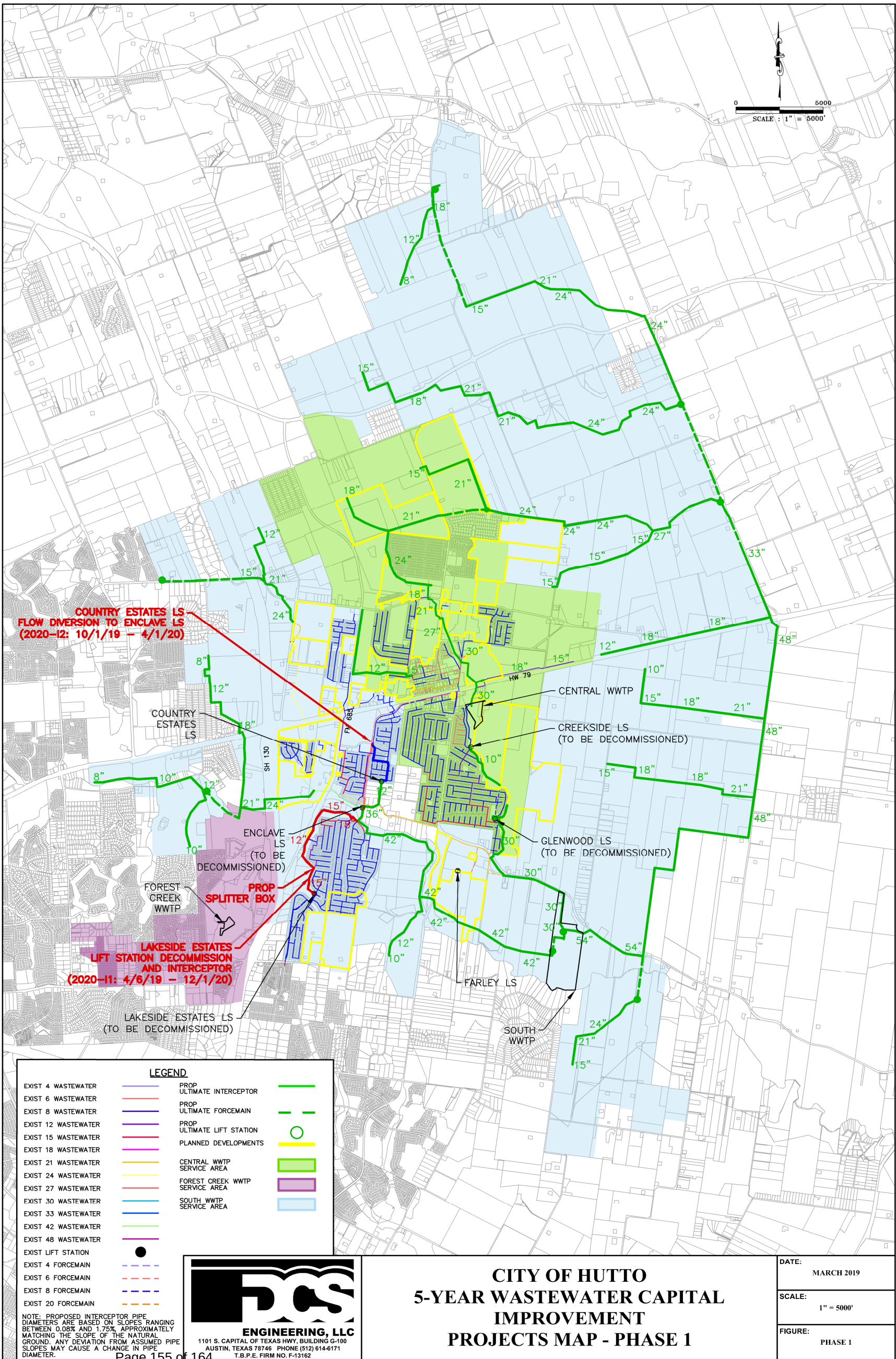
Perform analysis of wastewater collection system, existing flows, and available treatment capacities at the Central WWTP and South WWTP to identify potential alternatives to fully utilize the available capacity at each of the WWTP's and in the collection system. This effort included evaluating the currently proposed collection system modifications/improvements to be funded by developers from the various developments within the City's wastewater CCN. This effort also identified select project(s) from the wastewater master plan which can be fully implemented, partially implemented, or modified for implementation to achieve the above. Identified alternatives are focused on fulfilling the City's goals of: a) deferring capital improvement expenditures as long as possible in order to minimize the debt burden on rate payers; b) construct only permanent facilities which will be incorporated into the ultimate wastewater master plan collection and/or WWTP system (i.e. no temporary infrastructure/throw away costs); c) provide ample capacity in the collection and treatment plants to support continued development within the City's wastewater CCN; and d) fully utilize the existing treatment plant capacity prior to constructing additional capacity at one or both of the WWTPs. Engineer's opinion of most probable project cost was generated for the proposed projects including an implementation schedule.

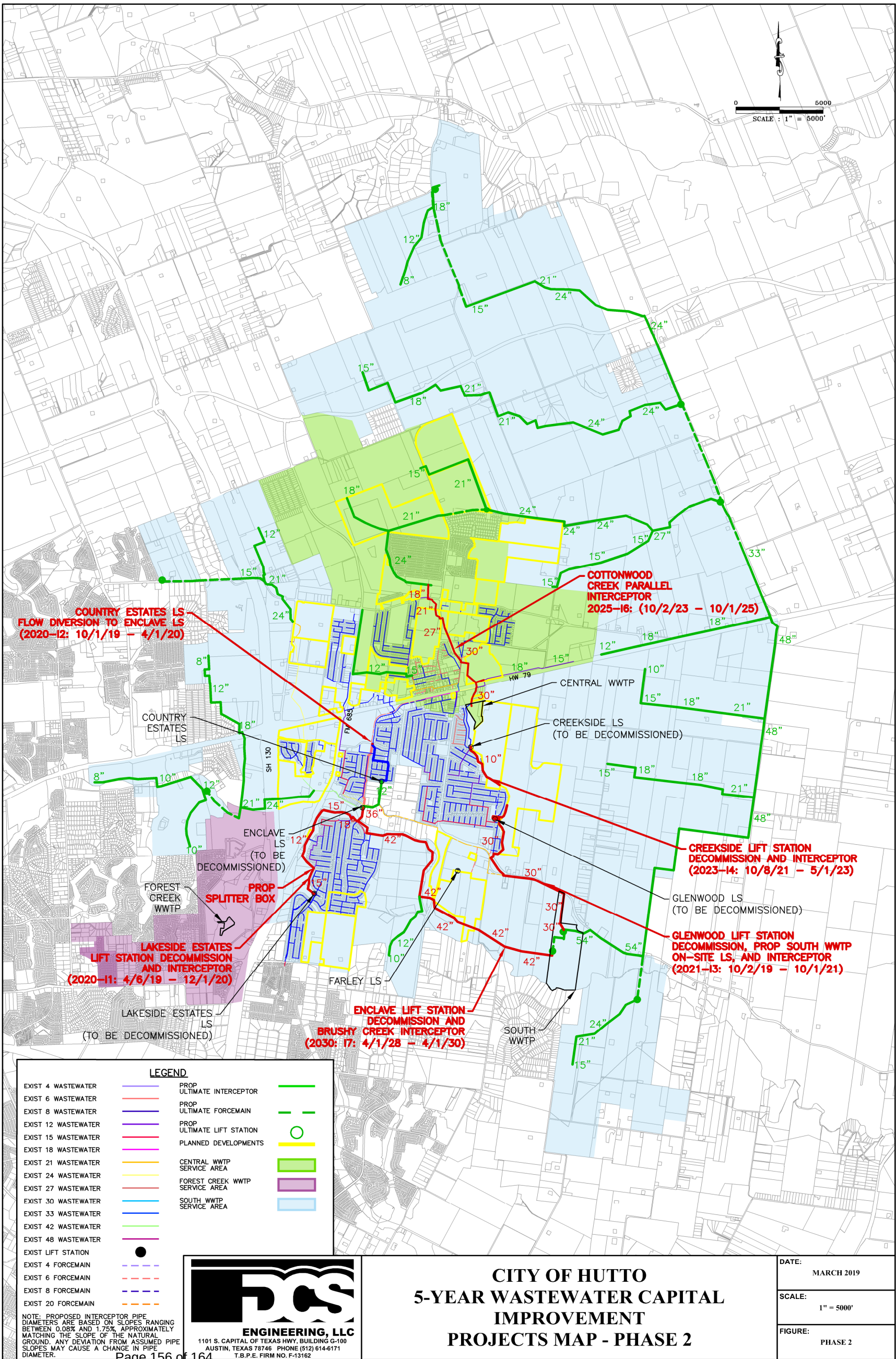
- o Existing Lift Station Flows (All at 183 gpd/LUE for Exist Conditions):
 - Farley LS Flow = 0.020 mgd
 - Lakeside LS Flow = 0.102 mgd
 - Country Estates LS Flow = 0.121 mgd
 - Glenwood LS Flow = 0.405 mgd
 - Creeside LS Flow = 0.073 mgd
 - Total Flow from LS = 0.619 mgd
- o Lakeside lift station decommission and interceptor to be a developer project, involving approx. 7,500 linear feet of 12"-15" gravity line.
 - Project to be completed by developers (Bridge/Gibney) using impact fees.
 - This project is expected to generate approximately \$220K in revenue by treating existing connections in Hutto rather than Pflugerville (558 LUEs)
 - This project would also provide service to the Bridge and Gibney subdivisions, and future development at the location of the existing concrete plant west of 685. The estimated impact fees for serving these three developments is \$2,128/LUE*972 LUEs = \$2.07M
- o Divert Country Estates LS via small project by city staff to take 0.121 mgd from Central and divert to South WWTP
 - This project will cut into the existing Country Estates force main and existing abandoned Enclave force main and connect the two to redirect the flow to the Enclave LS.
 - Alternative is to design project Oct. 1, 2019 and go to bid and award by Jan 1, 2020 (FY 20) to be completed by March 1, 2020
- o Pipe burst existing 500 LF of 12-inch pipe to 15-inch on Whitfield, located north of Co-op to provide capacity for the future Landing development
 - Considerations include existing flow conditions, and future development in the area West-Northwest of the Co-op.
 - This is recommended to be a developer project to minimize cost of City capital projects and maximize efficiency of the overall system.
- o Cottonwood Creek parallel interceptor.
 - Proposed interceptor will be approximately 8,500 LF of pipe ranging from 18-inch to 30-inch.
 - RSI development and existing conditions of Cottonwood Creek interceptor influence timing and sizing of this project.
 - This project was analyzed and designed assuming service for RSI development, however the current plan is for RSI to build alternate infrastructure which will take their WW flow to the Enclave LS.
- o Creekside Interceptor and lift station decommissioning
 - Proposed line will be approximately 3,000 LF of 10-inch pipe.
 - City to inform Meritage to upsize 1,500 LF of pipe from 12-inch and 18-inch to 24-inch at the current designed slope and alignment from MH WW-A-06 to Glenwood

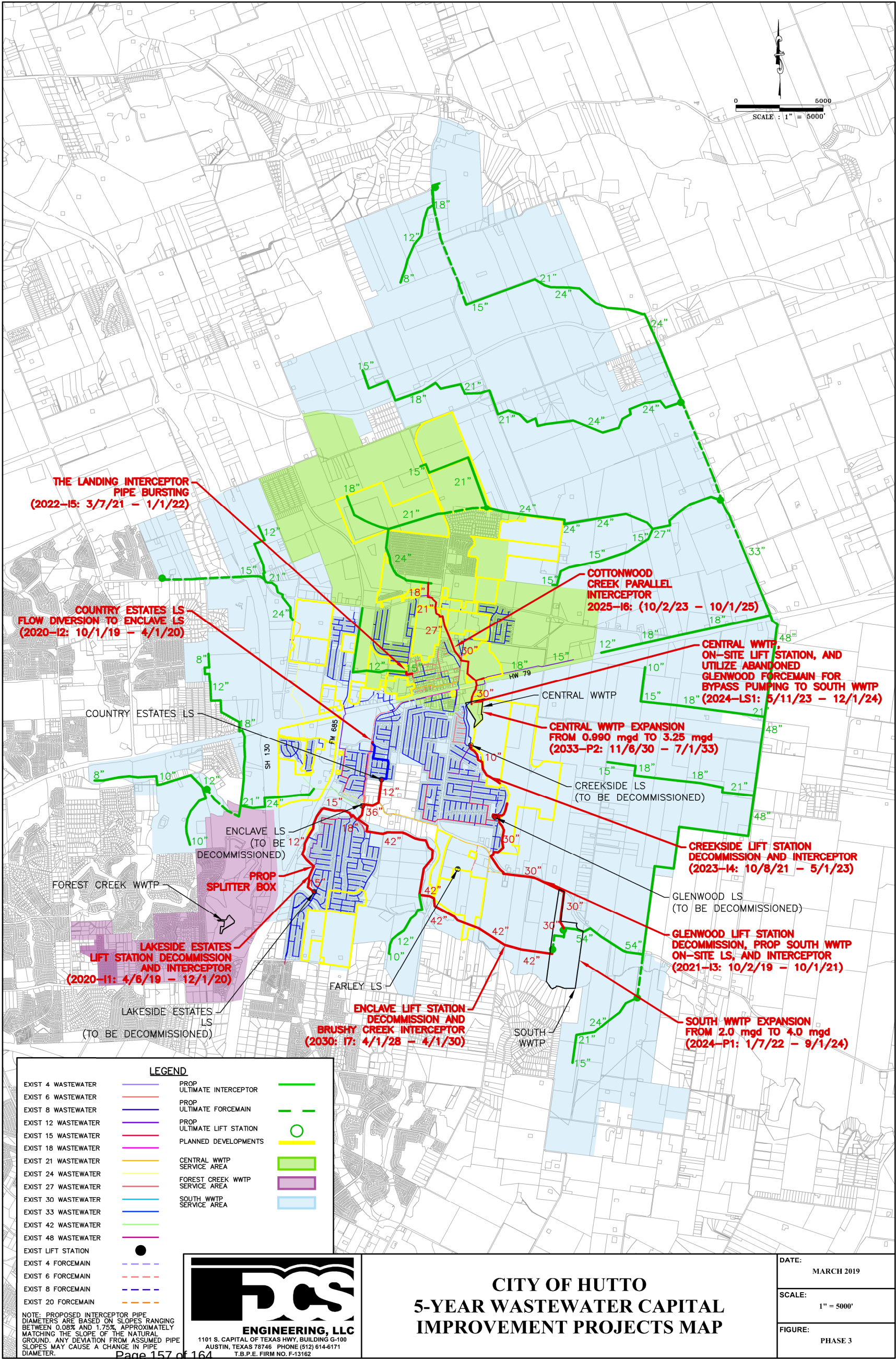
wet well. See attached markup of the plan sheet. Meritage WW pipe was constructed as originally designed. A future upsize or parallel line will be required in this location.

- City to inform “The Meadows” to size their wastewater pipes appropriately to serve future development to the north and east of their development. This would include upsizing approximately 4,923 ft of 8 in to 10 in pipe, 32 ft of 8 in to 12 in pipe, and 2,400 ft of 12 in to 21 in pipe based on their proposed wastewater layout dated August 10, 2007.
 - Final decision by the city was to have Meritage build a force main which will carry flow from their development from the Glenwood lift station to the Enclave force main, and ultimately the South WWTF.
 - At this time, the city has elected to proceed with the developer’s proposed plan of installing temporary infrastructure, which will be abandoned upon the completion of the Glenwood LS decommissioning and interceptor.
- o Glenwood LS decommissioning and interceptor
- Proposed interceptor will be approximately 10,459 LF of 30-inch pipe.
 - Existing flow and capacity analyzed and projected for future development
 - Diverting Glenwood LS to the South WWTP delays the construction of an expansion at the Central WWTP by removing flow today and by allowing flow to be pumped from Central to the Glenwood LS wet well which can then flow to the South WWTP.
 - Design considerations include future developments in surrounding areas, including ultimate build-out.
 - Provide stub out for future development of undeveloped tract on 1660, located west of the proposed Glenwood Interceptor.
 - DCS recommended that City stop construction of Glenwood FM redirection to the Enclave FM. Instead, collect funds from the developer to put towards the ultimate Glenwood Interceptor.
- o Central WWTP lift station will be designed to pump 1.448 MGD (Average Daily Flow @ 3.30 Q peaking factor) so that the capacity of Glenwood Interceptor is maxed out at 100%.
- The proposed Central LS will utilize SCADA programming to maximize the capacity of the Central WWTP and pump the remaining flows through the abandoned Glenwood force main to the Glenwood wet well, where it will gravity flow to the South WWTP.
 - Central lift station must stop pumping flow to the South WWTP by 2033 per flow projections
 - When the lift station stops pumping flow to the South WWTP in September 2033, it will be diverting 1.009 MGD from Central WWTP to South WWTP.
- o Enclave lift station decommissioning and Brushy Creek interceptor will be designed to gravity flow to the South WWTP by April 2030.
- 18,000 linear feet of 36”-42” wastewater gravity line.
 - This project will also include a new permanent lift station on site at the South WWTF.
 - The Farley LS was redirected into the Enclave FM on February 22, 2019 per City.
 - Enclave LS and force main will be decommissioned due to reaching full capacity of the LS and in the interest of minimizing future maintenance costs for the city.







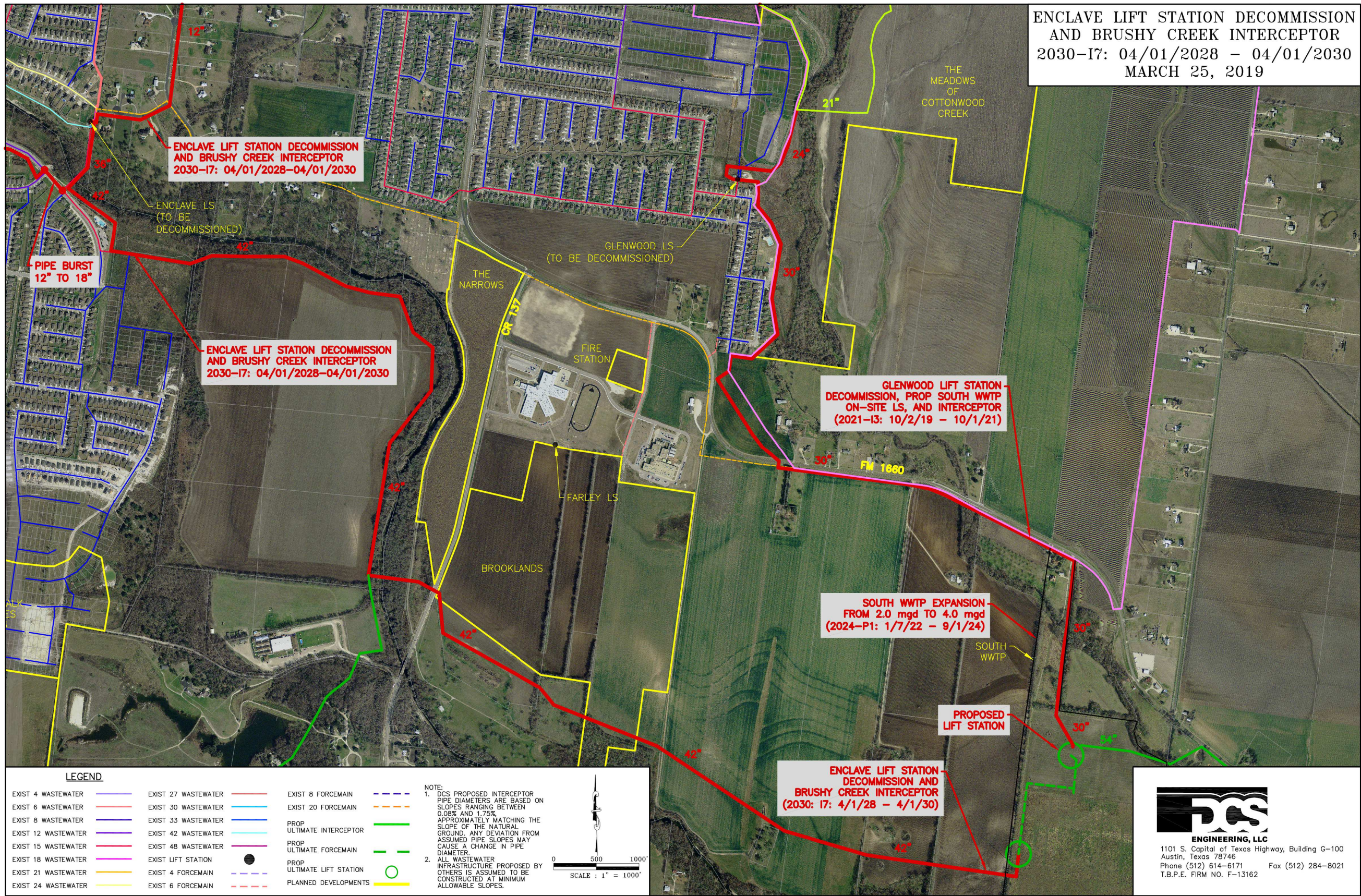








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Regular City Council
AGENDA ITEM
8.C.



To: City Council
Subject: A Resolution of the City of Hutto, Texas regarding River Creek Development Corporation Interlocal Agreement; Construction Contract; Loan Agreement; a Loan Placement Agreement; a Fiscal Agent Agreement; a Continuing Disclosure Agreement and a Representation Agreement and containing other matters related thereto.
Meeting: Regular City Council - 22 Aug 2019
Department: Economic Development
Staff Contact: Jessica Bullock,

BACKGROUND INFORMATION:

A Public Improvement District for the **Mustang** Creek project was created in June 2018. This Resolution allows for the final execution of critical documents for issuance of financing mechanisms for public improvements in the development.

As part of this development, public improvements include a new wastewater lift station, the construction of streets and improved access from FM 1660 and CR 118, a large open space (approximately 49 acres) of riparian zone natural area, meadows, and play field to be dedicated to the City to provide run and play areas and walkable access to future school, church and commercial developments on the north end of the subdivision.

FINANCIAL IMPACT:

This is a non-recourse loan-to-bond that will finance the development of the project.

RESOLUTION NO. R-

A RESOLUTION OF THE CITY OF HUTTO, TEXAS REGARDING RIVER CREEK DEVELOPMENT CORPORATION INTERLOCAL AGREEMENT; CONSTRUCTION CONTRACT; LOAN AGREEMENT; A LOAN SOLICITOR-PLACEMENT AGREEMENT; A FISCAL AGENT AGREEMENT; A CONTINUING DISCLOSURE AGREEMENT; ~~AND~~ A REPRESENTATION AGREEMENT AND CONTAINING OTHER MATTERS RELATED THERETO

RECITALS

WHEREAS, on June 7, 2018, the City Council of the City of Hutto, Texas (the "City") passed and approved Resolution No. R-18-06-07-9C authorizing the creation of the Mustang Creek Public Improvement District (the "District") pursuant to Chapter 372, Texas Local Government Code, as amended (the "PID Act"); and

WHEREAS, the District was created, in part, to undertake and finance the certain Public Improvements (as defined in the Interlocal Agreement) in the District Service and Assessment Plan and Assessment Roll approved by the City Council of the City dated _____, 2019, as amended from time to time (the "Service and Assessment Plan"); and

WHEREAS, the City desires to use the assessments collected by the District to purchase the Public Improvements; and

WHEREAS, the City has created the River Creek Development Corporation (the Corporation"); and

WHEREAS, the City and the Corporation desire to enter into that certain Interlocal Agreement dated _____, 2019 for the purchase and sale of the Public Improvements (the "Project") pursuant Chapter 372.023(a) of the PID Act (the "Interlocal Agreement"); and

WHEREAS, the Corporation and Hutto1660, L.P. desire to enter into that certain Construction Contract dated _____, 2019 (the "Construction Contract") for the construction and installation of the Project; and

WHEREAS, in order to provide funding for the payment of the Construction Contract for the construction and installation of the Project, the Corporation and Preston Hollow Capital, LLC will enter into that certain Loan Agreement dated _____, 2019 (the "Loan Agreement"); and

WHEREAS, in order to facilitate payments under the Loan Agreement, the Corporation, Preston Hollow Capital, LLC and _____, as fiscal agent, will enter into that certain Fiscal Agent Agreement dated _____, 2019 (the "Fiscal Agent Agreement"); and

WHEREAS, the Corporation intends to engage Stifel, Nicolaus & Company Incorporated as loan solicitor (the "Loan Solicitor") for the purpose of soliciting Preston Hollow Capital, LLC to make the Loan and accordingly shall enter into that certain Loan Solicitation

Agreement dated as of _____, 2019 with the Loan Solicitor and the Lender (the “Loan Solicitation Agreement”), and

WHEREAS, in connection with the Loan Solicitation Agreement and the engagement of the Construction Manager pursuant to the Construction Contract, the Corporation intends to enter into the Representation, Warranty and Indemnity Agreement with the Loan Solicitor, Hutto1660, L.P. and Preston Hollow Capital, LLC dated as of _____, 2019 (the “Representation Agreement”), and

WHEREAS, the City desires that in connection with the Corporation’s execution of the Loan Agreement that the Corporation enter into a Continuing Disclosure Agreement relating to the Loan Agreement and desires to approve the execution and delivery of the same.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS THAT:

Section 1. Recitals Incorporated. The findings, determinations and actions described in the recitals of this Resolution are true and correct, and are hereby incorporated and adopted as part of this Resolution for all purposes.

Section 2. Authorization to Enter Into Interlocal Agreement. The City hereby authorizes and directs the Corporation to enter into the Interlocal Agreement with the City, substantially in the form attached hereto as Exhibit A, the terms and provisions of which are hereby approved.

Section 3. Authorization to Enter Into Loan Agreement. The City hereby authorizes and directs the Corporation to enter into the Loan Agreement with the Preston Hollow Capital, LLC, substantially in the form attached hereto as Exhibit B, the terms and provisions of which are hereby approved.

Section 4. Authorization to Enter Into Construction Contract. The City hereby authorizes and directs the Corporation to enter into the Construction Contract with Hutto1660, L.P., substantially in the form attached hereto as Exhibit C, the terms and provisions of which are hereby approved.

Section 5. Authorization to Enter Into Continuing Disclosure Agreement. The City hereby authorizes and directs the Corporation to enter into the Continuing Disclosure Agreement, substantially in the form attached hereto as Exhibit D, the terms and provisions of which are hereby approved.

Section 6. Authorization to Enter Into Loan Solicitor Agreement. The City hereby authorizes and directs the Corporation to enter into the Loan Solicitor Agreement with the Loan Solicitor and Preston Hollow Capital, LLC, substantially in the form attached hereto as Exhibit E, the terms and provisions of which are hereby approved.

Section 7. Authorization to Enter Into Representation Agreement. The City hereby authorizes and directs the Corporation to enter into the Representation Agreement with Preston

Hollow Capital, LLC, the Loan Solicitor, and Hutto1660, L.P. substantially in the form attached hereto as Exhibit F, the terms and provisions of which are hereby approved.

Section 8. Authorization to Enter Into Fiscal Agent Agreement. The City hereby authorizes and directs the Corporation to enter into the Fiscal Agent Agreement with Preston Hollow Capital, LLC, the _____, as fiscal agent, and the Corporation in the form attached hereto as Exhibit G, the terms and provisions of which are hereby approved.

Section 9. Further Proceedings. The Chairman, the Board of Directors, and all officers and other appropriate officials of the Corporation are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Resolution and the agreements and instruments authorized herein.

Section 10. Notice. It is hereby found, determined and declared that a sufficient written notice of the date, hour, place and subject to the meeting of the City Council of the City at which this Resolution was adopted was posted at a place convenient and readily accessible at all times to the general public at the regular meeting place of the City for the time required by law preceding this meeting, as required by the Texas Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that the meeting has been open to the public as required by law at all times during which this Resolution and the subject matter thereof have been discussed, considered and formally acted upon. The City Council of the City further ratifies, approves and confirms such written notice and the contents and posting thereof.

Section 11. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

[signature page follows]

PASSED AND ADOPTED on first and final reading this _____, 2019.

CITY OF HUTTO, TEXAS

Mayor

ATTEST:

City Secretary

EXHIBIT A
INTERLOCAL AGREEMENT

EXHIBIT B
LOAN AGREEMENT

EXHIBIT C
CONSTRUCTION CONTRACT

EXHIBIT D
CONTINUING DISCLOSURE AGREEMENT

EXHIBIT E
LOAN SOLICITOR AGREEMENT

EXHIBIT F
REPRESENTATION AGREEMENT

EXHIBIT G
FISCAL AGENT AGREEMENT

INTERLOCAL AGREEMENT
(Mustang Creek Public Improvement District Project)

THIS INTERLOCAL AGREEMENT (this “**Agreement**”), entered into this 22nd day of August, 2019, is made by and between the (the “**City**”) and **RIVER CREEK DEVELOPMENT CORPORATION**, a public nonprofit corporation created by the City and organized under Chapter 431, Texas Transportation Code, as amended (the “**Corporation**”).

RECITALS

WHEREAS, on June 7, 2018, the City Council of the City of Hutto, Texas (the “**City**”) passed and approved Resolution No. R-18-06-07-9C authorizing the creation of the Mustang Creek Public Improvement District (the “**District**”) pursuant to Chapter 372, Texas Local Government Code, as amended (the “**PID Act**”); and

WHEREAS, on June 20, 2019 the City Council passed and approved Resolution No. R-19-06-20-_____, amending the boundaries of the District to match the boundaries of the Property; and

WHEREAS, the District was created, in part, to undertake and finance those certain Public Improvements (as defined herein) as approved by the City Manager (the “**Public Improvements**”) set forth in “**Exhibit B**” hereto and set forth in the Service and Assessment Plan and Assessment Roll approved by the City Council of the City dated August 22, 2019, as amended from time to time (the “**Service and Assessment Plan**”); and

WHEREAS, on August 22, 2019, the City Council passed and approved Ordinance No. _____ (the “**Assessment Ordinance**”) which, among other things, approved the Service and Assessment Plan which identified the amount of certain assessments on the benefitted property within the District (“**Assessments**”), and established the dates upon which interest on assessments will begin to accrue and collection of Assessments will begin; and

WHEREAS, in addition to approving the Service and Assessment Plan, the Assessment Ordinance levied the Assessments against certain parcels within the boundaries of the District for the Public Improvements in accordance with the Service and Assessment Plan; and

WHEREAS, Assessments are reflected in the Service and Assessment Plan as approved by the City Council, as amended and updated annually as provided in the PID Act; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full, and if an assessment is not paid in full, it shall be due and payable in Annual Installments (as defined in the SAP) plus interest; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, pursuant to Chapter 372.018(f) of the PID Act, that if an Annual Installment of an Assessment becomes delinquent, such Annual Installment shall be due and payable plus interest, penalties, and expenses incurred or imposed with respect to any delinquent installments; and

WHEREAS, the Service and Assessment Plan allocated the cost of the Public Improvements to the Assessed Parcels proportionally based on the special benefits conferred to each lot or parcel by the Public Improvements; and

WHEREAS, all revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs, and Administrative Expenses) (the “**Assessment Revenues**”) shall be deposited as required by the PID Act into an assessment fund created pursuant to the PID Act (the “**Assessment Fund**”);

WHEREAS, the City and the Corporation are entering into this Agreement (1) to administer certain matters related to the District, (2) for the purchase and sale by the City from the Corporation of the Public Improvements (the “**Project**”) pursuant Chapter 372.023(a) of the PID Act, (2) to authorize the Corporation to finance the costs of the Project, (3) fund certain funds under the Fiscal Agent Agreement (as defined herein) and (4) to authorize the Corporation to enter into a contract for the construction of the Public Improvements;

WHEREAS, in order to finance the Project, the Corporation shall enter into a Loan Agreement (the “**Loan Agreement**”) with the Preston Hollow Capital, LLC (the “**Lender**”);

WHEREAS, this Agreement shall be considered an installment sale contract under Chapter 372 of the PID Act;

WHEREAS, the Corporation and the Construction Manager (as defined herein) shall enter into a Construction Contract dated as of August 22, 2019 (“**Construction Contract**”), whereby the Construction Manager will construct the Public Improvements to be sold to the City by the Corporation under this Agreement; and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“**Administrative Expenses**” shall mean the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and

advisors, (ii) creating and organizing the District and preparing the assessment roll, (iii) computing, levying, collecting and transmitting the Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Assessments, (v) investing or depositing the Assessments, (vi) paying the paying agent/registrar's, fiscal agent's and trustee's fees and expenses (including the fees and expenses of its legal counsel), and (vii) administering the construction of the Public Improvements.

"Administrator" shall mean any entity that the City contracts with to administer the Service and Assessment Plan.

"Agreement" means this instrument as originally executed or as it may from time to time be supplemented or amended by one or more agreements supplemental hereto entered into pursuant to the applicable provisions hereof.

"Annual Installment" shall have the meaning ascribed for such term in the Service and Assessment Plan.

"Assessed Parcel" shall mean any Parcel within the District against which an Assessment is levied (Assessed Parcel does not include Non-Benefited Property) for the Public Improvements.

"Assessment Fund" shall mean the fund to which Assessment Revenues shall be deposited pursuant to the PID Act.

"Assessment Ordinance" shall mean Ordinance No. _____ passed and approved by the City Council on August 22, 2019.

"Assessment Revenues" shall mean all revenue received and collected by the City from the collection of the Assessments and Annual Installments, including foreclosure proceeds as described in Section 5.06(b) hereof (but excluding Delinquent Collection Costs, and Administrative Expenses).

"Assessments" shall mean the assessments levied against properties in the District, as provided for in the Assessment Ordinance and in the Service and Assessment Plan, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

"Construction Manager" shall mean Hutto1660, L.P., a Texas limited partnership, and their successors or permitted assigns.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement of the City and of the Corporation, dated as of August 22, 2019.

"Corporation" shall mean the River Creek Development Corporation.

"Debt" shall mean any bond, note, or other evidence of indebtedness incurred, entered into, or issued by the City or the Corporation related exclusively to the District.

“Delinquent Collection Costs” shall have the meaning set forth in the Service and Assessment Plan.

“District” shall mean Mustang Creek Public Improvement District.

“Fiscal Agent” shall mean UMB Bank, N.A. in its role as fiscal agent, and its successors and assigns.

“Fiscal Agent Agreement” shall mean the Fiscal Agent Agreement, dated as of August 22, 2019 by and between the Lender, the Corporation and the Fiscal Agent.

“Installment Payment Date” shall mean each March 15 and September 15 beginning March 15, 2020.

“Installment Payments” shall mean the payments from the City to the Corporation for the purchase of the Public Improvements as described in Section 6.02 and **“Exhibit C”** hereof; provided, however, such payments shall be adjusted to reflect any changes to the Service and Assessment Plan.

“Lender” shall mean Preston Hollow Capital, LLC.

“Loan Agreement” shall mean the Loan Agreement between the Corporation and the Lender.

“Non-Benefited Property” shall mean Parcels within the boundaries of the District that accrue no special benefit from the Public Improvements, including Owner Association Property, Public Property.

“Obligations” shall mean bonds, notes, loan agreements, installment sale contracts, lease purchase agreements, or other evidence of debt obligations.

“Owner’s Association” shall mean a homeowner’s association or property owner’s association.

“Owner Association Property” shall mean property within the boundaries of the District that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owner’s Association established for the benefit of property owners within the District.

“Parcel” shall mean a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purpose, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the Official Public Records of Williamson County, or by any other means determined by the City.

“PID Act” shall mean Chapter 372, Texas Local Government Code, as amended.

“Project” shall mean the purchase and sale by the City from the Corporation of the Public Improvements.

“Public Improvements” are the improvements set forth in **“Exhibit B”** hereto.

“Public Property” shall mean property, real property, right of way and easements located within the boundaries of the District that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an easement, or by plat.

“Purchase Price” shall mean the sum of all Installment Payments to be paid by the City to the Corporation for the Project.

“Segment” or **“Segments”** shall mean the portions of the Public Improvements identified as such.

“Service and Assessment Plan” shall mean that certain Service and Assessment Plan and Assessment Roll approved by the City Council of the City dated August 22, 2019, as amended from time to time.

All references in this instrument to designated “Articles,” “Sections” and other subdivisions are to the designated Articles, Sections and other subdivisions of this instrument as originally executed. The words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Agreement as a whole and not to any particular Article, Section or other subdivision.

The titles and headings of the articles and sections of this Agreement have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Agreement and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

INCORPORATION OF RECITALS

The RECITALS set forth in the Preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Article.

ARTICLE III

SCOPE OF AGREEMENT

This Agreement establishes provisions for the Corporation to act on behalf of the City in the financing of, and contracting for the construction of, the Public Improvements pursuant to the Loan Agreement and the Construction Contract, respectively (Article IV), the apportionment, levying, collection of Assessments on the Assessed Parcels (Article V), and the installment sale and purchase of the Public Improvements (Article VI).

ARTICLE IV

POWERS AND DUTIES OF THE CORPORATION

Section 4.01 Construction Contract and Loan Agreement. The City authorizes the Corporation to enter into the Construction Contract and the Loan Agreement. The Corporation will request, and the City agrees that it shall assist the Corporation in complying with any applicable requirements of the Corporation set forth in the Construction Contract and the Loan Agreement.

Section 4.02 Power to Incur Other Obligations. Subject to the provisions of this Agreement, the Corporation shall have the power from time to time to incur other Obligations and enter into contracts with consultants upon such terms and conditions as the Corporation shall determine to be necessary or desirable, subject to the approval of the City.

ARTICLE V

ASSESSMENTS

Section 5.01 Preliminary Matters.

(a) The Service and Assessment Plan will be updated and amended by the City or its Administrator at least once per year, and submitted for the City Council's review and approval.

(b) Assessments on any portion of the Assessed Parcels will bear a direct proportional relationship to and be less than or equal to the special benefit of the Public Improvements within the District.

(c) Assessments on any portion of the Assessed Parcels may be increased so long as the Assessments are determined in accordance with the Service and Assessment Plan approved by the City in compliance with applicable laws, including applicable public hearing requirements.

(d) The Assessed Parcels may also be subject to an Owner's Association assessment, which shall not be set forth in the Service and Assessment Plan and is not pledged to the Installment Payments.

(e) The City, through its City Manager, may request any additions to the Project or any component thereof whenever the City deems such changes to be necessary and appropriate; provided, however, that no such change shall (a) impair the ability of the City to make the Installment Payments, (b) increase or reduce the amount of the Installment Payments, (c) cause to be included in the Project any property not constituting property useful in the performance of the City's powers, projects and purposes, (d) cause the Public Improvements or any such component thereof to have an estimated useful life materially shorter than the estimated useful life of the Public Improvements or such component prior to such change, or (e) include any property or improvement not authorized by the PID Act. Any such change shall be implemented by City's filing with the Corporation and the Lender a description of such change and the adoption of an updated Service and Assessment Plan. Upon such filing, the description of the

Public Improvements contained in “**Exhibit B**” shall be deemed to have been modified in accordance therewith. No such change shall constitute an amendment, change, modification or alteration of this Agreement.

Section 5.02 Construction of Public Improvements. The Corporation shall cause the construction of the Public Improvements consistent with the terms of the Construction Contract. Nothing contained in this Agreement, however, shall be construed as creating a contractual obligation that controls, waives, or supplants the City Council’s legislative discretion or functions.

Section 5.03 Collection of Assessments.

(a) The City, as authorized by the PID Act and other applicable law, shall continuously collect or cause to be collected Assessments levied pursuant to the Service and Assessment Plan during the terms of this Agreement and the Loan Agreement in the manner and to the extent permitted or required by the PID Act and any applicable law. The City will not permit a reduction, abatement, or exemption in the Assessments due on any portion of the Assessed Parcels until the Assessments related to that particular portion of the Assessed Parcels are no longer outstanding, other than as provided in Section 6.06 hereto, whether as a result of payment in full, defeasance, or otherwise. The City shall collect the Assessments consistent with the requirements of the PID Act and the City’s policies and standard practices applicable to the collection of City taxes and assessments, as required by law. All Administrative Expenses incurred by the City shall be paid from the Administrative Expense portion of the Annual Installment of the Assessments.

(b) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan and the Assessment Revenues collected annually will be deposited in the Assessment Fund and used thereafter to pay the Installment Payments.

(c) Further notwithstanding anything to the contrary contained herein, the City agrees to use best efforts to contract with Williamson County Tax Collector for the collection of the Assessments such that the Assessments will be included on the ad valorem tax bill(s) for the Assessed Parcels and will be collected as part of and in the same manner as ad valorem taxes. All Administrative Expenses incurred by the City and the County shall be paid from the administrative portion of the Annual Installments of the Assessments.

Section 5.04 Approval and Recordation of Assessments through Landowner Agreement. Concurrent with the levy of Assessments on the Assessed Parcels, the owners of the Assessed Parcels (“**Owners**”) executed one or more Landowner Agreement(s) (herein so called) in which the Owners approved and accepted the apportionment of Assessments in the Service and Assessment Plan and the levy of the Assessments by the City. The Landowner Agreement further (a) evidences that the Assessments are covenants running with the land that will bind any and all current and successor owners of the applicable Assessed Parcels to the Assessments, including applicable penalties and interest thereon, as and when due and payable thereunder, (b) provides that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and (c) provides that the lien created by the levy of the Assessments is a first and prior lien on the Assessed Parcels, subject only to liens for ad

valorem taxes of the City, County, school district, special district or other political subdivision, or a lien of the Department of Treasury of the United States of America.

Section 5.05 Transfer. The Corporation's right, title and interest to the payments of Purchase Price shall be the sole and exclusive property of Corporation (or its Transferee) and no other third party shall have any claim or right to such funds unless the Corporation transfers its rights to its Purchase Price to a Transferee in writing and otherwise in accordance with the requirements set forth herein. The Corporation has the right to convey, transfer, assign, mortgage, pledge, or otherwise encumber, in whole or in part, all or any portion of the Corporation's right, title, or interest under this Agreement including, but not limited to, any right, title or interest of the Corporation in and to payment of its Purchase Price (a "**Transfer**," and the person or entity to whom the transfer is made, a "**Transferee**"). Notwithstanding the foregoing, no Transfer shall be effective until written notice of the Transfer, including the name and address of the Transferee, is provided to the City. The City shall review and approve the transfer.

Section 5.06 Summary of City Responsibilities. Notwithstanding any other provision of this Agreement, the City's responsibility under this Agreement shall be limited as follows:

(a) The City shall have no responsibility for administration, assessment, collection or payment of any amounts except as specifically provided in this Agreement and the Service and Assessment Plan.

(b) The City's sole obligations with respect to the Assessments are to:

(i) Contract with the Williamson County Appraisal District or other third party to collect the Assessments;

(ii) Establish the assessment account provided in the Service and Assessment Plan (referred to herein as the Assessment Fund) to receive the funds collected from Assessments;

(iii) Collect and pay Administrative Expenses as provided herein;

(iv) Direct the Administrator (i) to take all reasonable efforts to collect Annual Installments and Assessments including foreclosure of any lien securing delinquent Assessment or Annual Installment thereof as provided in Section 7.01 and (ii) to provide any certificates or letters of representation as may be requested by the Lender relating to the Service and Assessment Plan, the Assessments, or the Annual Installments or other matters as may be reasonably requested by the Lender;

(v) Deposit Annual Installments and Assessment Revenues received, including funds received from foreclosure sales and prepayment of Assessments, into the Assessment Fund;

(vi) Purchase the Public Improvements with funds from the Assessment Fund;

(vii) Transfer funds out of the Assessment Fund to the Fiscal Agent as provided in this Agreement;

(viii) Provide and comply with the provisions of the Tax Certificate, attached as "**Exhibit D**"; and

(ix) Provide the IRS 8038-G form related to the City's obligations under Article VI hereof, attached as "**Exhibit E**."

(c) The City liability for payment of any funds under this Agreement is limited to payment of funds in the Assessment Fund. The City shall have no obligation to pay funds from any other source including the City's general operating funds.

ARTICLE VI

PURCHASE AND SALE OF THE PUBLIC IMPROVEMENTS

Section 6.01 Purchase and Sale of Public Improvements. The City hereby purchases from the Corporation, and the Corporation hereby sells to the City, the Public Improvements in accordance with the provisions of this Agreement. Upon acceptance by the City of Public Improvements or Segment thereof, all right, title and interest in such Public Improvements or Segment thereof shall vest in the City without further action on the part of the City or the Corporation. Completion of the Public Improvements, shall not serve to terminate the obligation to provide the 100% warranty bond as described in the Construction Contract. The City hereby approves and accepts an initial acquisition cost of \$1,107,158.50 of the Public Improvements and such initial acquisition cost shall not need any further approvals by the City.

Section 6.02 Installment Payments.

(a) The purchase price to be paid by the City to the Corporation for the purchase of the Project shall be the sum of all Installment Payments (the "Purchase Price"). The City shall pay to the Corporation the Purchase Price in Installment Payments, as provided herein. A portion of the Installment Payments shall constitute principal components and a portion of the Installment Payments shall constitute interest components. The interest components of the Installment Payments shall be paid by the City as and constitute interest paid on the principal components of the Installment Payments as provided in Section 372.023(e) of the PID Act. Subject to prepayment as provided in Section 5.03(a) and Section 6.06 hereof, the Installment Payments shall be due and payable on the Installment Payment dates in the amounts set forth in "**Exhibit C**" attached hereto and by this reference incorporated herein.

(b) The Installment Payments shall be special obligations of the City, payable, as provided herein, solely from Assessment Revenues.

(c) Each Installment Payment shall be paid in lawful money of the United States of America, in immediately available funds.

(d) Unless otherwise so requested by the Corporation, the Corporation hereby directs the City to deposit each Installment Payment and the City agrees to deposit each Installment Payment and any other payment under this agreement with the Fiscal Agent in account no. _____.

(e) So long as no Event of Default has occurred, the Corporation shall be obligated to cause the construction of the Public Improvements consistent with the terms of the Construction Contract.

Section 6.03 Obligation Absolute.

(a) Neither the faith and credit nor the taxing power of the City, the Corporation, the State of Texas nor any political subdivision or agency thereof is pledged to the payment of the Installment Payments or other payments required to be made by the City pursuant hereto.

(b) The obligation of the City to make the Installment Payments and other payments required to be made by it pursuant hereto, solely from the sources and in the manner provided herein, is absolute and unconditional, and until such time as the Installment Payments and such other payments shall have been paid in full, the City shall not discontinue or suspend any Installment Payment or other payment required to be made by it pursuant hereto when due, or dissolve the Corporation.

Section 6.04 Pledge. Subject only to the provisions of this Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the payment of the Purchase Price in accordance with the provisions of this Agreement and the PID Act, the City hereby pledges to the Corporation, and grants thereto a lien on and a security interest in all of the Assessment Revenues. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the City, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Agreement, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

Section 6.05 Assessment Fund.

(a) The City shall establish the Assessment Fund. The Assessment Fund shall be maintained, administered and controlled (including signatory authority) by the City and shall not be commingled with any other funds of the City except as provided herein. The funds in the Assessment Fund shall be dedicated solely to the payment of Installment Payments, Delinquent Collection Costs, and Administrative Expenses. Funds in the Assessment Fund shall be deposited and disbursed in accordance with this Agreement, the Loan Agreement, the Fiscal Agent Agreement and the Construction Contract.

(b) On or before each Installment Payment Date, the City shall withdraw from the Assessment Fund in an amount equal to the Installment Payment payable on such Installment Payment Date and shall pay such amount to the Corporation in the manner set forth in Section 6.02(d) hereof.

(c) On September 16 of each year, the City shall transfer any remaining amounts in the Assessment Fund (excluding any Delinquent Collection Costs, and Administrative Expenses) to the Fiscal Agent as a prepayment under Section 6.06 hereof

Section 6.06 Mandatory Prepayment from Assessments Prepayments.

(a) The Installment Payments shall be subject to mandatory prepayment from any prepaid Assessment to be applied to such prepayment, in whole or in part, within 30 days of the receipt of such prepaid Assessment by the City, at a prepayment price equal to 100% of the principal component of the Installment Payments to be prepaid, plus the accrued but unpaid interest component of such Installment Payments to be prepaid to the date of such prepayment.

(b) If less than all of the Installment Payments are prepaid pursuant to this Section, the Installment Payments shall be prepaid on a pro rata basis based on the principal components thereof and interest from the immediately preceding April 1 or October 1 interest payment on the Note, to the extent practicable.

(c) The City shall give the Corporation and the Fiscal Agent written notice of the receipt by the City of prepaid Assessments within ten business days of such receipt and shall specify in such written notice the date on which the Installment Payments to be prepaid from such prepaid Assessment will be so prepaid, which date, as provided in subsection (a) of this Section, shall be within 30 days of such receipt.

ARTICLE VII

REPRESENTATIONS, WARRANTIES, AND COVENANTS

Section 7.01 Representations and Warranties of the City. The City makes the following covenants, representations and warranties for the benefit of the Corporation:

(a) The City is a municipal corporation and political subdivision of the State of Texas, duly incorporated, organized and existing under the Constitution and general laws of the State, and has full legal right, power and authority under the PID Act and other applicable law (i) to enter into, execute and deliver this Agreement, (ii) to adopt the Assessment Ordinance, and (iii) to carry out and consummate the transactions contemplated by this Agreement.

(b) The City shall approve all necessary documents and orders required to effectuate the Service and Assessment Plan and Assessment Ordinance.

(c) The City shall comply with all requirements of the PID Act so as to assure the timely collection of Assessments and the Annual Installments thereof.

(d) The City shall determine or cause to be determined, no later than August 15 of each year, whether or not any owners of property within the City are delinquent in the payment of Assessment and, if such delinquencies exist, City shall order and cause to be commenced no later than 45 days after the determination of such delinquency, and thereafter diligently cause to be prosecuted pursuant to any then-existing contract with the County Tax Assessor/Collector or, if no contract, pursuant to Texas law, for the enforcement of the City's assessment liens, an action in court to foreclose the lien of any Assessment or Annual Installment thereof not paid when due.

(e) The City shall not issue or incur any Debt payable from the Assessments.

-11-

4134-3436-7516.4

(f) The City shall not initiate proceedings under the PID Act to modify the amount of the Assessments if such modification would adversely affect the security for the Installment Payments.

(g) The City and the Corporation shall enter into and comply with the Continuing Disclosure Agreement as set forth hereto as “**Exhibit F**”.

(h) The City shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on this Agreement under Section 103 of the Code. Without limiting the generality of the foregoing, the City shall comply with the requirements of the Tax Certificate, to be provided by the City to the Lender, in substantially the form set forth in “**Exhibit D**.” In addition, The City shall provide to the Lender and file with the Internal Revenue System an executed Form 8038-G related to this Agreement in the form set forth in “**Exhibit E**” hereto.

Section 7.02 Covenants and Representations of Corporation. The Corporation makes the following representations and covenants for the benefit of the City:

(b) The Corporation represents that the Corporation is a public nonprofit corporation created by the City and organized under Chapter 431, Texas Transportation Code, as amended, has the ability to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(c) The Corporation represents that the Corporation has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Corporation.

(d) The Corporation represents that this Agreement is a valid and enforceable obligation of the Corporation and is enforceable against the Corporation in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors’ rights in general and by general equity principles.

(e) The Corporation covenants that it will not commit or knowingly permit any act in, upon or to the Assessed Parcels or the Project in violation of any law, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the Assessed Parcels or the Project.

(f) Until the final acceptance of each applicable Public Improvement, the Corporation covenants to maintain or cause to be maintained proper books of record and account for the Public Improvements and all costs related thereto. The Corporation covenants that such accounting books will be maintained or caused to be maintained in accordance with City policies and sound accounting practices, and will be available for inspection by the City or its agent at any reasonable time during regular business hours upon at least 72 hours’ notice.

ARTICLE VIII

DEFAULT AND REMEDIES

Section 8.01 Event of Default. The occurrence, from time to time, of any one or more of the following events shall constitute an “Event of Default” under this Agreement:

(a) A failure by City to pay any Installment Payment when and as the same shall become due and payable.

(b) Either of the City or the Corporation (a “Party”) shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe or comply with any of its covenants, agreements or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

Section 8.02 No Acceleration. The Installment Payments shall not be subject to acceleration hereunder.

Section 8.03 Corporation Remedies. If an Event of Default shall have occurred and be continuing, Corporation or any Transferee, shall have the right:

(a) by mandamus, suit, action or proceeding, to compel City and its officers, agents or employees to perform each and every term, provision and covenant contained in this Agreement, and to require the carrying out of any or all such covenants and agreements of City and the fulfillment of all duties imposed upon it by this Agreement;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the rights of the Corporation or any Transferee; or

(c) by suit, action or proceeding in any court of competent jurisdiction in Williamson County, Texas, to require City and its officers and employees to account as if it and they were the trustees of an express trust.

Section 8.04 City Remedies. If an Event of Default shall have occurred and be continuing, City, shall have the right to bring a suit, action or proceeding in any court of competent jurisdiction, to require Corporation to exercise its rights under any available payment and performance bond and warranty bond for the construction of the Public Improvements as provided in the Construction Contract.

Section 8.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to City or the Corporation is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 8.06 Termination of Proceedings. In case any proceedings taken by Corporation or any Transferee on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to Corporation, then in every such case City and Corporation, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of City and Corporation shall continue as though no such proceedings had been taken.

Section 8.07 No Waiver of Default. No delay or omission of the City or the Corporation to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Agreement to the City or the Corporation may be exercised from time to time and as often as may be deemed expedient.

ARTICLE IX

GENERAL PROVISIONS

Section 9.01 Notices. Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to the City:	City of Hutto, Texas Attention: Odis Jones, City Manager 500 W. Live Oak Street Hutto, Texas 78634 E-mail: odis.jones@huttotx.gov
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If to the Construction Manager:	Hutto1660, L.P. Attention: 12306 Technology Boulevard Austin, Texas 78727 E-Mail:
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If to the Corporation:	River Creek Development Corporation Attention: Chair 500 W. Live Oak Street Hutto, Texas 78634 E-mail: odis.jones@huttotx.gov
------------------------	---

If to the Fiscal Agent:	UMB Bank, N.A. 6034 W. Courtyard Dr., Suite 370 Austin, Texas 78730 Email: jose.gaytan@umb.com
If to the Lender:	Preston Hollow Capital, LLC Attention: John Dinan, General Counsel 1717 Main Street, Suite 3900 Dallas, Texas 75201 E-Mail: jdinan@phcllc.com
With a copy to:	Metcalfe Wolff Stuart & Williams, LLP Attention: Steve Metcalfe 221 W. 6th, Suite 1300 Austin, Texas 78701 E-Mail: SMetcalfe@mwswtexas.com
	McGinnis Lochridge Attention: Bill Bingham 600 Congress Ave., Suite 2100 Austin, Texas 78701 E-Mail: bbingham@mcginnislaw.com

Section 9.01 Administration of District. Pursuant to a separate agreement, the Corporation may contract with a third party to serve as the Administrator and to administer the District after the date hereof. The Administrative Expenses shall be collected as part of and in the same manner as the Annual Installments and the Assessments in the amounts set forth in the Service and Assessment Plan.

Section 9.02 Construction of Certain Terms. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (a) Words importing a gender include either gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.

(e) A reference to any Party includes, with respect to the Corporation, its Transferees, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.

(f) All references in this Agreement to designated “Articles,” “Sections,” and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to “Exhibits” are to the designated Exhibits to this Agreement.

(g) The words “herein,” “hereof,” “hereto,” “hereby,” “hereunder,” and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.

(h) The words “including” and “includes,” and words of similar import, are deemed to be followed by the phrase “without limitation.”

(i) Unless the context otherwise requires, a reference to the “Assessed Parcels,” the “Public Improvements,” or the “District” is deemed to be followed by the phrase “or a portion thereof.”

(j) Every “request,” “order,” “demand,” “direction,” “application,” “appointment,” “notice,” “statement,” “certificate,” “consent,” “approval,” “waiver,” “identification,” or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such Party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting Party shall not apply in the interpretation of this Agreement.

Section 9.03 Titles and Headings. The titles of the Articles, and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 9.04 Amendments. This Agreement may be amended, modified, revised or changed by written instrument executed by the Parties. Approval of amendments on behalf of the City have been delegated to and may be made by the City Manager.

Section 9.05 Time. In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 9.06 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 9.07 Entire Agreement. This Agreement contains the entire agreement of the Parties.

Section 9.08 Severability; Waiver. If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 9.9 Third Party Beneficiary. Any Transferee of the Corporation is a third party beneficiary of this Agreement and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if such Transferee was a party hereto.

Section 9.10 Exhibits. The following exhibits are attached to and incorporated into this Agreement for all purposes:

- | | | |
|-----------|---|---------------------------------|
| Exhibit A | – | Service and Assessment Plan |
| Exhibit B | – | Public Improvements |
| Exhibit C | – | Installment Payments |
| Exhibit D | – | Tax Certificate |
| Exhibit E | – | IRS 8038-G |
| Exhibit F | – | Continuing Disclosure Agreement |

[EXECUTION PAGES FOLLOW]

IN TESTIMONY OF WHICH this Agreement has been executed on behalf of the Corporation and the City.

CITY OF HUTTO, TEXAS

City Manager

ATTEST/SEAL:

City Secretary

**RIVER CREEK DEVELOPMENT
CORPORATION**

Chair, Board of Directors

ATTEST:

Secretary, Board of Directors

EXHIBIT A
SERVICE AND ASSESSMENT PLAN

4134-3436-7516.4

Exhibit A

EXHIBIT B
PUBLIC IMPROVEMENTS

- **Site Work, Site Grading, and Drainage:** Extensive grading and site balancing along with in-line detention designs will be implemented to reclaim considerable amounts of land inside the development. Due to the soil conditions in the area, the residential pad sites will also be moisture conditioned to provide increased stabilization and improved compaction conditions for residence foundations. The site also contains over 6,500' linear feet of underground storm drain ranging from 18" to 48" in diameter. The combined drainage system allows the subdivision to maximize the land usage within the development and provide an oversized stormwater system to efficiently, effectively and safely remove the storm water from the subdivision all while maintaining the current storm water levels required as the water exits the site.
- **Neighborhood Streets:** 18,129 linear feet of residential local (30' width) and collector streets (44' width) utilizing a total of 23.18 acres will be created throughout the subdivision to provide improved access within the subdivision as well as to FM1660 and future CR118 roadways.
- **Wastewater:** A new wastewater lift station will be constructed on .27 acres in the southeastern corner of the property and will serve the entire subdivision. The system includes the associated dedicated land along with 7,000 linear feet of force mains, over 17,000 linear feet of gravity lines and new easement dedications for future expansions.
- **Erosion and Sedimentation Control:** The erosion and sediment improvements consist of silt barriers and other methods to best stabilize the improvements being constructed.
- **Engineering and Planning Costs:** Engineering fees and other expenses associated with the Authorized Improvements described above.
- **Parks and Open Space:** A large open space (approximately 49 acres) of riparian zone natural area, meadows, and play field to be dedicated to the City to provide run and play areas and walkable access to future school, church and commercial developments on the north end of the subdivision. An additional .29-acre amenity center lot will be near the entry of the subdivision and enhanced with playground equipment for neighborhood use.

Exhibit B

4134-3436-7516.4

EXHIBIT C

INSTALLMENT PAYMENTS

Installment Payment Date	Installment Principal	Installment Interest	Semi-Annual Total	Annual Total
3/15/2020	-	367,101.05	367,101.05	
9/15/2020	50,000.00	264,621.81	314,621.81	681,722.86
3/15/2021	-	313,997.44	313,997.44	
9/15/2021	100,000.00	263,222.44	363,222.44	677,219.88
3/15/2022	-	310,698.69	310,698.69	
9/15/2022	105,000.00	260,423.69	365,423.69	676,122.38
3/15/2023	-	307,235.00	307,235.00	
9/15/2023	110,000.00	257,485.00	367,485.00	674,720.00
3/15/2024	-	303,606.38	303,606.38	
9/15/2024	115,000.00	254,406.38	369,406.38	673,012.76
3/15/2025	-	299,812.81	299,812.81	
9/15/2025	120,000.00	251,187.81	371,187.81	671,000.62
3/15/2026	-	295,854.31	295,854.31	
9/15/2026	130,000.00	247,829.31	377,829.31	673,683.62
3/15/2027	-	291,565.94	291,565.94	
9/15/2027	135,000.00	244,190.94	379,190.94	670,756.88
3/15/2028	-	287,112.63	287,112.63	
9/15/2028	140,000.00	240,412.63	380,412.63	667,525.26
3/15/2029	-	282,494.38	282,494.38	
9/15/2029	150,000.00	236,494.38	386,494.38	668,988.76

Exhibit C

4134-3436-7516.4

3/15/2030	-	277,546.25	277,546.25	
9/15/2030	160,000.00	232,296.25	392,296.25	669,842.50
3/15/2031	-	272,268.25	272,268.25	
9/15/2031	165,000.00	227,818.25	392,818.25	665,086.50
3/15/2032	-	266,825.31	266,825.31	
9/15/2032	175,000.00	223,200.31	398,200.31	665,025.62
3/15/2033	-	261,052.50	261,052.50	
9/15/2033	185,000.00	218,302.50	403,302.50	664,355.00
3/15/2034	-	254,949.81	254,949.81	
9/15/2034	195,000.00	213,124.81	408,124.81	663,074.62
3/15/2035	-	248,517.25	248,517.25	
9/15/2035	210,000.00	207,667.25	417,667.25	666,184.50
3/15/2036	-	241,589.88	241,589.88	
9/15/2036	220,000.00	201,789.88	421,789.88	663,379.76
3/15/2037	-	234,332.63	234,332.63	
9/15/2037	230,000.00	195,632.63	425,632.63	659,965.26
3/15/2038	-	226,745.50	226,745.50	
9/15/2038	245,000.00	189,195.50	434,195.50	660,941.00
3/15/2039	-	218,663.56	218,663.56	
9/15/2039	260,000.00	182,338.56	442,338.56	661,002.12
3/15/2040	-	210,086.81	210,086.81	
9/15/2040	275,000.00	175,061.81	450,061.81	660,148.62
3/15/2041	-	201,015.25	201,015.25	
9/15/2041	290,000.00	167,365.25	457,365.25	658,380.50
3/15/2042	-		191,448.88	

Exhibit C

4134-3436-7516.4

		191,448.88		
9/15/2042	305,000.00	159,248.88	464,248.88	655,697.76
3/15/2043	-	181,387.69	181,387.69	
9/15/2043	325,000.00	150,712.69	475,712.69	657,100.38
3/15/2044	-	170,666.75	170,666.75	
9/15/2044	340,000.00	141,616.75	481,616.75	652,283.50
3/15/2045	-	159,451.00	159,451.00	
9/15/2045	360,000.00	132,101.00	492,101.00	651,552.00
3/15/2046	-	147,575.50	147,575.50	
9/15/2046	380,000.00	122,025.50	502,025.50	649,601.00
3/15/2047	-	135,040.25	135,040.25	
9/15/2047	405,000.00	111,390.25	516,390.25	651,430.50
3/15/2048	-	121,680.31	121,680.31	
9/15/2048	430,000.00	100,055.31	530,055.31	651,735.62
3/15/2049	-	107,495.69	107,495.69	
9/15/2049	455,000.00	88,020.69	543,020.69	650,516.38
3/15/2050	-	92,486.38	92,486.38	
9/15/2050	480,000.00	75,286.38	555,286.38	647,772.76
3/15/2051	-	76,652.38	76,652.38	
9/15/2051	505,000.00	61,852.38	566,852.38	643,504.76
3/15/2052	-	59,993.69	59,993.69	
9/15/2052	535,000.00	47,718.69	582,718.69	642,712.38
3/15/2053	-	42,345.38	42,345.38	
9/15/2053	570,000.00	32,745.38	602,745.38	645,090.76
3/15/2054	-	23,542.50	23,542.50	

Exhibit C

4134-3436-7516.4

9/15/2054	600,000.00	16,792.50	616,792.50	640,335.00
	9,455,000.00	13,676,471.82	23,131,471.82	23,131,471.82

EXHIBIT D

FORM OF TAX CERTIFICATE

This Tax Certificate is executed and delivered by the City of Hutto, Texas, a municipal corporation and a home-rule city in the State of Texas (the “City”) in connection with the execution and delivery of the Interlocal Agreement, dated as of _____, 2019 (the “Agreement”), entered into between the City and the River Creek Development Corporation, a governmental nonprofit corporation created by the City (the “Corporation”). Pursuant to the Agreement, the City is purchasing the Public Improvements pursuant to an installment sale. Simultaneously, the Corporation will enter into a Loan Agreement, dated as of _____, 2019 (the “Loan Agreement”) with Preston Hollow Capital, LLC to finance the construction of the Purchased Improvements (defined below). The representations of facts and circumstances and covenants of the City made herein are in furtherance of the covenants of the City set forth in Section 7.01(h) of the Agreement.

ARTICLE 1

IN GENERAL

1.1 **The Corporation.** The City created the Mustang Creek Public Improvement District (the “District”) pursuant to Chapter 372, Texas Local Government Code, as amended (the “PID Act”) and is authorized under the PID Act to levy and collect Assessments during the term of the Agreement in the manner and to the extent permitted or required by the PID Act and any applicable law to pay for Public Improvements within the District. The Corporation is authorized to enter into the Agreement pursuant to Chapter 372.023(a) and (d) of the PID Act.

1.2 **Delivery of the Agreement.** On the date hereof, the Corporation and the City have executed and delivered the Agreement.

1.3 **Purpose of Tax Certificate.** The City is delivering this Tax Certificate to Orrick, Herrington & Sutcliffe LLP, as bond counsel (“Bond Counsel”), with the understanding that Bond Counsel will rely in part upon this Tax Certificate in rendering its opinion that interest on the Installment Payments is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986, as amended. Bond Counsel has relied on this Tax Certificate in advising that the Agreement is a “tax-exempt bond” within the meaning of Section 148(b)(3)(A) in the Code the interest on which is excluded from gross income for federal income tax purposes and which is not subject to the federal alternative minimum tax.

1.4 **Purpose of Financing.** The Agreement is being executed and delivered to finance, construct and acquire certain Public Improvements (the “Purchased Improvements”), as further described in Exhibit B of the Agreement. See Exhibit B attached hereto for the detailed costs of the Purchased Improvements.

Exhibit C

4134-3436-7516.4

1.5 **Single Issue; Separate Issue.** No other governmental obligations which are expected to be paid out of substantially the same source of funds as in the Agreement have been or will be sold within the 31-day period beginning 15 days before the Sale Date of the Agreement pursuant to the same plan of financing as the Agreement.

1.6 **Definitions.** Capitalized terms used and not otherwise defined herein shall have the respective meanings set forth in the Agreement. Unless the context otherwise requires, the following capitalized terms have the following meanings:

“Bona Fide Debt Service Funds” means those funds and accounts identified in Section 3.4.3 of this Tax Certificate.

“Bond Year” means the twelve-month period beginning on _____ in each year and extending to the next succeeding _____, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on _____, 2020 (or on an earlier date selected by the City in accordance with Treasury Regulations Section 1.148-1(b)).

“Closing Date” means the date of this Tax Certificate.

“Code” means the Internal Revenue Code of 1986 (including amendments thereto).

“Governmental Unit” means any state, or political subdivision of a state, but excludes the United States and its agencies or instrumentalities.

“Gross Proceeds” has the meaning used in Section 1.148-1(b) of the Treasury Regulations, and generally means all proceeds derived from or relating to the Agreement, including Installment Payments and other amounts expected to be used to pay the Installment Payments.

“Investment Proceeds” means earnings received from investing and reinvesting Installment Payments and from investing and reinvesting such earnings.

“Investment Property” means any security or obligation, any annuity contract, or any other investment type property, but does not include any Tax-Exempt Bond unless such obligation is a “specified private activity bond” within the meaning of Section 57(a)(5)(C) of the Code.

“Nongovernmental Person” means any person or entity other than a Governmental Unit.

“Nonpurpose Investment” means any Investment Property in which Gross Proceeds are invested.

“Opinion of Counsel” means a written opinion of nationally recognized bond counsel, delivered to the Trustee, to the effect that the exclusion from gross income for federal income tax purposes of interest on the Installment Payments will not be adversely affected.

“Rebate Requirement” means the amount of rebatable arbitrage computed as of the last day of any Bond Year pursuant to Section 1.148-3 of the Treasury Regulations.

“Tax-Exempt Bond” means any obligation the interest on which is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code or Section 103 of the Internal Revenue Code of 1954, as amended (the “1954 Code”), and Title XIII of the Tax Reform Act of 1986, as amended, as well as stock in a regulated investment company to the extent at least 95 percent of income to the stockholder is treated as interest that is excludable from gross income under Section 103 of the Code.

“Yield” means that discount rate described in Section 4.1 of this Tax Certificate.

ARTICLE 2

GENERAL TAX LIMITATIONS

2.1 Governmental Bond Status.

2.1.1 **No Private Loan.** Absent an Opinion of Counsel, the City will not loan more than 5% of the Gross Proceeds to one or more Nongovernmental Persons except for deemed loans to property owners within the District, resulting from the imposition of the Assessments where such loans enable the City to finance a specific essential governmental function, such as the Purchased Improvements, and such loans are paid with the proceeds of a governmental assessment of general application, such as the Assessments.

2.1.2 **Compliance with Certain Federal Tax Rules Relating to Assessment Districts.** The City certifies that the Assessments which are being levied in connection with the Agreement are an enforced obligation that are being imposed and collected for the purpose of raising revenue to pay for the capital costs of the Public Improvements that comprise the Purchased Improvements. The Assessments are being imposed and collected pursuant to a state law of general application that is applicable equally to natural persons not acting in a trade or business and to persons acting in a trade or business. Owners of both business and nonbusiness property benefiting from Purchased Improvements are eligible (or required) to make deferred payments of the Assessments, through the payment of an allocable portion of debt service on the Agreement, on an equal basis, and such deferred payments of the Assessments are payable pursuant to the same terms for all persons subject to the Assessments.

2.1.3 **No Private Activity Bonds.** Absent an Opinion of Counsel, the City will not allow more than 10% of the Gross Proceeds or of the Purchased Improvements to be used directly or indirectly by any Nongovernmental Person in any trade or business, other than as a member of the general public. For purposes of the preceding sentence, “10%” is reduced to “5%” for nongovernmental use of any facilities financed from proceeds of the Agreement which are disproportionate to or not related to the governmental purposes of the Agreement. Absent an Opinion of Counsel, for purposes of this Section 2.1.3, the term “use” means any activity or activities which constitute a trade or business or group of trades or businesses, including any unrelated trade or business of a Nongovernmental Person. The term

“use” shall include any contract for the management or operation of any portion of the Purchased Improvements unless such contract meets the requirements of Revenue Procedure 2017-13.

2.2 **Change in Use.** The City reasonably expects to own and use the Public Improvements that are financed by the Agreement as set forth in Section 2.1 of this Tax Certificate for the entire stated term of the Agreement. Absent an Opinion of Counsel, the City in fact will not sell or otherwise transfer ownership of the Public Improvements or fail to use the Public Improvements financed by the Agreement as set forth in Section 2.1 of this Tax Certificate.

2.3 **Registered Form.** The Agreement is being issued to the Corporation and it is not transferable.

2.4 **Federal Guarantee.** The City will not directly or indirectly use or permit the use of the Purchased Improvements or any other funds of the City or any related party or take or omit to take any action that would cause the Agreement to be an obligation that is “federally guaranteed” within the meaning of Section 149(b) of the Code. In furtherance of this covenant, the City will not allow the payment of the Installment Payments to be guaranteed (directly or indirectly) in whole or in part by the United States or any agency or instrumentality thereof.

2.5 **Information Reporting.** The City will cause a properly completed and executed IRS Form 8038-G to be filed with respect to the Agreement no later than November 15, 2019.

2.6 **Retention of Records.** The City covenants to maintain all records relating to the requirements of the Code and the representations, certifications and covenants set forth in this Tax Certificate until the date three years after the termination of the Agreement, which may be extended or modified from time to time. The records that must be retained include, but are not limited to:

(a) Basic records and documents relating to the Purchased Improvements (including the Agreement, this Tax Certificate and the opinions of Bond Counsel relating to the Agreement);

(b) Documentation evidencing acquisition of the Purchased Improvements;

(c) Documentation evidencing the use of the Purchased Improvements by public and private sources (i.e., copies of management contracts, research agreements, leases, etc.);

(d) Documentation evidencing all sources of payment or security for the Installment Payments; and

2.7 **Allocation of Proceeds.** For purposes of governmental use, the City will allocate amounts that are not proceeds of a tax-exempt borrowing to portions of the Purchased Improvements expected to have private business use (if any) using a reasonable and consistently

applied accounting method, including allocating such amounts to discrete portions of the Purchased Improvements (for example, based on actual costs, total space, or fair market value), or on the basis of an undivided portion allocation, or other reasonable method.

ARTICLE 3

ARBITRAGE GENERAL

3.1 **Reasonable Expectations.** This Article 3 states the City's reasonable expectations with respect to the Agreement and the Installment Payments and certain other moneys.

3.2 **Funds and Accounts.** Pursuant to the Agreement, the City will cause the Assessment Fund to be established and maintained with respect to the Installment Payments.

The City does not expect that either it or any other person benefiting from the execution and delivery of the Agreement will use any moneys in any fund or account, other than the Bona Fide Debt Service Funds, to pay principal of or interest on the Installment Payments; nor is any other fund or account, however established, so pledged as security for the Installment Payments that there is a reasonable assurance that amounts held in such other fund or account will be available if needed to pay debt service on the Agreement.

3.3 Debt Service Funds.

3.3.1 **Payment of the Installment Payments.** The Installment Payments are special obligations of the City payable from Assessment Revenues, which are revenues received and collected by the City from the collection of Annual Installments of Assessments (excluding Delinquent Collection Costs and Administrative Expenses).

3.3.2 **Revenues.** All Assessment Revenues are to be collected and deposited to the Assessment Fund and applied as provided in the Agreement. Installment Payments are expected to be derived from Assessments levied pursuant to the Service and Assessment Plan during the term of this Agreement. Current Assessment Revenues are expected to equal or exceed the Installment Payments during each payment period. Therefore, all amounts transferred to and from the Assessment Fund in respect of the Installment Payments are expected to be derived from current revenues.

3.3.3 **Match Between Revenues and Debt Service.** The Assessment Fund (and the accounts therein) (the "Bona Fide Debt Service Funds") will be used primarily to achieve a proper matching of revenues and debt service within each Bond Year. Such funds in the aggregate will be depleted at least once a year except for a carryover amount not to exceed the greater of the earnings on such funds for the immediately preceding Bond Year or 1/12th of the principal and interest payments on the Agreement for the immediately preceding Bond Year. Amounts contributed to such funds will be spent within thirteen months after the date of such contribution, and any amounts received from the investment or reinvestment of monies held in such funds will be expended within one year after the date of accumulation thereof in any such

fund. To the extent the provisions of this Section 3.4.3 are satisfied, amounts in the Bona Fide Debt Service Funds will be invested without regard to yield.

3.4 **No Other Replacement Proceeds.** None of the Installment Payments, which will be used to finance the Purchased Improvements being acquired pursuant to the Agreement, will be used directly or indirectly to replace funds of the City or any related person, which funds are or will be used directly or indirectly to acquire Investment Property reasonably expected to produce a yield that is materially higher than the yield on the Installment Payments. The weighted average maturity of the Installment Payments will not exceed 120% of the expected weighted average economic useful life of the Purchased Improvements.

3.5 **No Abusive Arbitrage Device.** The Agreement is not and will not be part of a transaction or series of transactions that (a) enables the City or any related person to exploit the difference between tax exempt and taxable interest rates to gain a material financial advantage and (b) overburdens the market for tax exempt obligations in any manner, including, without limitation, by selling bonds that would not otherwise be sold, or selling more bonds, or issuing bonds sooner, or allowing bonds to remain outstanding longer, than otherwise would be necessary.

3.6 **No Expected Sale.** It is not expected that the Purchased Improvements or any part thereof financed in whole or in part by the Agreement will be sold, transferred, or otherwise disposed of before September 15, _____, the last scheduled Installment Payment date.

ARTICLE 4

ARBITRAGE – YIELD AND YIELD RESTRICTION

4.1 **Yield.** Yield on the Installment Payments has not been computed at this time. If yield is required at a future time, the City will consult with Bond Counsel.

ARTICLE 5

REBATE

5.1 **Undertakings.** Pursuant to the Agreement, the City has covenanted to comply with certain requirements of the Code. The City acknowledges that the United States Department of the Treasury has issued regulations with respect to certain of these undertakings, including the proper method for computing whether any rebate amount is due the federal government under Section 148(f) of the Code. (Treasury Regulations Sections 1.148-1 through 1.148-11, 1.150-1 and 1.150-2.) The City further acknowledges that the United States Department of the Treasury may yet issue additional regulations with respect to certain other of these undertakings. The City covenants that it will undertake to determine what is required with respect to the rebate provisions contained in Section 148(f) of the Code and said regulations from time to time and will comply with any requirements that may apply to the Agreement.

5.2 **Recordkeeping.** The City shall maintain or cause to be maintained detailed records with respect to each Nonpurpose Investment attributable to Gross Proceeds, including: (a) purchase date; (b) purchase price; (c) information establishing fair market value on the date such investment became a Nonpurpose Investment; (d) any accrued interest paid; (e) face amount; (f) coupon rate; (g) periodicity of interest payments; (h) disposition price; (i) any accrued interest received; and (j) disposition date. Such detailed recordkeeping is required to facilitate the calculation of the Rebate Requirement.

5.3 **Rebate Requirement Calculation and Payment.** In the event the City is required to prepare or cause to be prepared a calculation of Rebate Requirement, the City will consult with Bond Counsel.

5.4 **Filing Requirements.** The City will file or cause to be filed such reports or other documents with the Internal Revenue Service as are required by the Code.

5.5 **Retention of Firm.** The City has decided to undertake its rebate obligations as follows:

_____ The City initially has retained the firm of Bond Logistix LLC to perform rebate calculations that may be required to be made from time to time with respect to the Agreement.

_____ The City initially has retained the firm of _____ to perform rebate calculations that may be required to be made from time to time with respect to the Agreement.

_____ The _____ of the City has undertaken full responsibility for performing rebate calculations that may be required to be made from time to time with respect to the Agreement.

 X The City has decided not, at this time, to designate a party responsible for performing rebate calculations that may be required to be made from time to time with respect to the Agreement and as a result undertakes and assumes full responsibility for rebate compliance and acknowledges that neither bond counsel nor the Trustee has any such responsibility (unless later engaged in writing for such purpose).

_____ The City has determined that under no circumstances will it earn any arbitrage subject to rebate with respect to the Agreement.

ARTICLE 6

OTHER MATTERS

6.1 **Expectations.** The undersigned is an authorized representative of the City acting for and on behalf of the City in executing this Tax Certificate. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that

would materially change the expectations as set forth herein, and said expectations are reasonable.

6.2 **Amendments.** Notwithstanding any other provision of this Tax Certificate, the City may amend this Tax Certificate and thereby alter any actions allowed or required by this Tax Certificate if such amendment is signed by an authorized officer and is supported by an opinion of counsel to the effect that such action (or inaction) will not adversely affect the exclusion of interest on the Installment Payments from gross income for purposes of federal income taxation.

6.3 **Post-Issuance Compliance Procedures.** The City hereby covenants to comply with certain requirements of the Code relating to the Rebate Requirement as discussed in Article 5 herein, and relating to private use of the Purchased Improvements. The City intends to comply with these requirements, including, if necessary, the retention of a qualified rebate analyst or other experts. The City previously adopted Tax Compliance procedures which are attached hereto as Exhibit A and hereby affirms the applicability of these procedures to the Agreement.

6.4 **Survival of Defeasance.** Notwithstanding any provision in this Tax Certificate or the Agreement to the contrary, the obligation to remit the Rebate Requirement, if any, to the United States Department of the Treasury and to comply with all other requirements contained in this Tax Certificate shall survive defeasance of the Agreement.

Dated: _____

CITY OF HUTTO, TEXAS

By: _____

Odis Jones

City Manager

EXHIBIT A TO TAX CERTIFICATE
POST-ISSUANCE COMPLIANCE PROCEDURES

January 30, 2019

The purpose of these Post-Issuance Tax Compliance Procedures is to establish policies and procedures in connection with tax-exempt obligations (“Obligations”) issued by City of Hutto, Texas (the “City”) so as to ensure that the City complies with all applicable post-issuance requirements of federal income tax law needed to preserve the tax-exempt status of the Obligations.

GENERAL

Ultimate responsibility for all matters relating to the City’s financings and re-financings rests with the City’s Responsible Officer.

POST-ISSUANCE COMPLIANCE REQUIREMENTS

External Advisors / Documentation

The Responsible Officer and other appropriate City personnel shall consult with bond counsel and other legal counsel and advisors, as needed, throughout the Obligation issuance process to identify requirements and to establish procedures necessary or appropriate so that the Obligations will continue to qualify for the appropriate tax status. Those requirements and procedures shall be documented in City resolution(s), Tax Certificate(s) and / or other documents finalized at or before issuance of the Obligations. Those requirements and procedures shall include future compliance with applicable arbitrage rebate requirements and all other applicable post-issuance requirements of federal tax law throughout (and in some cases beyond) the term of the Obligations.

The Responsible Officer and other appropriate City personnel also shall consult with bond counsel and other legal counsel and advisors, as needed, following issuance of the Obligations to ensure that all applicable post-issuance requirements in fact are met. This shall include, without limitation, consultation in connection with future contracts with respect to the use of Obligation-financed assets and future contracts with respect to the use of output or throughput of Obligation-financed assets.

Whenever necessary or appropriate, the City shall engage expert advisors (each a “Rebate Service Provider”) to assist in the calculation of arbitrage rebate payable in respect of the investment of Obligation proceeds.

Role of the City as Borrower

A-1

4134-3436-7516.4

Unless otherwise provided by City resolutions, unexpended Obligation proceeds shall be held by the City, and the investment of Obligation proceeds shall be managed by the Responsible Officer or his or her appointee. The Responsible Officer or appointee shall maintain records and shall prepare regular, periodic statements to the City regarding the investments and transactions involving Obligation proceeds.

If a City resolution provides for Obligation proceeds to be administered by a trustee, the trustee shall provide regular, periodic (monthly) statements regarding the investments and transactions involving Obligation proceeds.

Arbitrage Rebate and Yield

Unless a Tax Certificate documents that bond counsel has advised that arbitrage rebate will not be applicable to an issue of Obligations:

- the City shall engage the services of a Rebate Service Provider, and the City or the Bond trustee shall deliver periodic statements concerning the investment of Obligation proceeds to the Rebate Service Provider on a prompt basis;
- upon request, the Responsible Officer and other appropriate City personnel shall provide to the Rebate Service Provider additional documents and information reasonably requested by the Rebate Service Provider;
- the Responsible Officer and other appropriate City personnel shall monitor efforts of the Rebate Service Provider and assure payment of required rebate amounts, if any, no later than 60 days after each 5-year anniversary of the issue date of the Obligations, and no later than 60 days after the last Obligation of each issue is redeemed; and
- during the construction period of each capital project financed in whole or in part by Obligations, the Responsible Officer and other appropriate City personnel shall monitor the investment and expenditure of Obligation proceeds and shall consult with the Rebate Service Provider to determine compliance with any applicable exceptions from the arbitrage rebate requirements during each 6-month spending period up to 6 months, 18 months or 24 months, as applicable, following the issue date of the Obligations.

The City shall retain copies of all arbitrage reports and trustee statements as described below under “Record Keeping Requirements”.

Use of Obligation Proceeds

The Responsible Officer and other appropriate City personnel shall:

- monitor the use of Obligation proceeds, the use of Obligation-financed assets (e.g., facilities, furnishings or equipment) and the use of output or throughput of Obligation-financed assets throughout the term of the Obligations (and in some cases beyond the term of the Obligations) to ensure compliance with covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
- maintain records identifying the assets or portion of assets that are financed or refinanced with proceeds of each issue of Obligations;
- consult with Bond Counsel and other professional expert advisers in the review of any contracts or arrangements involving use of Obligation-financed facilities to ensure compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
- maintain records for any contracts or arrangements involving the use of Obligation-financed facilities as might be necessary or appropriate to document compliance with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates;
- meet at least annually with personnel responsible for Obligation-financed assets to identify and discuss any existing or planned use of Obligation-financed assets or output or throughput of Obligation-financed assets, to ensure that those uses are consistent with all covenants and restrictions set forth in applicable City resolutions and Tax Certificates.

All relevant records and contracts shall be maintained as described below.

RECORD KEEPING REQUIREMENTS

Unless otherwise specified in applicable City resolutions or Tax Certificates, the City shall maintain the following documents for the term of each issue of Obligations (including refunding Obligations, if any) plus at least three years:

- a copy of the Obligation closing transcript(s) and other relevant documentation delivered to the City at or in connection with closing of the issue of Obligations;

A-3

- a copy of all material documents relating to capital expenditures financed or refinanced by Obligation proceeds, including (without limitation) construction contracts, purchase orders, invoices, trustee requisitions and payment records, as well as documents relating to costs reimbursed with Obligation proceeds and records identifying the assets or portion of assets that are financed or refinanced with Obligation proceeds;
- a copy of all contracts and arrangements involving private use of Obligation-financed assets or for the private use of output or throughput of Obligation-financed assets; and
- copies of all records of investments, investment agreements, arbitrage reports and underlying documents, including trustee statements.

EXHIBIT B TO TAX CERTIFICATE

COST OF PURCHASED IMPROVEMENTS

Table III Authorized Improvements	
Description	Costs
<i>Authorized Improvements</i>	
Site Work, Site Grading, and Drainage	\$ 1,459,508
Neighborhood Streets	1,092,477
Wastewater	1,835,932
Erosion and Sedimentation Control	32,223
Engineering and Planning Costs	2,071,190
Parks and Open Space	2,808,670
Total Authorized Improvements	\$ 9,300,000
Source: Developer	
Note: The figures shown in Table III and the Budgeted Costs for the Authorized Improvements may be revised in Annual Service Plan Updates, and may be reallocated between line items so long as the Authorized Improvements total does not change.	

Source: Mustang Creek Public Improvement District Preliminary Service and Assessment Plan, dated July 18, 2019

EXHIBIT E
FORM OF IRS FORM 8038-G

EXHIBIT F
FORM OF CONTINUING DISCLOSURE AGREEMENT

CONSTRUCTION CONTRACT

BETWEEN

RIVER CREEK DEVELOPMENT CORPORATION

AND

HUTTO1660, LP

CONSTRUCTION CONTRACT

This Construction Contract (this “**Agreement**”), dated as of _____, 2019 (the “**Effective Date**”), is entered into between **RIVER CREEK DEVELOPMENT CORPORATION** (the “**Corporation**”), and **HUTTO1660, LP**, a Texas limited partnership, acting by and through its duly authorized representative, and its successors and assigns (the “**Construction Manager**”). Capitalized terms shall have the meanings given in this Agreement, in “**Exhibit A**” attached hereto, or in the Service and Assessment Plan (defined below).

Recitals:

WHEREAS, the Construction Manager owns that certain property spanning a contiguous area of approximately 153.34 acres of land, which land is located within the City of Hutto, Texas (the “**City**”), generally described on “**Exhibit B**”, attached hereto (the “**Property**”); and

WHEREAS, on June 7, 2018, the City Council passed and approved Resolution No. R-18-06-07-9C authorizing the creation of the Mustang Creek Public Improvement District (the “**District**”) pursuant to Chapter 372, Texas Local Government Code (the “**PID Act**”); and

WHEREAS, on June 20, 2019 the City Council passed and approved Resolution No. R-19-06-20-_____, amending the boundaries of the District to match the boundaries of the Property; and

WHEREAS, on June 20, 2019, the City Council of the City (the “**City Council**”) read and considered in open session an Ordinance (the “**Assessment Ordinance**”) that would (i) approve a Service and Assessment Plan and Assessment Roll for the District (as may be amended from time to time, the “**Service and Assessment Plan**”), attached hereto as “**Exhibit C**” that identifies the amount of certain assessments on benefited property within the District (the “**Assessments**”), (ii) establish the dates upon which interest on Assessments will begin to accrue and upon which collection of Assessments will begin, and (iii) levy the Assessments; and

WHEREAS, on August 22, 2019, concurrently with approving this Agreement, the City Council read and considered in open session the Assessment Ordinance for a second time, and adopted such Assessment Ordinance, with such Assessment Ordinance and the levy of the Assessments therein becoming effective thereby; and

WHEREAS, the District was created, in part, to undertake and finance certain of the improvements identified in the Service and Assessment Plan, as approved by the City Manager, (the “**Public Improvements**”), which Public Improvements are identified in “**Exhibit D**” attached hereto; and

WHEREAS, Assessments are reflected in the Service and Assessment Plan as approved by the City Council, as amended and updated annually as provided in the PID Act; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, in part, that each Assessment may be paid in full, and if an Assessment is not paid in full, such shall

be due and payable in Annual Installments (as defined in the Service and Assessment Plan) plus interest; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, pursuant to Section 372.018(f) of the PID Act, that if an Annual Installment of an Assessment becomes delinquent, such Annual Installment shall be due and payable plus interest, penalties, and expenses incurred or imposed with respect to any delinquent installments; and

WHEREAS, the Service and Assessment Plan allocated the cost of the Public Improvements to the Assessed Parcels proportionally based on the special benefits conferred to each Lot (as defined in the Service and Assessment Plan) or Parcel by the Public Improvements based on the ratio of the estimated buildout value of such Parcel or Lot to the estimated buildout value for all Assessed Property within the District; and

WHEREAS, all revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs, and Administrative Expenses) (the “**Assessment Revenues**”) shall be deposited as required by the PID Act into an assessment fund created pursuant to the PID Act (the “**Assessment Fund**”); and

WHEREAS, the City created the River Creek Development Corporation (the “**Corporation**”) under Chapter 431 of the Texas Transportation Code, which Corporation is authorized to aid or act on behalf of the City to accomplish any governmental purpose of the City; and

WHEREAS, to finance construction and acquisition of the Public Improvements, which are components of a master planned community to be designed and constructed on the Property (the “**Project**”), the City consented to and authorized the Corporation to obtain a loan (the “**Loan**”) pursuant to an agreement (the “**Loan Agreement**”), dated of even date herewith, by and between the Corporation and Preston Hollow Capital, LLC (“**PHC**”); and

WHEREAS, the Loan Agreement provides that the Loan will be repaid from the collection of the Assessments; and

WHEREAS, proceeds of the Loan will be held in a collateralized, segregated account by UMB Bank, N.A (the “**Fiscal Agent**”), pursuant to a Fiscal Agent Agreement dated of even date herewith by and among PHC, the Corporation, and the Fiscal Agent (the “**Fiscal Agent Agreement**”), which proceeds will be used to pay for construction and acquisition of the Public Improvements pursuant to this Agreement; and

WHEREAS, the City and the Corporation entered into that certain Interlocal Agreement dated of even date herewith for, among other things, the purchase and sale of the Public Improvements, pursuant to Chapter 372.023(a) of the PID Act (the “**Interlocal Agreement**”); and

WHEREAS, in connection the engagement of the Construction Manager pursuant to this Agreement, the Corporation required the Construction Manager to enter into the Representation, Warranty and Indemnity Agreement with the Corporation, Stifel, Nicolaus & Company

Incorporated (“**Stifel**”), and PHC dated of even date herewith (the “**Representation Agreement**”), attached hereto as “**Exhibit H**”, which Representation Agreement provides, among other things, that PHC may securitize the revenues to be received under the Loan Agreement through the issuance of pooled municipal bonds (the “**Securitization Bonds**”); and

WHEREAS, under the terms of the Representation Agreement, if PHC elects to issue Securitization Bonds, the Construction Manager agreed that it, or its successors and assigns, would, among other things, (i) participate in the preparation of an offering document, (ii) provide a bring-down certificate, and (iii) provide indemnification to Stifel for claims based upon untrue or misleading information provided by the Construction Manager (or its assigns) in connection with the issuance of Securitization Bonds; and

WHEREAS, in connection with the Loan and in consideration of the engagement of the Construction Manager as Construction Manager and payment of the Contract Amount, the Corporation shall require the Construction Manager to enter into the Continuing Disclosure Agreements attached hereto as “**Exhibit I**” (the “**Continuing Disclosure Agreements**”); and

WHEREAS, the Corporation and the Construction Manager desire to enter into this contract whereby the Construction Manager will construct the Public Improvements to be sold to the City under the Interlocal Agreement; and

WHEREAS, all acts, conditions, and things required by law to exist, to have happened, and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement.

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I. INCORPORATION OF RECITALS

The Recitals set forth above are incorporated herein and shall have the same force and effect as if set forth in this Article I.

ARTICLE II. SCOPE OF AGREEMENT

This Agreement establishes provisions for the construction of Public Improvements to be acquired by the City (Article IV), the acquisition and maintenance of Public Improvements within the District (Article IV), construction and payment for the Public Improvements (Article V), and the acceptance of certain Public Improvements (Article VI).

ARTICLE III. ASSESSMENTS

Section 3.01 Assessments

(a) Notwithstanding anything to the contrary contained herein or in the Service and Assessment Plan, the Construction Manager shall not be entitled to receive payment of any Assessment Revenues collected from the District.

(b) The Construction Manager hereby agrees, as to any property owned by the Construction Manager in the District, that the Assessments are covenants running with the land that (i) bind any and all current and successor owners of the applicable Property to the Assessments, including applicable penalties and interest thereon, as and when due and payable thereunder and (ii) provide that subsequent purchasers of such land take their title subject to and expressly assume the terms and provisions of the Assessments; and

(c) The liens created by the levy of the Assessments are a first and prior lien on the Property, subject only to liens for ad valorem taxes of the City, Williamson County, a school district, a special district, or another political subdivision, or to a lien of the Department of Treasury of the United States of America.

(d) The Construction Manager shall comply with, and shall contractually obligate (and promptly provide written evidence of such contractual provisions to the City) any party who purchases any Assessed Parcel owned by such Construction Manager, or any portion thereof, for the purpose of constructing residential properties that are eligible for “homestead” designations under State law, to comply with, the Homebuyer Education Program described on “**Exhibit G**” attached to this Agreement. Such compliance obligation shall terminate as to each Lot (as defined in the Service and Assessment Plan) if, and when, there is a sale of a Lot to an individual homebuyer, it being the intent of the undersigned that the Homebuyer Education Program shall apply only to a commercial builder who is in the business of constructing and/or selling residences to individual home buyers (a “**Builder**”) but not to subsequent sales of such residence and Lot by an individual home buyer after the initial sale by a Builder. The Construction Manager shall contractually obligate each Builder who purchases any Assessed Parcel owned by the Construction Manager, or any portion thereof, for the purpose of constructing residential properties that are eligible for “homestead” designations under State law, to provide individual home buyers written notice, at or before closing, that the home buyer may ask the home buyer’s mortgage company to include the Annual Installments in the home buyer’s monthly escrow payment. The notice that must be provided to individual home buyers is attached as “**Exhibit G-1**”.

ARTICLE IV. CONSTRUCTION

Section 4.01 Designation of Construction Manager, Construction Engineers

(a) The Corporation hereby designates the Construction Manager, or its assignees, as the “**Construction Manager**” with full responsibility for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Public Improvements in

accordance with the provisions of this Agreement, subject to certification by a certified public engineer licensed in the State of Texas hired by the Construction Manager to oversee construction of the Public Improvements, and in accordance with applicable City regulations relating to the review, approval, inspection, and acceptance of infrastructure.

(b) Except as otherwise provided herein, inspection and acceptance of a Public Improvement being conveyed to the City will be in accordance with City Rules. Inspection and acceptance of the construction of all Public Improvements shall be performed by the City Construction Representative or its designees.

(c) The Construction Manager shall not be entitled to a separate construction management fee under this Agreement.

(d) The Corporation and the City Manager shall review and approve the consulting engineers for the Public Improvements and such consulting engineers shall be compensated as specified by the Construction Manager. If Construction Manager replaces the consulting engineer, the Construction Manager shall provide written notice to the Corporation and the City Manager of the replacement of the consulting engineer ten (10) days prior to the effective date of any such replacement. All consulting engineers shall be a public engineer licensed in the State of Texas.

Section 4.02 Designation of Construction Manager Subcontractor

The Corporation acknowledges and agrees that the Construction Manager may subcontract out all or some of the duties of Construction Manager to a third party. The Construction Manager may designate an individual, company, partnership, or other entity as a subcontractor for construction management services for the Public Improvements, provided that such designee has the technical capacity, experience, and expertise to perform such construction management duties or obligations. Any contract to subcontract Construction Manager duties under this Agreement shall be provided to the City and shall provide substantially the same rights and duties as have been provided to and imposed upon the Construction Manager in this Agreement. The City shall be notified within ten (10) business days of any contract to subcontract Construction Manager duties under this Agreement. In its sole discretion, the Construction Manager may choose to bid or not to bid subcontractors.

Section 4.03 Maintenance of Project, Warranties

Unless otherwise provided for, the Construction Manager shall cause each Public Improvement (or Segment thereof) to be maintained in good and safe condition until such Public Improvement (or Segment thereof) is accepted by the City. The City's certification and approval of Public Improvements shall be in accordance with the City's standard rules and procedures for the type of improvements being constructed. Prior to such acceptance, the Construction Manager shall be responsible for causing the performance of any required maintenance on such Public Improvement. Upon acceptance by the City, the Construction Manager assigns to the City, as the designee of the Corporation, all of the Construction Manager's rights in any warranties, guarantees, maintenance obligations, or other evidences of contingent obligations of third persons with respect to such Public Improvement (or Segment thereof). Upon completion

of a Public Improvement, the Construction Manager shall cause a two (2) year warranty bond for 100% of such Public Improvements to be provided as directed by the Corporation, with the starting date of such warranty bond to occur upon the final completion and acceptance by the City of all Public Improvements under this Agreement.

Section 4.04 Sales and Use Tax Exemptions

(a) The Corporation shall cause the City to provide certifications to the construction contracts and/or to suppliers and contractors as may be required to assure the exemptions from sales and use taxes under Texas Tax Code Section 151.309.

(b) The Construction Manager shall cooperate in structuring the construction contracts for the Public Improvements to comply with requirements (including those set forth in Texas Tax Code Section 151.309) for exemption from sales and use taxes.

Section 4.05 Public Bidding Requirements

The Public Improvements within the District will be exempt from public bidding or other City purchasing and procurement policies pursuant to Texas Local Government Code Section 252.022(a)(9), to the extent applicable, which states that a project is exempt from such policies for “paving drainage, street widening, and other public improvements, or related matters, if at least one-third of the cost is to be paid by or through Assessments levied on property that will benefit from the improvements.”

Section 4.06 Permitting; Consent of City to File Development Applications

The Corporation shall cause the City to authorize the Construction Manager, and any subcontractor, to file platting, permitting, and other types of development applications for all or a portion of the Property from time to time, and, only as may be required to complete such applications, the Corporation shall cause the City to agree to process such applications; provided that such applications shall be subject to the City’s review and approval, which approval may be done pursuant to City Code, and which approval shall not be unreasonably withheld, conditioned, or delayed. The City shall cooperate with the Construction Manager, and any subcontractor, in connection with obtaining the necessary permits for the Project, but it shall be the Construction Manager’s, and any applicable subcontractor’s, responsibility to obtain the necessary permits for the Project.

Section 4.07 Right of Way and Easements

The Construction Manager agrees and understands that it may become necessary or convenient to install and/or construct the Public Improvements on, over, across, and/or under the Property. The Corporation shall cause the City to provide use of all City owned land, rights-of-way, and easements within the Property (as appropriate and necessary for construction of the Public Improvements and any other subdivision or infrastructure improvements for the Project) and upon the Construction Manager’s, and any applicable subcontractor’s, request, to provide further required permissions, easements, or right-of-way as may be necessary as reasonably

determined by the City for construction of Public Improvements or other subdivision or infrastructure improvements at such time as needed for a given portion of the Project to the extent possible.

ARTICLE V. CONSTRUCTION OF THE PUBLIC IMPROVEMENTS

Section 5.01 Construction of the Project

The Construction Manager hereby agrees to construct the Public Improvements described in “**Exhibit D**” hereto in accordance with the provisions of this Agreement. “**Exhibit D**” hereto shall be approved in advance by the City Manager. The Construction Manager will dedicate the applicable Public Improvements to the City upon completion of said Public Improvements, and the Corporation shall cause the City to review, inspect, and accept dedication of such Public Improvements after confirming that the Public Improvements have been completed in accordance with this Agreement. The City Rules shall govern the procedure for inspection, dedication, and acceptance of the Public Improvements being conveyed to the City. Any contractor constructing the Public Improvements shall furnish payment and performance bonds as required by the City’s ordinances. It is hereby acknowledged that all Public Improvements will be dedicated to the City; provided, however, that some Public Improvements may be located within a perpetual easement in favor of the City, and some or all of the Public Improvements may be maintained by a third party, including an Owner’s Association. The Construction Manager shall provide a two (2) year warranty bond, approved by the City, providing for maintenance of the Public Improvements.

Section 5.02 Payments

(a) The Corporation shall not be obligated to provide funds for any Public Improvement except from the proceeds of the Loan deposited into the Construction Account as defined in the Fiscal Agent Agreement held by Fiscal Agent for the benefit of PHC. The Construction Manager is entitled to be paid Actual Costs of the Public Improvements in an amount not to exceed \$8,347,841.40 (the “**Contract Amount**”); provided, however, Construction Manager’s right to receive payment is subject to the limitations and requirements of Section 2.05(g) of the Fiscal Agent Agreement.

(b) Upon signing a Certification and Approval of Construction by the City with respect to a Public Improvement, and subject to any applicable two (2) year warranty-bond period, the Corporation shall cause the City to be responsible for all operation and maintenance of such Public Improvement, including all costs thereof and relating thereto (subject to the requirement for the 100% warranty bond under Section 4.03); provided, however, that the City shall have the unilateral right in its sole discretion to contract for the maintenance and operation of all or any portion of the Public Improvements.

(c) The Construction Manager will be paid for the Public Improvements after a Certification and Approval of Construction signed by the City is sent to the Fiscal Agent at:

UMB Bank, N.A.,
6034 W. Courtyard Dr., Suite 370,
Austin Texas 78730,
Email: Jose.gaytan@umb.com

and after all other conditions to Section 2.05 of the Fiscal Agent Agreement have been met.

(d) The Corporation shall be obligated to direct the Fiscal Agent under the Fiscal Agent Agreement to disburse funds from the Fiscal Agent Agreement to pay the Construction Manager provided that (a) the Construction Manager has met all requirements as required under this Agreement for the construction of the Public Improvements for which payment is sought, (b) the City has approved the construction of the Public Improvements for which disbursement of funds in accordance with the terms of this Agreement is sought, and (c) the provisions for disbursement under the Fiscal Agent Agreement have been fully satisfied, including the City's approval thereof.

(e) So long as the Corporation is not in default under this Agreement, the Construction Manager shall be obligated to cause the construction of the Public Improvements consistent with the terms of this Agreement.

(f) Neither the faith and credit nor the taxing power of the City, the Corporation, or the State, or any political subdivision or agency thereof, is pledged to the payment of the Contract Amount or other payments required to be made by the Corporation pursuant to this Agreement.

(g) The obligation of Corporation to pay the Contract Amount and other payments required to be made by it pursuant hereto, is solely from the proceeds of the Loan and in the manner provided herein.

ARTICLE VI. CERTIFICATION AND APPROVAL OF PUBLIC IMPROVEMENTS

Section 6.01 Overall Requirements

After execution of a Certification and Approval of Construction by the City, subject to any applicable two (2) year warranty-bond period, the Corporation shall cause the City to be responsible for all operation and maintenance of such Public Improvement, including all costs thereof and relating thereto (subject to the requirement for the warranty bond by the subcontractor under Section 4.03).

Section 6.02 Certification and Approval of Public Improvements

(a) With respect to the Public Improvements, the Construction Manager shall deliver the Public Improvements (or any Segment thereof) and submit materials to the designated City representative in accordance with the terms hereafter. The Corporation shall cause the City to agree that the City Construction Representative or its designee shall deliver to the City Manager their concurrence to approve pursuant to a completed Certification and Approval of Construction within fifteen (15) business days after its receipt of the required submittal items pursuant to

either subpart (b) or (c) below, as applicable, and the City Manager shall then have up to ten (10) business days to sign and return such Certification and Approval of Construction to the Corporation. If the City disapproves any Certification and Approval of Construction, the Corporation shall cause the City to provide a written explanation of the reasons for such disapproval so that if the Certification and Approval of Construction is revised in accordance with the City's comments, the Certification and Approval of Construction can be approved. At the time the Construction Manager submits a Certification and Approval of Construction (including any related items required by subpart (b) or (c) below), Construction Manager shall also provide the PHC a copy of any such submittal.

(b) During the design phase for any Public Improvement, the necessary items for a design approval are as follows (not to exceed one (1) formal submission per month exclusive of requests for clarification on submittals):

- (1) A Certification and Approval of Construction executed by the Project Engineer and Construction Manager specifying the percentage of design that has been completed on the applicable Public Improvement;
- (2) A Bills Paid Affidavit from the contractor;
- (3) Percentage of completion in relation to updated project construction schedule;
- (4) Copies of all supporting invoices with respect to such design costs; and
- (5) Evidence of City acceptance of design phase documents (for the percentage of design that has been completed).

(c) During the construction phase for any Public Improvement, the items required for approval are as follows (not to exceed one (1) formal submission per month exclusive of requests for clarification on submittals):

- (1) A Certification and Approval of Construction executed by the Project Engineer and Construction Manager specifying the amount of work that has been performed and the cost thereof;
- (2) A Bills Paid Affidavit from the contractor pertaining to the work described in the Certification and Approval of Construction;
- (3) Percentage of completion in relation to updated project construction schedule;
- (4) Copies of all supporting invoices with respect to such costs; and
- (5) Waivers of liens for work on the applicable Public Improvements through the previous Certification and Approval of Construction and receipts for payment from the contractor and, if requested by the City, any

subcontractors for the current Certification and Approval of Construction.

(d) In addition to the submitted items required in Section 6.02(c) above, in order to obtain the approval for a fully completed Public Improvement pursuant to this Section 6.02, the following are required:

- (1) The Corporation shall have provided to the City an assignment of the warranties and guaranties, if applicable, for the Public Improvements; and
- (2) Before the Certification and Approval of Construction and Completed Improvement Approval Request (attached hereto as “**Exhibit F**”) is submitted to the City, the Project Engineer shall conduct a review for the City to confirm that such Public Improvement was constructed in accordance with the plans therefor and the Project Engineer will verify and approve the costs of such Public Improvement specified in such Certification and Approval of Construction and Completed Improvement Approval Request. Upon confirmation by the Project Engineer to the City Construction Representative and the submission of the Certification and Approval of Construction and Completed Improvement Approval Request indicating that such Public Improvement has been fully constructed in accordance with the plans therefor, and verification and approval of the costs of such Public Improvement, the City Construction Representative will use best efforts within thirty (30) calendar days thereafter to approve such Public Improvement and the City Construction Representative shall sign the Certification and Approval of Construction and Completed Improvement Approval Request and forward the same to the City Manager and the PID Administrator. The City Manager shall then have up to ten (10) business days to forward the executed Certification and Approval of Construction and Completed Improvement Approval Request to the Fiscal Agent for payment to the Construction Manager. The Corporation shall cause the City to request the Project Engineer to conduct each such review in an expeditious manner not to exceed thirty (30) calendar days after the Certification and Approval of Construction and Completed Improvement Approval Request are submitted to the City.

(e) The Corporation shall cause the City to confirm that the cost for construction of such Public Improvement is generally consistent with the estimated cost provided in the Service and Assessment Plan, as amended from time to time. If the total cost of a Public Improvement exceeds the total amount of the budgeted cost for that Public Improvement (the “**Cost Overrun**”), the Construction Manager shall be solely responsible for the remainder of the costs of that Public Improvement, except as provided in subsection (f) hereof. The Construction Manager is only entitled to the Contract Amount hereunder regardless of Actual Costs, including any Cost Overruns.

(f) Upon the completion of a Public Improvement (or Segment or phase thereof) and payment of all outstanding invoices for such Public Improvement, if the Actual Cost(s) of such Public Improvement is less than the budgeted costs (a “**Cost Underrun**”), any remaining

budgeted costs will be available to pay Cost Overruns on any applicable other Public Improvement. Any Cost Underrun for any Public Improvement is available to pay Cost Overruns on any other Public Improvement as reviewed and approved by the City.

ARTICLE VII. REPRESENTATIONS, WARRANTIES, AND INDEMNIFICATION

Section 7.01 Representations of the Corporation

The Corporation makes the following covenants and representations for the benefit of the Construction Manager:

(a) The Corporation represents and warrants that the Corporation has the authority and is authorized to conduct business in Texas, and has the power and authority to carry on its business as now being conducted and as now contemplated.

(b) The Corporation represents and warrants that the Corporation has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Corporation.

Section 7.02 Covenants, Representation, and Warranties of the Construction Manager

The Construction Manager makes the following representations, warranties, and covenants for the benefit of the Corporation and the City:

(a) The Construction Manager represents that it is a limited liability company duly organized and validly existing under the laws of the State of Texas, has the ability to conduct business in Texas, and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) The Construction Manager represents that the Construction Manager has the power and authority to enter into this Agreement, and has taken all action necessary to cause this Agreement to be executed and delivered, and this Agreement has been duly and validly executed and delivered on behalf of the Construction Manager. The Construction Manager shall retain a Texas Licensed Professional Engineer reasonably acceptable to the City Manager and the engineer shall certify to the City that the Public Improvements are constructed pursuant to plans and specifications in accordance with the City's ordinances. Public Improvements not requiring an engineer certification at the time of issuance of a permit shall be certified as completed in accordance with plans and specifications by a qualified designer.

(c) The Construction Manager represents that this Agreement is a valid and enforceable obligation of the Construction Manager and is enforceable against the Construction Manager in accordance with its terms, subject to bankruptcy, insolvency, reorganization, or other similar laws affecting the enforcement of creditors' rights in general and by general equity principles.

(d) The Construction Manager covenants that once it commences construction of a Segment it will use its reasonable and diligent efforts to do all things which may be lawfully required of it in order to cause such Segment of the Public Improvements to be completed in accordance with this Agreement.

(e) The Construction Manager covenants that it will not commit or knowingly permit any act in, upon, or to the Property or the Project in violation of any law, ordinance, rule, regulation, or order of any governmental authority or any covenant, condition, or restriction now or hereafter materially affecting the Property or the Project.

(f) Until the final Acceptance Date of each applicable Public Improvement, the Construction Manager covenants to maintain or cause to be maintained proper books of record and account for the Public Improvements and all costs related thereto. The Construction Manager covenants that such accounting books will be maintained or caused to be maintained in accordance with sound accounting practices, and will be available for inspection by the Corporation or its agent and the City or its agent at any reasonable time during regular business hours upon at least 72 hours' notice.

ARTICLE VIII. DEFAULT AND REMEDIES

Section 8.01 Event of Default

The occurrence, from time to time, of any one or more of the following events shall constitute an “**Event of Default**” under this Agreement:

(a) Subject to Force Majeure, a failure by the Construction Manager to complete the Public Improvements by September 1, 2022. Regardless of the existence or non-existence or occurrence or non-occurrence of Force Majeure, a failure by the Construction Manager to complete the Public Improvements by December 31, 2022. The Construction Manager will submit a construction schedule to the Corporation and the City Manager.

(b) A Party shall be deemed in default under this Agreement (which shall be deemed a breach hereunder) if such Party fails to materially perform, observe, or comply with any of its covenants, agreements, or obligations hereunder or breaches or violates any of its representations contained in this Agreement.

Section 8.02 Remedies

(a) If an Event of Default shall have occurred and be continuing, the Corporation shall have the right:

(1) by suit, action, or proceeding, to compel the Construction Manager and its officers, agents, or employees to perform each and every term, provision, and covenant contained in this Agreement, and to require the carrying out of any or all such covenants and agreements of the Construction Manager and the fulfillment of all duties imposed upon it by this Agreement; and

(2) to bring any suit, action, or proceeding to enforce the rights created by contract or by law hereunder, including, without limitation, any proceeding in equity.

(b) If an Event of Default shall have occurred and be continuing, the Construction Manager shall have the right to bring any suit, action, or proceeding to enforce the rights created by contract or by law hereunder, including, without limitation, any proceeding in mandamus or in equity.

Section 8.03 Remedies Not Exclusive

No remedy herein conferred upon or reserved to the Corporation or Construction Manager is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 8.04 Termination of Proceedings

In case any proceedings taken by the Corporation on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Corporation, then in every such case the Construction Manager and the Corporation, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers, and duties of the Construction Manager and the Corporation shall continue as though no such proceedings had been taken.

Section 8.05 No Waiver of Default

No delay or omission of the Corporation or Construction Manager to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Agreement to the Corporation may be exercised from time to time and as often as may be deemed expedient.

ARTICLE IX. GENERAL PROVISIONS

Section 9.01 Notices

Any notice, communication, or disbursement required to be given or made hereunder shall be in writing and shall be given or made by e-mail, hand delivery, overnight courier, or by United States mail, certified or registered mail, return receipt requested, postage prepaid, at the addresses set forth below or at such other addresses as any be specified in writing by any Party hereto to the other parties hereto. Each notice which shall be mailed or delivered in the manner described above shall be deemed sufficiently given, served, sent, and received for all purpose at such time as it is received by the addressee (with return receipt, the delivery receipt or the affidavit of messenger being deemed conclusive evidence of such receipt) at the following addresses:

If to the City: City of Hutto, Texas
Attention: Odis Jones, City Manager
500 West Live Oak Street
Hutto, Texas 78634
E-mail: odis.jones@huttotx.gov

If to the Construction Manager: Hutto1660, LP
12306 Technology Blvd.
Austin, Texas 78727
Phone: 512-250-5888; Fax: 512-219-0414
E-mail: scott@packsaddlepartners.com

If to the Corporation: River Creek Development Corporation
Attention: Chair
500 W. Live Oak St., Hutto, Texas 78634
E-mail: odis.jones@huttotx.gov

If to the Fiscal Agent: UMB Bank, N.A.
6034 W. Courtyard Dr., Suite 370
Austin, Texas 78730
Email: jose.gaytan@umb.com

If to the PHC: Preston Hollow Capital, LLC
Attention: Matthew Challis
1717 Main Street
Dallas, Texas 75201
Email: mchallis@phcllc.com

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attention: Talley Williams
221 West 6th, Suite 1300
Austin, Texas 78701
E-Mail: twilliams@mwswtexas.com

McGinnis Lochridge
Attention: Bill Bingham
600 Congress Ave., Suite 2100
Austin, Texas 78701
E-Mail: bbingham@mcginnislaw.com

Section 9.02 Administration of District

Pursuant to a separate agreement, the Corporation may cause the City to contract with a third party to serve as the PID Administrator and to administer the District after the date hereof. The Administrative Expenses shall be collected as part of and in the same manner as the Assessments in the amounts set forth in the Service and Assessment Plan.

Section 9.03 Continuing Disclosure Agreement and Representation Agreement

In connection with the construction of the Public Improvements as outlined herein and in consideration of the Construction Manager's appointment by the Corporation as Construction Manager for the Project, the Construction Manager agrees to enter into the Continuing Disclosure Agreements and provide information to PHC and other parties as provided therein and in the Representation Agreement.

Section 9.04 Assignment

(a) Subject to subparagraph (b) below, the Construction Manager may, in its sole and absolute discretion, assign this Agreement with respect to all or part of the Project from time to time to (i) any party so long as the assignee has demonstrated to the City's reasonable satisfaction that the assignee has the financial, technical, and managerial capacity, in addition to the experience and expertise to perform any duties or obligations so assigned, and that the assignee is not delinquent in payment of City taxes nor is the assignee in default of any written agreement with the City, (ii) any entity which is the successor by merger or otherwise to all or substantially all of the Construction Manager's assets and liabilities including, but not limited to, any merger or acquisition pursuant to any public offering or reorganization to obtain financing and/or growth capital, or (iii) any entity which may have acquired all of the outstanding stock or ownership of assets of the Construction Manager. The assignee shall assume all of the Construction Manager's rights and obligations to (x) this Agreement, (y) the Continuing Disclosure Agreement, and (z) Section 5 of the Representation Agreement without modification. The Construction Manager shall provide the City and the Corporation thirty (30) days' prior written notice of any such assignment. Upon such assignment or partial assignment, the Construction Manager shall be fully released from any and all obligations under this Agreement and shall have no further liability with respect to this Agreement as long as the all conditions to the subsection have been met.

(b) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a sale or assignment to a Designated Successor or Assign unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is to a Designated Successor or Assign.

(c) Any sale of a portion of the Property or assignment of any right hereunder shall not be deemed a transfer unless the conveyance or transfer instrument effecting such sale or assignment expressly states that the sale or assignment is deemed to be a transfer.

(d) The Construction Manager may, in its sole and absolute discretion, assign this Agreement with respect to all or part of the Project from time to time to an affiliate of Construction Manager with ten (10) business days prior written notices to the City and the Corporation.

(e) The Construction Manager currently intends to convey the Property to Continental Homes of Texas, LP, a Texas limited partnership ("**Continental Homes**") prior to development of the Property. Upon conveyance of the Property, the Construction Manager

intends to assign all of its rights, title, and interest under this Agreement to Continental Homes. Notwithstanding anything in this Agreement to the contrary, the Corporation hereby consents to such conveyance and assignment, provided that such assignment shall be of no effect unless the Construction Manager assigns, and Continental Homes assumes, the Construction Manager's obligations under the Continuing Disclosure Agreement and Section 5 of the Representation Agreement.

Section 9.05 Term of Agreement

This Agreement shall terminate on the date on which the Construction Manager and the Corporation discharge all of their obligations hereunder. Notwithstanding any provision herein to the contrary, completion of the Public Improvements shall not serve to terminate the obligation to provide the maintenance bond as described in Section 4.03 hereof.

Section 9.06 Construction of Certain Terms

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following rules of construction shall apply:

- (a) Words importing a gender include either gender.
- (b) Words importing the singular include the plural and vice versa.
- (c) A reference to a document includes an amendment, supplement, or addition to, or replacement, substitution, or novation of, that document but, if applicable, only if such amendment, supplement, addition, replacement, substitution, or novation is permitted by and in accordance with that applicable document.
- (d) Any term defined herein by reference to another instrument or document shall continue to have the meaning ascribed thereto whether or not such other instrument or document remains in effect.
- (e) A reference to any Party includes, with respect to the Corporation, its Designated Successors and Assigns, and reference to any Party in a particular capacity excludes such Party in any other capacity or individually.
- (f) All references in this Agreement to designated "Articles", "Sections", and other subdivisions are to the designated Articles, Sections, and other subdivisions of this Agreement. All references in this Agreement to "Exhibits" are to the designated Exhibits to this Agreement.
- (g) The words "herein," "hereof", "hereto", "hereby", "hereunder", and other words of similar import refer to this Agreement as a whole and not to the specific Section or provision where such word appears.
- (h) The words "including" and "includes," and words of similar import, are deemed to be followed by the phrase "without limitation".

(i) Unless the context otherwise requires, a reference to the “Property”, “Public Improvements”, or District” is deemed to be followed by the phrase “or a portion thereof”.

(j) Every “request”, “order”, “demand”, “direction”, “application”, “appointment”, “notice”, “statement”, “certificate”, “consent”, “approval”, “waiver”, “identification”, or similar action under this Agreement by any Party shall, unless the form of such instrument is specifically provided, be in writing duly signed by a duly authorized representative of such Party.

(k) The Parties hereto acknowledge that each such Party and their respective counsel have participated in the drafting and revision of this Agreement. Accordingly, the Parties agree that any rule of construction that disfavors the drafting Party shall not apply in the interpretation of this Agreement.

Section 9.07 Titles and Headings

The titles of the Articles and the headings of the sections of this Agreement are solely for convenience of reference, are not a part of this Agreement, and shall not be deemed to affect the meaning, construction, or effect of any of its provisions.

Section 9.08 Amendments.

This Agreement may be amended, modified, revised, or changed by written instrument executed by the Parties. Approval of amendments on behalf of the City has been delegated to and may be made by the City Manager.

Section 9.09 Time

In computing the number of days for purposes of this Agreement, all days will be counted, including Saturdays, Sundays, and legal holidays; however, if the final day of any time period falls on a Saturday, Sunday, or legal holiday, then the final day will be deemed to be the next day that is not a Saturday, Sunday, or legal holiday.

Section 9.10 Counterparts

This Agreement may be executed in any number of counterparts, each of which will be deemed to be an original, and all of which will together constitute the same instrument.

Section 9.11 Entire Agreement

This Agreement contains the entire agreement of the Parties.

Section 9.12 Severability; Waiver

If any provision of this Agreement is illegal, invalid, or unenforceable, under present or future laws, it is the intention of the parties that the remainder of this Agreement not be affected and, in lieu of each illegal, invalid, or unenforceable provision, a provision be added to this Agreement which is legal, valid, and enforceable and is as similar in terms to the illegal, invalid, or enforceable provision as is possible.

Any failure by a Party to insist upon strict performance by the other Party of any material provision of this Agreement will not be deemed a waiver or of any other provision, and such Party may at any time thereafter insist upon strict performance of any and all of the provisions of this Agreement.

Section 9.13 Third Party Beneficiary

The City is a third party beneficiary of this Agreement and is entitled to the rights and benefits hereunder and may enforce the provisions hereof as if they were parties hereto.

Section 9.14 Exhibits

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

Exhibit A	–	Definitions
Exhibit B	–	Property Description
Exhibit C	–	Service and Assessment Plan
Exhibit D	–	Public Improvements
Exhibit E	–	Form of Certification and Approval of Construction
Exhibit F	–	Form of Completed Improvement Approval Request
Exhibit G	-	Homebuyer Disclosure Program
Exhibit G-1	-	Homebuyer Disclosure
Exhibit H	-	Representation Agreement
Exhibit I	-	Continuing Disclosure Agreements

[Signature Pages to Follow]

HUTTO1660 LP,
a Texas limited partnership

By: Packsaddle Real Estate Partners, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Scott Rempe – Managing Partner

STATE OF TEXAS §
 §
COUNTY OF _____ §

This instrument was acknowledged before me, the undersigned authority, this ____ day of _____, 2019, by Scott Rempe, Managing Partner of Packsaddle Real Estate Partners, LLC, a Texas limited liability company, general partner of Hutto1660, LP, a Texas limited partnership, on behalf of said limited liability company and said limited partnership.

[SEAL]

Notary Public ★ State of Texas

[Signatures Continue on Next Page]

[SIGNATURE PAGE TO CONSTRUCTION CONTRACT]

RIVER CREEK DEVELOPMENT CORPORATION

By: _____
Name: _____
Title: _____

STATE OF TEXAS

§

COUNTY OF WILLIAMSON

§

§

This instrument was acknowledged before me on _____, 2019 by Odis Jones of the River Creek Development Corporation, on behalf of said corporation.

(SEAL)

Notary Public, State of Texas

Name printed or typed

Commission Expires:_____

[SIGNATURE PAGE TO CONSTRUCTION CONTRACT]

EXHIBIT A
DEFINITIONS

Unless the context requires otherwise, and in addition to the terms defined above, each of the following terms and phrases used in this Agreement has the meaning ascribed thereto below:

“Acceptance Date” means the date that the Certification and Approval of Construction has been accepted, approved and signed by the City for any Public Improvements.

“Actual Costs” means, with respect to an Public Improvements, the demonstrated, reasonable, allocable, and allowable costs of constructing such Public Improvements, as specified in a Certification and Approval of Construction or payments that have been reviewed and approved by the City. Actual Cost may include (a) the costs for the design, planning, financing, administration, management, acquisition, installation, construction and/or implementation of such Public Improvements, including general contractor construction management fees, if any, (b) the costs of preparing the construction plans for such Authorized Improvement, (c) the fees paid for obtaining permits, licenses or other governmental approvals for such Public Improvements, (d) the costs for external professional costs associated with such Public Improvements, such as engineering, geotechnical, surveying, land planning, architectural landscapers, advertising, marketing and research studies, appraisals, legal, accounting and similar professional services, taxes (property and franchise) (e) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and material men in connection with the acquisition, construction or implementation of the Public Improvements, (f) the construction management fee listed in Section 4.01(c) hereof, and (g) all related permitting, zoning and public approval expenses, architectural, engineering, legal, and consulting fees, financing charges, taxes, governmental fees and charges (including inspection fees, permit fees, development fees), insurance premiums, miscellaneous expenses, and all advances and payments for Administrative Expenses.

“Administrative Expenses” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the District, including, but not limited to, the costs of (i) legal counsel, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the District and preparing the assessment roll, (iii) computing, levying, collecting and transmitting the Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Assessments, (v) investing or depositing the Assessments, (vi) paying the paying agent/registrar’s and Fiscal Agent’s fees and expenses (including the fees and expenses of its legal counsel), and (vii) administering the construction of the Public Improvements, in accordance with the terms of this Agreement.

“Agreement” has the meaning given in the recitals to this Agreement.

“Annual Installment” has the meaning given in the Service and Assessment Plan.

“Assessed Parcel” means any Parcel within the District against which an Assessment is levied (an Assessed Parcel does not include Non-Benefited Property).

“Assessment Fund” has the meaning given in the recitals of this Agreement.

“Assessment Ordinance” has the meaning given in the recitals of this Agreement.

“Assessment Revenues” means all revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs and Administrative Expenses).

“Assessments” means the assessments levied against properties in the District, as provided for in the Assessment Ordinance and in the Service and Assessment Plan, including any supplemental assessments or reallocation of assessments levied in accordance with Sections 372.019 and 372.020 of the PID Act.

“Bills Paid Affidavit” means the bills paid affidavit attached to a Certification and Approval of Construction.

“Builder” has the meaning given in Section 3.01(d) of this Agreement.

“Certification and Approval of Construction” means the certificate (whether one or more) in substantially the same form as **“Exhibit E”** attached hereto.

“City” means the City of Hutto, Texas.

“City Construction Representative” means the Director of Engineering or such other person selected by the City to oversee the construction of the Public Improvements on behalf of the City.

“City Council” means the governing body of the City of Hutto, Texas.

“City Manager” means the City Manager of the City of Hutto, Texas or his/ her designee or successor.

“City Rules” means the rules and regulations that govern the development of the Project, as may be amended or adjusted pursuant to the terms of this Agreement.

“Construction Manager” means the entity responsible for the design, the designation of easement locations, facilities site designations and acquisitions, supervision of construction, and the bidding and letting of construction contracts for the construction of the Public Improvements.

“Continuing Disclosure Agreement” has the meaning given in the recitals of this Agreement.

“Contract Amount” has the meaning given in Section 5.02(a) of this Agreement.

“Corporation” has the meaning given in the recitals of this Agreement.

“**Delinquent Collection Costs**” has the meaning set forth in the Service and Assessment Plan.

“**Designated Successors and Assigns**” means an entity to which the Corporation assigns a portion of (in writing) its rights and obligations contained in this Agreement.

“**District**” has the meaning given in the recitals to this Agreement.

“**Event of Default**” has the meaning given in Section 8.01 of this Agreement.

“**Final Approval Request**” means the request (whether one or more) in substantially the same form as “**Exhibit F**” attached hereto.

“**Fiscal Agent**” has the meaning given in the recitals of this Agreement.

“**Fiscal Agent Agreement**” has the meaning given in the recitals of this Agreement.

“**Force Majeure**” means strikes, lock-outs, war, civil disturbance, natural disaster, acts of terrorism, or acts of God that cause a delay in the Construction Manager’s performance of this Agreement.

“**Interlocal Agreement**” has the meaning given in the recitals of this Agreement.

“**Loan**” has the meaning given in the recitals of this Agreement.

“**Loan Agreement**” has the meaning given in the recitals of this Agreement.

“**Non-Benefited Property**” means Parcels within the boundaries of the District that accrue no special benefit from the Public Improvements, including Owner’s Association Property and Public Property.

“**Notice**” means any notice, writing, or other communication given under this Agreement.

“**Owner’s Association**” means a homeowner’s association or property owner’s association.

“**Owner’s Association Property**” means property within the boundaries of the District that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owner’s Association established for the benefit of a group of homeowners or property owners within the District.

“**Parcel**” means a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purpose, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the Official Public Records of Williamson County, or by any other means determined by the City.

“**Party**” means the Corporation or the Construction Manager, as parties to this Agreement, and “**Parties**” means collectively, the Corporation and the Construction Manager.

“**PID Act**” has the meaning given in the recitals to this Agreement.

“**PID Administrator**” means the person or independent firm designated by the City Council who shall have the responsibilities provided for herein or in any other agreement approved by the City Council.

“**Project**” has the meaning given in the recitals to this Agreement.

“**Project Engineer**” means the civil engineer or firm of civil engineers selected by the Corporation to perform the duties set forth in this Agreement and registered in the State of Texas.

“**Property**” has the meaning given in the recitals to this Agreement.

“**Public Improvements**” means those improvements benefiting the District described in “**Exhibit D**”, as identified in the Service and Assessment Plan, as such plan is amended and updated from time to time.

“**Public Property**” means property, real property, right of way and easements located within the boundaries of the District that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, Williamson County, the City, a school district, a public utility provider or any other political subdivision or public agency, whether in fee simple, through an easement, or by plat.

“**Representation Agreement**” has the meaning given in the recitals of this Agreement.

“**Securitization Bonds**” has the meaning given in the recitals of this Agreement.

“**Segment**” or “**Segments**” means the portions of the Public Improvements identified as such.

“**Service and Assessment Plan**” has the meaning given in the recitals to this Agreement.

“**State**” means the State of Texas.

“**Stifel**” has the meaning given in the recitals of this Agreement.

EXHIBIT B

PROPERTY DESCRIPTION

A 153.340 ACRE, OR 6,679,481 SQUARE FOOT, TRACT OF LAND BEING A PORTION OF A CALLED 169.99 ACRE TRACT RECORDED IN DOCUMENT NO. 2019000072 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN THE JOHN DYKES SURVEY, ABSTRACT NO. 186, AND IN THE CCD CO. SURVEY, SECTION NO. 204, ABSTRACT NO. 693, AND ALSO IN THE JOSIAS B. BEALLE SURVEY, ABSTRACT NO. 97, ALL IN WILLIAMSON COUNTY, TEXAS. SAID 153.340 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE;

BEGINNING at a ½" iron rod found on the northwest corner of a called 0.50 acre tract recorded in Document No. 2000040392 of the Official Public Records of Williamson County, Texas, same being a point in the east right-of-way line of F.M. 1660, an 80-foot right-of-way recorded in Volume 476, Page 593 of the Deed Records of Williamson County, Texas for the southeast corner and **POINT OF BEGINNING** hereof, from which a TXDOT Type I monument found bears, S 22°01'31" E, 688.30 feet;

THENCE with the east right-of-way line of said F.M. 1660, same being the west boundary line of said 169.99 acre tract the following two (2) courses and distances:

1. N 22°01'31" W, a distance of 935.01 feet to a TXDOT Type I monument found, and
2. N 21°04'51" W, a distance of 1071.21 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the west boundary line of said 169.99 acre tract, same being the east right-of-way line of said F.M. 1660 for the northwest corner hereof, from which a TXDOT Type I monument found bears N 21°04'51" W, 1001.02 feet;

THENCE, departing the east right-of-way line of said F. M. 1660, through the interior of said 169.99 acre tract, the following three (3) courses and distances:

1. N 68°33'50" E, a distance of 1312.44 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a north corner hereof,
2. S 51°25'33" E, a distance of 216.15 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a north corner hereof, and
3. N 21°26'10" E, a distance of 711.67 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the north boundary line of said 169.99 acre tract, same being a point in the south boundary line of a called 65.00 acre tract recorded in Document No. 2009044814 of the Official Public Records of Williamson County, Texas for a north corner hereof;

THENCE N 68°33'50" E, with the south boundary line of said 65.00 acre tract, same being the north boundary line of said 169.99 acre tract, a distance of 1189.71 feet to a an iron rod with cap marked "Lenz & Assoc." found on the southeast corner of said 65.00 acre tract, same being a point in the west boundary line of a called 27.36 acre tract recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas for the northeast corner hereof, from which an iron rod with cap marked "Lenz and Assoc." found on the northeast corner of said 65.00 acre tract bears, N 21°41'22" W, 1087.75 feet;

THENCE S 21°41'22" E, with the east boundary line of said 169.99 acre tract, same being in part the west boundary line of said 27.36 acre tract, also being in part the west boundary line of a remnant portion of called 107 acre tract recorded in Volume 309, Page 269 of the Deed Records of Williamson County, Texas and being in part the west boundary line of a called 10.00 acre tract recorded in Document No. 2008053240 of the Official Public Records of Williamson County, Texas, a distance of 3375.35 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the north boundary line of Rivers Crossing Subdivision, Phase Three, a subdivision according to the plat recorded in Cabinet X, Slide 250 of the Plat Records of Williamson County, Texas for a southeast corner hereof, from which a ½" iron rod found on the northeast corner of said Rivers Crossing Subdivision, Phase Three bears, S 82°15'05" E, 522.64 feet;

THENCE with the north boundary line of said Rivers Crossing Subdivision, Phase Three, same being the south boundary line of said 169.99 acre tract the following four (4) courses and distances:

1. N 82°15'05" W, a distance of 656.59 feet to a ½" iron rod found for a south corner hereof,
2. N 83°17'18" W, a distance of 456.80 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a south corner hereof,
3. S 79°27'12" W, a distance of 893.10 feet to a ½" iron rod found for a south corner hereof, and
4. S 78°54'12" W, at a distance of 772.40 feet passing through a 2" iron pipe found in the south boundary line of the aforementioned 169.99 acre tract, continuing with the south boundary line of said 169.99 acre tract, same being the north boundary line of said 0.50 acre tract for a total distance of 781.81 feet to the **POINT OF BEGINNING**, and containing 153.340 acres in Williamson County, Texas. Said tract being described in accordance with a survey map prepared by Pape-Dawson Engineers, Inc. under Job No. 51048-00.

PREPARED BY: Pape-Dawson Engineers, Inc.

DATE: February 18, 2019

JOB No.: 51048-00

DOC.ID.: H:\survey\CIVIL\51048-00 MUSTANG CREEK\Word\FN-51048-00_153.340Ac.docx

TBPE Firm Registration #470

TBPLS Firm Registration #100288-01

EXHIBIT C
SERVICE AND ASSESSMENT PLAN



Mustang Creek Public Improvement District

Service and Assessment Plan

August 22, 2019

TABLE OF CONTENTS

TABLE OF CONTENTS	
LIST OF TABLES	4
Section I PLAN DESCRIPTION AND DEFINED TERMS	5
A. Introduction	5
B. Definitions	5
Section II PROPERTY INCLUDED IN THE PID	9
A. Property Included in the PID	9
Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS	10
A. Authorized Improvement Overview	10
B. Descriptions and Estimated Costs of Improvements	11
Section IV ASSESSMENT PLAN	13
A. Introduction	13
B. Special Benefit	13
C. Allocation of Authorized Improvements Costs	14
D. Special Assessment Methodology	14
E. Special Assessment and Annual Installments	15
F. Administrative Expenses	15
Section V SERVICE PLAN	16
Section VI TERMS OF THE SPECIAL ASSESSMENTS	18
A. Amount of Special Assessments and Annual Installments for Parcels	18
B. Reallocation of Special Assessments for Parcels	18
C. Mandatory Prepayment of Assessments	19
D. Reduction of Special Assessments	20
E. Payment of Special Assessments	20
F. Collection of Annual Installments	22
Section VII THE ASSESSMENT ROLL	24
A. Assessment Roll	24
B. Annual Assessment Roll Updates	24
Section VIII MISCELLANEOUS PROVISIONS	25
A. Administrative Review	25
B. Termination of Assessments	25
C. Amendments	25
D. Administration and Interpretation of Provisions	26

TABLE OF CONTENTS

E. Severability 26

Appendix A Assessment Roll..... 27

Appendix A-1 Annual Installments..... 28

Appendix B Legal Description 31

Appendix C Parcel Map 33



LIST OF TABLES

LIST OF TABLES

Table II:
Public Improvement District Boundaries 9

Table III:
Authorized Improvements..... 12

Table IV-A:
Allocation of Authorized Improvements to Assessed Property 14

Table IV-B:
Special Assessment Allocation..... 15

Table V-A:
Sources and Uses of Funds 16

Table V-B:
Projected Annual Installments 17

Table VII:
Special Benefit Summary 23

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

SECTION I

PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On June 7th, 2018 (the “**Creation Date**”), the City Council of the City of Hutto (“the City Council”) approved a Resolution which authorized the creation of the Mustang Creek Public Improvement District (the “**PID**”) to purchase the Authorized Improvements Costs (as defined below) for the benefit of certain property in the PID, all of which is located within the City of Hutto, Texas (the “**City**”).

Chapter 372 of the Texas Local Government Code (as amended, the “**PID Act**”) governs the creation of public improvement districts within cities and counties within the State of Texas. This Service and Assessment Plan (the “**SAP**”) was prepared pursuant to the PID Act. The PID Act requires that a service plan “cover a period of at least five years and ... define the annual indebtedness and the projected costs for improvements.” It also requires the plan “be reviewed and updated annually for the purpose of determining the annual budget for improvements.” The service plan for the PID is described in more detail in **Section V** herein.

The Assessment Roll for the PID is attached hereto as **Appendix A**, and is addressed in **Section IV** of this SAP. The Special Assessments as shown on the Assessment Roll are based on the method for establishing and levying the Special Assessment described in **Sections IV** and **VI** of this SAP.

B. Definitions

Capitalized terms shall have the meanings ascribed to them as follows:

“**Administrative Expenses**” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of (i) legal counsel, the Trustee, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Special Assessments, (v) investing or depositing the Special Assessments or other monies, and (vi) administering the construction of the Authorized Improvements.

“**Administrator**” means an employee of the City or third party designee of the City who shall have the responsibilities provided for herein or in any other agreement approved by the City Council. The City has initially retained DPF, Inc. to be the Administrator.

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

“Annual Installments” means, with respect to each Assessed Property, each annual payment of: (i) the Special Assessment (including the principal of and interest on), as shown on the Assessment Roll attached hereto as **Appendix A**, as applicable, or in an Annual Service Plan Update, and calculated as provided in **Section VI** of this SAP and (ii) Administrative Expenses.

“Annual Service Plan Update” has the meaning set forth in **Section V** of this SAP.

“Assessed Property” means property on which Special Assessments have been levied as shown on the Assessment Roll (as the same may be updated each year by the Annual Service Plan Update) and which includes any and all Parcels within the PID other than Non-Benefited Property.

“Assessment Order” means each order adopted by the City Council approving this SAP (or amendments or supplements to the SAP) and levying the Special Assessments.

“Assessment Roll” means, as applicable, the Assessment Roll included in this SAP as **Appendix A**, which may be updated, or modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

“Authorized Improvements” means those improvements authorized under **Section 372.003** of the PID Act.

“Authorized Improvements Cost” means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements and all costs related in any manner to the Authorized Improvements including (i) the costs of creating the PID, (ii) the costs incurred for the design, planning, financing, administration/ management, acquisition, installation, construction and/or implementation of such Authorized Improvement, (iii) the costs incurred in preparing the construction plans for such Authorized Improvement, (iv) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (v) the project management costs, (vi) the costs incurred for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services related to the Authorized Improvement, (vii) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, (viii) the costs of all permitting, zoning and authorized approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses related to the Authorized Improvement, but excluding oversizing costs.

“Budgeted Cost” means with respect to any given Authorized Improvement, the estimated cost of such Authorized Improvement as set forth in **Section III** herein.

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

“City” means the City of Hutto, Texas.

“City Council” means the City Council of Hutto, Texas.

“City and Corporation Interlocal Agreement” means the interlocal agreement between the City and the LGC to administer the PID and providing for the installment purchase by the City from the LGC of the Authorized Improvements to be funded by the Special Assessment Revenues.

“County” means Williamson County, Texas.

“Delinquent Collection Costs” mean interest, penalties, and expenses incurred or imposed with respect to any delinquent installment of a Special Assessment, or an Annual Installment thereof, in accordance with the PID Act, including the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means Hutto 1660, LP, their successors and assignees.

“LGC” means the local government corporation created by the City pursuant to Chapter 431, Texas Transportation Code, as amended, for the purpose of administering the PID and to provide for the installment purchase of the Authorized Improvements, among other purposes.

“Lot” means (i) for any portion of the Property for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (ii) for any portion of the Property for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the City Council.

“Lot Type 1” means a Lot marketed by the Developer as 50’ lots.

“Mandatory Prepayment” has the meaning set forth in Section VI.C of this SAP.

“Non-Benefited Property” means Parcels within the boundaries of the PID that accrue no special benefit from the Authorized Improvements, including Owner Association Property, Public Property, and easements that create an exclusive use for a public utility provider. Property may be identified as Non-Benefited Property at the time the Special Assessments (i) are levied or (ii) are reallocated pursuant to a subdivision of a Parcel. Assessed Property converted to Non-Benefited Property, if the Special Assessments may not be reallocated pursuant to Section VI.B, remains subject to the Special Assessments and requires the Special Assessments to be prepaid as provided for in Section VI.C.

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

“Owner’s Association” means a homeowner’s association or property owner’s association.

“Owner’s Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owner’s Association established for the benefit of a group of homeowners or property owners within the PID.

“Parcel” means a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the County.

“PID” means the Mustang Creek Public Improvement District created by the City pursuant to a Resolution approved June 7th, 2018.

“PID Act” means Chapter 372 of the Texas Local Government Code, as amended.

“Property” means the approximately 153.34 acres of property depicted and described by metes and bounds on Exhibit A to Resolution as adopted by the City June 7th, 2018.

“Public Property” means property, real property, right of way, and easements located within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the City, a county, a school district, a public utility provider, or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, plat, or a public utility easement.

“Service and Assessment Plan” or **“SAP”** or **“Assessment Plan”** means this Mustang Creek Public Improvement District Service and Assessment Plan (as such plan is amended and updated from time to time) adopted by the City in the first Assessment Order.

“Special Assessment” means the assessment(s) levied against a Parcel or Lot imposed pursuant to the Assessment Order and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or Lot created by such subdivision or reduction according to the provisions hereof and the PID Act.

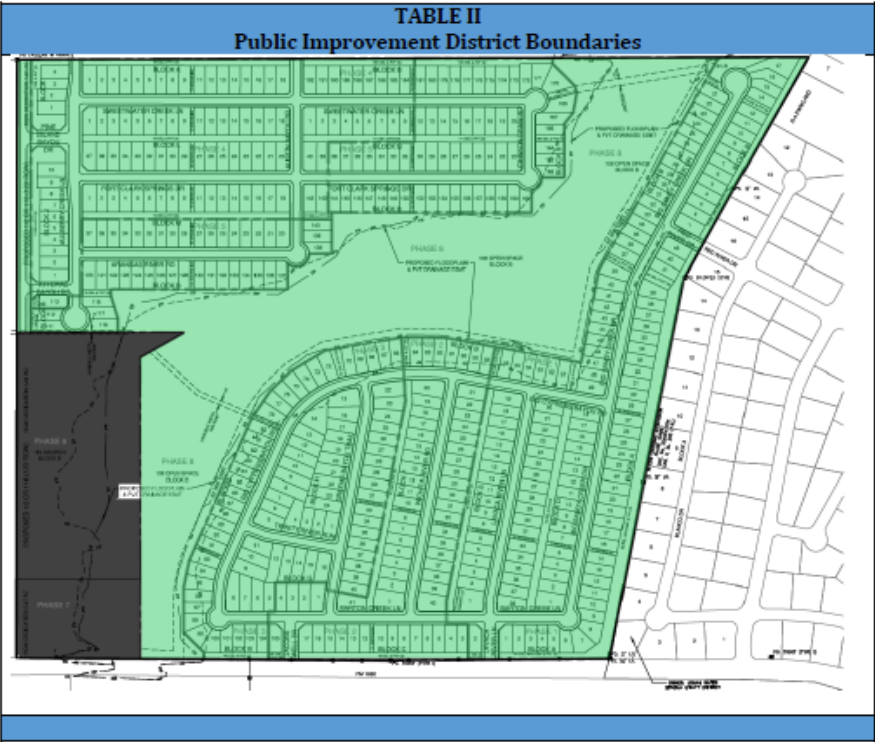
SECTION II –PROPERTY INCLUDED IN THE PID

Section II

PROPERTY INCLUDED IN THE PID

A. Property Included in the PID

The PID comprises the entire Property. The PID is located entirely within the City. It contains approximately 153.34 acres planned for residential development including the associated rights of way, landscaping, and infrastructure necessary to provide roadways and water and wastewater utilities to the Property. A map of the property within the PID is shown in Table II. Legal descriptions for the Property within the PID are included in Appendix B.



SECTION III –DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

Section III

DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

Section 372.003 of the PID Act identifies the authorized improvements that the City may choose to purchase and finance with the establishment of a PID. The Authorized Improvements identified in the PID Act include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian mall;
- (v) acquisition and installment of pieces of art;
- (vi) acquisition, construction or improvement of libraries;
- (vii) acquisition, construction or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement or rerouting of mass transportation facilities;
- (ix) acquisition, construction or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x)
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation and cultural enhancement;
- (xiv) the development, rehabilitation, or expansion of affordable housing; and,
- (xv) the payment of expenses incurred in the establishment, administration and operation of the district.

The City has determined that of the improvements authorized under the PID Act, it will purchase only those Authorized Improvements more particularly described in Section III.B. Any change to the list of Authorized Improvements will require the approval of the City.

SECTION III –DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

B. Descriptions and Estimated Costs of Improvements

The Authorized Improvements are described below and the costs of such improvements are shown in **Table III**. The Budgeted Cost of the Authorized Improvements is \$9,455,000. The Special Assessments will only be used to purchase Authorized Improvements that benefit the Assessed Property. The costs shown in **Table III** may be revised through Annual Service Plan Updates.

The Authorized Improvements Costs of the Authorized Improvements are to be funded from the Special Assessment reimbursements as described herein.

A description of the Authorized Improvements follows:

- **Site Work, Site Grading, and Drainage:** Extensive grading and site balancing along with in-line detention designs will be implemented to reclaim considerable amounts of land inside the development. Due to the soil conditions in the area, the residential pad sites will also be moisture conditioned to provide increased stabilization and improved compaction conditions for residence foundations. The site also contains over 6,500' linear feet of underground storm drain ranging from 18" to 48" in diameter. The combined drainage system allows the subdivision to maximize the land usage within the development and provide an oversized stormwater system to efficiently, effectively and safely remove the storm water from the subdivision all while maintaining the current storm water levels required as the water exits the site.
- **Neighborhood Streets:** 18,129 linear feet of residential local (30' width) and collector streets (44' width) utilizing a total of 23.18 acres will be created throughout the subdivision to provide improved access within the subdivision as well as to FM1660 and future CR118 roadways.
- **Wastewater:** A new wastewater lift station will be constructed on .27 acres in the southeastern corner of the property and will serve the entire subdivision. The system includes the associated dedicated land along with 7,000 linear feet of force mains, over 17,000 linear feet of gravity lines and new easement dedications for future expansions.
- **Erosion and Sedimentation Control:** The erosion and sediment improvements consist of silt barriers and other methods to best stabilize the improvements being constructed.
- **Engineering and Planning Costs:** Engineering fees and other expenses associated with the Authorized Improvements described above.

SECTION III –DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

- **Parks and Open Space:** A large open space (approximately 49 acres) of riparian zone natural area, meadows, and play field to be dedicated to the City to provide run and play areas and walkable access to future school, church and commercial developments on the north end of the subdivision. An additional .29-acre amenity center lot will be near the entry of the subdivision and enhanced with playground equipment for neighborhood use.

Table III Authorized Improvements	
Description	Costs
<i>Authorized Improvements</i>	
Site Work, Site Grading, and Drainage	\$ 1,389,227
Neighborhood Streets	1,614,035
Wastewater	1,931,906
Erosion and Sedimentation Control	33,251
Engineering and Planning Costs	1,904,268
Parks and Open Space	2,582,313
Total Authorized Improvements	\$ 9,455,000
Source: Developer	
Note: The figures shown in Table III and the Budgeted Costs for the Authorized Improvements may be revised in Annual Service Plan Updates, and may be reallocated between line items so long as the Authorized Improvements total does not change.	

SECTION IV- ASSESSMENT PLAN

Section IV

ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the cost of the Authorized Improvements based on the special benefits conferred to each lot or parcel by the Authorized Improvements. The PID Act provides that the Special Assessments and the costs of the Authorized Improvements may be allocated: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the City Council may establish the methods of assessing the special benefits for various classes of improvements. Table IV-A details the estimated allocation of costs of the Authorized Improvements between the Assessed Property and Non-Benefited Property.

This section of this SAP is intended to describe the special benefit conferred to each Parcel within the PID as a result of the Authorized Improvements, to provide the basis and justification for the determination that this special benefit exceeds the amount of the Special Assessments, and to explain the methodologies by which the City Council allocates and reallocates the special benefit for Authorized Improvements to Parcels and Lots so that there is an equal share of the cost of the Authorized Improvements and Special Assessments being apportioned to Parcels and Lots similarly benefited. The determination by the City Council of the assessment methodology set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners of any Assessed Property.

B. Special Benefit

The Assessed Property must receive a direct and special benefit from the Authorized Improvements, which must be equal to or greater than the amount of the Special Assessments. The Authorized Improvements are provided for the benefit of the Assessed Property.

When the City Council approved this SAP, the Developer owned 100% of the Assessed Property. The Developer has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Special Assessments to pay for the Authorized Improvements Cost associated therewith. The Developer has ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Order; (ii) the SAP and the Assessment Order; and (iii) the levying of Special Assessments on the Assessed Property.

SECTION IV- ASSESSMENT PLAN

The City Council determined that funding the Authorized Improvements Cost for the Authorized Improvements through the PID is beneficial to the City. Accordingly, these Authorized Improvements confer a special benefit to the Assessed Property, and such special benefit exceeds the amount of the Special Assessment levied on the Assessed Property. This conclusion is supported by the evidence, information, and testimony provided to the City.

C. Allocation of Authorized Improvements Costs

The Authorized Improvements will provide a special benefit only to the Assessed Property. The Budgeted Cost of the Authorized Improvements is, therefore, allocated entirely to Assessed Property, as shown in Table IV-A. The Budgeted Costs detailed in Table IV-A for the Authorized Improvements are subject to revision through the Annual Service Plan Updates, but may not result in increased Special Assessments except as authorized under this SAP or the PID Act.

Allocation of Authorized Improvements to Assessed Property		
Authorized Improvements	Total Cost	% Allocation [a]
Site Work, Site Grading, and Drainage	\$ 1,389,227	100%
Neighborhood Streets	1,814,035	100%
Wastewater	1,931,906	100%
Erosion and Sedimentation Control	33,251	100%
Engineering and Planning Costs	1,904,268	100%
Parks and Open Space	2,582,313	100%
Total Authorized Improvements	\$ 9,455,000	100%
[a] 100% of the Budgeted Costs for the Authorized Improvements are being allocated to Assessed Property.		

D. Special Assessment Methodology

The City Council may assess all or a portion of the Budgeted Cost of the Authorized Improvements against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the amount of the Special Assessments. All or a portion of the Budgeted Cost of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of costs on Assessed Property similarly benefited.

SECTION IV- ASSESSMENT PLAN

For purpose of the Assessment Plan, the City Council has determined that the Budgeted Costs associated with the Authorized Improvements shall be allocated on the basis of estimated buildout value. The Budgeted Costs associated with the Authorized Improvements shall be allocated to the Assessed Property by spreading the entire Special Assessment across all benefitting Parcels and Lots within the PID based on the ratio of the estimated buildout value of such Parcel or Lot to the estimated buildout value for all Assessed Property within the PID. The results of this allocation methodology are presented in Table IV-B.

Based on the Budgeted Costs for the Authorized Improvements, the City Council has determined that the benefit to the Assessed Property from the Authorized Improvements is at least equal to the Special Assessments levied on the Assessed Property as subdivided into individual Parcels or Lots.

Lot Type	Units/ SF	% Allocation of Total Special Assessment	Buildout Value at Completion	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit	Average Annual Installment Per Unit	Equivalent Tax Rate (per \$100/AV)
1	505	100.00%	\$ 133,412,376	\$ 9,455,000	\$ 710,894	\$ 18,723	\$ 1,408	\$ 0.53
Total	505	100.00%	\$ 133,412,376	\$ 9,455,000	\$ 710,894	\$ 18,723	\$ 1,408	\$ 0.53

Note: Although the actual unit counts and buildout value may vary from the allocations shown above, the initial assessment allocation for each Unit will not change unless modified in a Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, the City and Corporation Interlocal Agreement and any other documents associated with the creation of the PID. The above estimate assumes a 6.6875% interest rate, a 35 year term for the PID, and Initial Administrative Expenses of \$35,000.

E. Special Assessment and Annual Installments

The Special Assessments for the PID will be levied on each Parcel and Lot according to the Assessment Roll. The Annual Installments for the PID will be collected on the dates and in the amounts shown on the Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Lot based on the amount of outstanding assessment remaining on the Lot. The Administrative Expenses shall be collected as part of and in the same manner as the Annual Installments in the amounts shown on the Assessment Roll shown on Appendix A, which are subject to revision through Annual Service Plan Updates.

SECTION V SERVICE PLAN

Section V

SERVICE PLAN

The PID Act requires the SAP (i) cover a period of at least five years, and (ii) define the annual projected costs for the Authorized Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 12 months for the Authorized Improvements to be constructed and purchased by the City.

The Budgeted Cost of the Authorized Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$9,455,000 as shown in **Table V-A**. The SAP shall be reviewed and updated at least annually for purposes of determining the annual budget for Administrative Expenses, updating the Budgeted Costs of the Authorized Improvements, and updating the Assessment Roll shown on **Appendix A**. Any update to this SAP herein is referred to as an "**Annual Service Plan Update**."

Table V-A summarizes the funds required to purchase the Authorized Improvements, and establish the PID. The funds shown in **Table V-A** shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Budgeted Cost and/or Authorized Improvements Costs, if any.

Table V-A Sources and Uses of Funds	
Sources of Funds	
Special Assessment	\$ 9,455,000
Owner Contribution	0
	<u>\$ 9,455,000</u>
Uses of Funds	
Authorized Improvements (a)	<u>\$ 9,455,000</u>
(a) See Table III and Table IV-A for details.	

SECTION V SERVICE PLAN

The Annual Installments for the first five years after the approval of this SAP are presented in Table V-B. The Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-B Projected Annual Installments				
Year	Principal Payments	Interest Expense	Administrative Expenses	Annual PID Installments
2020	\$ 50,000	\$ 631,723	\$ 35,000	\$ 716,723
2021	100,000	577,220	35,700	712,920
2022	105,000	571,122	36,414	712,536
2023	110,000	564,720	37,142	711,862
2024	115,000	558,013	37,885	710,898
Total	\$ 480,000	\$ 2,902,798	\$ 182,141	\$ 3,564,939
Note: The Projected Annual Installments are the expenditures associated with the formation of the PID, the costs of formation and repayment of the PID Special Assessments as well as the administration of the PID. The estimates are based on a 35 year term for the PID and as assumed interest rate of 5.5975%.				

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

Section VI

TERMS OF THE SPECIAL ASSESSMENTS

A. Amount of Special Assessments and Annual Installments for Parcels

The Special Assessments and Annual Installments for each Assessed Property are shown on the Assessment Roll in Appendix A-1. The Special Assessments and Annual Installments shall not be changed except as authorized under the terms of this SAP and the PID Act. The Annual Installments shall be collected in an amount sufficient to cover the Administrative Expenses.

B. Reallocation of Special Assessments for Parcels

1. *Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Special Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C / D)$$

"A" means the Special Assessment for a Parcel or Lot created by a subdivision plat.

"B" means the Special Assessment for the subdivided Parcel or Lot prior to division.

"C" means the Special Assessment for the Lot Type applicable to a Parcel or Lot created by a subdivision plat determined by reference to **Table IV-B**.

"D" means the sum of the Special Assessments for all Assessed Property created by a subdivision plat based on the Lot Type applicable to each Parcel or Lot.

If the resulting Special Assessment for a Parcel or Lot created by a subdivision plat exceeds the Special Assessment for the Lot Type applicable to such Parcel or Lot as shown in **Table IV-B**, the excess amount shall be prepaid as a Mandatory Prepayment as provided under **Section VI.C** herein.

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

The increase or reallocation of a Special Assessment for an Assessed Parcel that is a homestead under Texas law may not exceed the Special Assessment prior to the increase or reallocation. Any increase or reallocation pursuant to this section shall be reflected in a Service and Assessment Plan Update approved by the City. The division herein shall be considered an administrative action that will not require the City to issue notice and hold a public hearing.

2. *Upon Subdivision by a Recorded Subdivision Plat*

Once a Lot has a Special Assessment applied to it pursuant to **Section VI.B.1** above, and then proceeds to be subdivided again, the Special Assessments for each affected Lot will be allocated in accordance with the formula set forth in **Section VI.B.1** above. If the resulting Special Assessments for a Lot so subdivided exceeds the Special Assessment for the Lot Type applicable to such Lot as set forth in **Table IV-B**, the excess amount shall be prepaid as a Mandatory Prepayment as provided under **Section VI.C** herein.

Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an Annual Service Plan Update approved by the City Council. The reallocation of any Special Assessment as described herein shall be considered an administrative action and will not require any notice or public hearing by the City.

3. *Upon Consolidation*

Upon the consolidation of two or more Assessed Properties, the Special Assessment for the consolidated Assessed Property shall be the sum of the Special Assessments for the Assessed Properties prior to consolidation. The reallocation of a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an update to this SAP approved by the City. The consolidation of any Assessed Property as described herein shall be considered an administrative action and will not require any notice or public hearing by the City.

C. **Mandatory Prepayment of Assessments**

If (i) Assessed Property or a portion thereof is transferred to a party that is exempt from the payment of the Special Assessment under applicable law, (ii) an owner causes a Parcel or Lot or portion thereof to become Non-Benefited Property, or (iii) a prepayment of a portion of a Special Assessment that has been reallocated as a result of a subdivision plat is required pursuant to **Section VI.B** above, the owner of such Parcel or Lot or portion thereof shall pay to the City, as applicable, the portion of the Special Assessment to be prepaid or the full amount of the Special Assessment for such Parcel or Lot or portion thereof prior to any such transfer or act (a "Mandatory Prepayment").

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

D. Reduction of Special Assessments

1. If, after all Authorized Improvements to be funded have been purchased, the Authorized Improvements Cost is less than the Budgeted Cost used to calculate the Special Assessments, then the City will reduce the Special Assessment securing each Assessed Property pro rata such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the reduced Authorized Improvements Cost.

E. Payment of Special Assessments

1. Payment in Full and Partial Pre-Payment

- The Special Assessment for any Parcel may be paid in full at any time in accordance with the PID Act.
- If an Annual Installment has been billed prior to payment in full of a Special Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount upon payment.
- Upon payment in full of a Special Assessment, the City shall deposit the payment in accordance with the City and Corporation Interlocal Agreement; whereupon, the Special Assessment for the Lot shall be reduced to zero, and the Lot owner's obligation to pay the Special Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "Notice of PID Assessment Termination."
- At the option of a Lot owner, the Special Assessment on any Lot may be paid in part in an amount equal to the amount of prepaid Special Assessments, with respect thereto. Upon the payment of such amount for a Lot, the City shall deposit the payment in accordance with the City and Corporation Interlocal Agreement, the Special Assessment for the Lot shall be reduced by the amount of such partial payment, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Lot shall be reduced to the extent the partial payment is made.

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

2. Payment of Annual Installments

- The PID Act provides that a Special Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the City to collect interest and collection costs on the outstanding Special Assessment. A Special Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Special Assessment and Administrative Expenses. Pursuant to Section 372.018 of the PID Act, an Assessment bears interest at the rate specified by the governing body of the municipality or City beginning at the time or times or on the occurrence of one or more events specified by the governing body. The City Council has determined that the Assessments shall be paid in Annual Installments over a thirty five (35) year period, as shown in the Assessment Roll, with an interest rate not to exceed five hundred basis points above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index approved by the City Council and reported in the month prior to the establishment of the Special Assessments and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points above the bond index rate described above and shall continue until the Assessments are paid in full. The index approved by the City Council is the S&P Municipal BondHigh Yield Index for which the yield to maturity on August 15, 2019 was 4.81 percent (4.81%).
- The Annual Installments as listed on the Assessment Roll have been calculated assuming an interest rate of 5.5975%. The Annual Installments may not exceed the amounts shown on the Assessment Roll except pursuant to any amendment or update to this SAP.
- The Annual Installments shall be reduced to equal the actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

F. Collection of Annual Installments

The Administrator shall, no less frequently than annually, prepare and submit to the City for its approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Property. Administrative Expenses shall be allocated among Assessed Properties in proportion to the amount of the Annual Installments for the Assessed Property. Each Annual Installment shall be reduced by any credits applied. Annual Installments may be collected by the City (or such entity to whom the City directs) in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act. The City may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of a Special Assessment, shall be assessed annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Delinquent installments of the Special Assessments shall incur interest, penalties, Administrative Expenses, and attorney's fees in the same manner as delinquent ad valorem taxes. The initial Annual Installments will be due when billed, and will be delinquent if not paid prior to February 1, 2020.

G. Summary of City Responsibilities

The City's responsibility under the SAP shall be as follows:

1. The City shall have no responsibility for administration, assessment, collection or payment of any amounts except as specifically provided in the SAP.
2. The City's sole obligations are to:
 - Review and approve the Annual Service Plan Update including the Annual Installments due for the upcoming year;
 - Contract with the Williamson County Appraisal District or other third party to collect the Assessments;
 - Establish the assessment account ("Assessment Account") to receive the funds collected from Assessments;

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

- Pay Administrative Expenses as provided herein;
- Direct the Administrator to take all reasonable efforts to collect Assessments including foreclosure of any lien securing delinquent Assessments;
- Deposit Assessments received, including funds received from foreclosure sales, into the Assessment Account; and,
- Pay funds out of the Assessment Account as provided herein and in the City and Corporation Interlocal Agreement.

SECTION VII THE ASSESSMENT ROLL

Section VII

THE ASSESSMENT ROLL

A. Assessment Roll

The City has evaluated each Lot (based on numerous factors such as the Public Property, the types of Authorized Improvements, and other development factors deemed relevant by the City) to determine the amount of Assessed Property within the PID.

The Assessed Property will be assessed for the special benefits conferred upon the property resulting from the Authorized Improvements. Table VII summarizes the \$9,455,000 in special benefit received by the Assessed Property from the Authorized Improvements and the costs of the PID formation. The expected amount of the planned Special Assessment is \$9,455,000, which is less than the benefit received by the Assessed Property. Accordingly, the total Special Assessment to be applied to all the Assessed Property is \$9,455,000 plus annual Administrative Expenses. The Special Assessment for each Assessed Property is calculated based on the allocation methodologies described in Section IV-D. The Assessment Roll is attached hereto as Appendix A.

Table VII Special Benefit Summary	
Special Benefit Summary	Total Cost
Total Public Improvements (a)	\$ 9,455,000
Total Special Benefit	\$ 9,455,000
<i>Special Benefit</i>	
Total Special Benefit	\$ 9,455,000
Projected PID Special Assessment	\$ 9,455,000
Excess Benefit	\$ 0
(a) See Table III for details.	

B. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City for approval, updates to the Assessment Roll and the Annual Service Plan Update to reflect changes such as (i) the identification of each Parcel (ii) the Special Assessment for each Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Special Assessment is payable in installments); and (iv) payments of the Special Assessment, if any, as provided by Section VI.E. of this Service and Assessment Plan.

SECTION VIII MISCELLANEOUS PROVISIONS

Section VIII

MISCELLANEOUS PROVISIONS

A. Administrative Review

The City may elect to designate a third party to serve as Administrator of the PID. The City shall notify the Developer in writing upon appointing a third party Administrator.

To the extent consistent with the PID Act, if an owner of the Assessed Property claims that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, that owner must send a written notice describing the error to the Administrator no later than thirty (30) days after the date the invoice or other bill for the Annual Installment is received. If the owner fails to give such notice, such owners shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and, if necessary, meet with the Assessed Property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the City Manager for approval, to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Property (except for the final year during which the Assessment shall be collected), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to City for determination. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

B. Termination of Assessments

Each Special Assessment shall terminate on the date the Special Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the Special Assessment, and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Assessed Property a recordable Notice of the PID Assessment Termination.

C. Amendments

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

SECTION VIII MISCELLANEOUS PROVISIONS

D. Administration and Interpretation of Provisions

The City shall administer (or cause the administration of) the PID, this SAP, and all Annual Service Plan Updates consistent with the PID Act.

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this SAP, or the application of same to an Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part thereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this SAP is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this SAP and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

APPENDIX A

Appendix A
Assessment Roll

Appendix A Special Assessment by Property Owner					
Parcel	Tax Parcel ID	Acres	Owner	Special Assessment	Equivalent Tax Rate
A	R020381	147.92	Hutto 1860 LP	\$ 9,120,801	\$ 0.53
B	R325413	4.42	Hutto 1860 LP	\$ 272,539	\$ 0.53
C	R020382	1.00	Hutto 1860 LP	\$ 61,660	\$ 0.53
		153.34		\$ 9,455,000	\$ 0.53
Preliminary and subject to change					

APPENDIX A

Appendix A-1
Annual Installments

APPENDIX A

Appendix A-1 Annual Installments					
Year Ending (a)	PID Reimbursement			Administrative Expenses (b)	Annual Installment (c)
	Principal	Interest	Net Debt Service		
2020	\$ 50,000	\$ 631,723	\$ 681,723	\$ 35,000	\$ 716,723
2021	\$ 100,000	\$ 577,220	\$ 677,220	\$ 35,700	\$ 712,920
2022	\$ 105,000	\$ 571,122	\$ 676,122	\$ 36,414	\$ 712,536
2023	\$ 110,000	\$ 564,720	\$ 674,720	\$ 37,142	\$ 711,862
2024	\$ 115,000	\$ 558,013	\$ 673,013	\$ 37,885	\$ 710,898
2025	\$ 120,000	\$ 551,001	\$ 671,001	\$ 38,643	\$ 709,643
2026	\$ 130,000	\$ 543,684	\$ 673,684	\$ 39,416	\$ 713,099
2027	\$ 135,000	\$ 535,757	\$ 670,757	\$ 40,204	\$ 710,961
2028	\$ 140,000	\$ 527,525	\$ 667,525	\$ 41,008	\$ 708,533
2029	\$ 150,000	\$ 518,989	\$ 668,989	\$ 41,828	\$ 710,817
2030	\$ 160,000	\$ 509,843	\$ 669,843	\$ 42,665	\$ 712,507
2031	\$ 165,000	\$ 500,087	\$ 665,087	\$ 43,518	\$ 708,605
2032	\$ 175,000	\$ 490,026	\$ 665,026	\$ 44,388	\$ 709,414
2033	\$ 185,000	\$ 479,355	\$ 664,355	\$ 45,276	\$ 709,631
2034	\$ 195,000	\$ 468,075	\$ 663,075	\$ 46,182	\$ 709,256
2035	\$ 210,000	\$ 456,185	\$ 666,185	\$ 47,105	\$ 713,290
2036	\$ 220,000	\$ 443,380	\$ 663,380	\$ 48,047	\$ 711,427
2037	\$ 230,000	\$ 429,965	\$ 659,965	\$ 49,008	\$ 708,974
2038	\$ 245,000	\$ 415,941	\$ 660,941	\$ 49,989	\$ 710,930
2039	\$ 260,000	\$ 401,002	\$ 661,002	\$ 50,988	\$ 711,991
2040	\$ 275,000	\$ 385,149	\$ 660,149	\$ 52,008	\$ 712,157
2041	\$ 290,000	\$ 368,381	\$ 658,381	\$ 53,048	\$ 711,429
2042	\$ 305,000	\$ 350,698	\$ 655,698	\$ 54,109	\$ 709,807
2043	\$ 325,000	\$ 332,100	\$ 657,100	\$ 55,191	\$ 712,292
2044	\$ 340,000	\$ 312,284	\$ 652,284	\$ 56,295	\$ 708,579
2045	\$ 360,000	\$ 291,552	\$ 651,552	\$ 57,421	\$ 708,973
2046	\$ 380,000	\$ 269,601	\$ 649,601	\$ 58,570	\$ 708,171
2047	\$ 405,000	\$ 246,431	\$ 651,431	\$ 59,741	\$ 711,172
2048	\$ 430,000	\$ 221,736	\$ 651,736	\$ 60,936	\$ 712,671
2049	\$ 455,000	\$ 195,516	\$ 650,516	\$ 62,155	\$ 712,671
2050	\$ 480,000	\$ 167,773	\$ 647,773	\$ 63,398	\$ 711,170
2051	\$ 505,000	\$ 138,505	\$ 643,505	\$ 64,666	\$ 708,170
2052	\$ 535,000	\$ 107,712	\$ 642,712	\$ 65,959	\$ 708,671
2053	\$ 570,000	\$ 75,091	\$ 645,091	\$ 67,278	\$ 712,369
2054	\$ 600,000	\$ 40,335	\$ 640,335	\$ 68,624	\$ 708,959
Totals	\$ 9,455,000	\$ 13,676,472	\$ 23,131,472	\$ 1,749,807	\$ 24,881,279

(a) The dates represent the fiscal year ending 12/31/xx for the PID.
(b) Preliminary Estimate. The Administrative Expenses will be revised in Annual Service Plan Updates based on actual costs.
(c) Annual Installments are calculated assuming a 5.5975% interest rate for the 35 year term of the PID plus Administrative Expenses.

APPENDIX A

Appendix A-2 Annual Installments- Lot Type 1 per Lot					
Year Ending (a)	PID Reimbursement			Administrative Expenses (b)	Annual Installment (c)
	Principal	Interest	Net Debt Service		
2020	\$ 99	\$ 1,251	\$ 1,350	\$ 69	\$ 1,419
2021	\$ 198	\$ 1,143	\$ 1,341	\$ 71	\$ 1,412
2022	\$ 208	\$ 1,131	\$ 1,339	\$ 72	\$ 1,411
2023	\$ 218	\$ 1,118	\$ 1,336	\$ 74	\$ 1,410
2024	\$ 228	\$ 1,105	\$ 1,333	\$ 75	\$ 1,408
2025	\$ 238	\$ 1,091	\$ 1,329	\$ 77	\$ 1,405
2026	\$ 257	\$ 1,077	\$ 1,334	\$ 78	\$ 1,412
2027	\$ 267	\$ 1,061	\$ 1,328	\$ 80	\$ 1,408
2028	\$ 277	\$ 1,045	\$ 1,322	\$ 81	\$ 1,403
2029	\$ 297	\$ 1,028	\$ 1,325	\$ 83	\$ 1,408
2030	\$ 317	\$ 1,010	\$ 1,326	\$ 84	\$ 1,411
2031	\$ 327	\$ 990	\$ 1,317	\$ 86	\$ 1,403
2032	\$ 347	\$ 970	\$ 1,317	\$ 88	\$ 1,405
2033	\$ 366	\$ 949	\$ 1,316	\$ 90	\$ 1,405
2034	\$ 386	\$ 927	\$ 1,313	\$ 91	\$ 1,404
2035	\$ 416	\$ 903	\$ 1,319	\$ 93	\$ 1,412
2036	\$ 436	\$ 878	\$ 1,314	\$ 95	\$ 1,409
2037	\$ 455	\$ 851	\$ 1,307	\$ 97	\$ 1,404
2038	\$ 485	\$ 824	\$ 1,309	\$ 99	\$ 1,408
2039	\$ 515	\$ 794	\$ 1,309	\$ 101	\$ 1,410
2040	\$ 545	\$ 763	\$ 1,307	\$ 103	\$ 1,410
2041	\$ 574	\$ 729	\$ 1,304	\$ 105	\$ 1,409
2042	\$ 604	\$ 694	\$ 1,298	\$ 107	\$ 1,406
2043	\$ 644	\$ 658	\$ 1,301	\$ 109	\$ 1,410
2044	\$ 673	\$ 618	\$ 1,292	\$ 111	\$ 1,403
2045	\$ 713	\$ 577	\$ 1,290	\$ 114	\$ 1,404
2046	\$ 752	\$ 534	\$ 1,286	\$ 116	\$ 1,402
2047	\$ 802	\$ 488	\$ 1,290	\$ 118	\$ 1,408
2048	\$ 851	\$ 439	\$ 1,291	\$ 121	\$ 1,411
2049	\$ 901	\$ 387	\$ 1,288	\$ 123	\$ 1,411
2050	\$ 950	\$ 332	\$ 1,283	\$ 126	\$ 1,408
2051	\$ 1,000	\$ 274	\$ 1,274	\$ 128	\$ 1,402
2052	\$ 1,059	\$ 213	\$ 1,273	\$ 131	\$ 1,403
2053	\$ 1,129	\$ 149	\$ 1,277	\$ 133	\$ 1,411
2054	\$ 1,188	\$ 80	\$ 1,268	\$ 136	\$ 1,404
Totals	\$ 18,723	\$ 27,082	\$ 45,805	\$ 3,465	\$ 49,270

(a) The dates represent the fiscal year ending 12/31/xx for the PID.
(b) Preliminary Estimate. The Administrative Expenses will be revised in Annual Service Plan Updates based on actual costs.
(c) Annual Installments are calculated assuming a 5.5975% interest rate for the 35 year term of the PID plus Administrative Expenses.

APPENDIX B

Appendix B

Legal Description

FIELD NOTES

FOR

A 153.340 ACRE, OR 6,679,481 SQUARE FOOT, TRACT OF LAND BEING A PORTION OF A CALLED 169.99 ACRE TRACT RECORDED IN DOCUMENT NO. 2019000072 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN THE JOHN DYKES SURVEY, ABSTRACT NO. 186, AND IN THE CCD CO. SURVEY, SECTION NO. 204, ABSTRACT NO. 693, AND ALSO IN THE JOSIAS B. BEALLE SURVEY, ABSTRACT NO. 97, ALL IN WILLIAMSON COUNTY, TEXAS, SAID 153.340 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE:

BEGINNING at a ½" iron rod found on the northwest corner of a called 0.50 acre tract recorded in Document No. 2000040392 of the Official Public Records of Williamson County, Texas, same being a point in the east right-of-way line of F.M. 1660, an 80-foot right-of-way recorded in Volume 476, Page 593 of the Deed Records of Williamson County, Texas for the southeast corner and **POINT OF BEGINNING** hereof, from which a TXDOT Type I monument found bears, S 22°01'31" E, 688.30 feet;

THENCE with the east right-of-way line of said F.M. 1660, same being the west boundary line of said 169.99 acre tract the following two (2) courses and distances:

1. N 22°01'31" W, a distance of 935.01 feet to a TXDOT Type I monument found, and
2. N 21°04'51" W, a distance of 1071.21 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the west boundary line of said 169.99 acre tract, same being the east right-of-way line of said F.M. 1660 for the northwest corner hereof, from which a TXDOT Type I monument found bears N 21°04'51" W, 1001.02 feet;

THENCE, departing the east right-of-way line of said F. M. 1660, through the interior of said 169.99 acre tract, the following three (3) courses and distances:

1. N 68°33'50" E, a distance of 1312.44 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a north corner hereof;
2. S 51°25'33" E, a distance of 216.15 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a north corner hereof, and
3. N 21°26'10" E, a distance of 711.67 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the north boundary line of said 169.99 acre tract, same being a point in the south boundary line of a called 65.00 acre tract recorded in Document No. 2009044814 of the Official Public Records of Williamson County, Texas for a north corner hereof;

APPENDIX B

153.340 Acre
Job No. 51048-00
Page 2 of 2

THENCE N 68°33'50" E, with the south boundary line of said 65.00 acre tract, same being the north boundary line of said 169.99 acre tract, a distance of **1189.71 feet** to a an iron rod with cap marked "Lenz & Assoc." found on the southeast corner of said 65.00 acre tract, same being a point in the west boundary line of a called 27.36 acre tract recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas for the northeast corner hereof, from which an iron rod with cap marked "Lenz and Assoc." found on the northeast corner of said 65.00 acre tract bears, N 21°41'22" W, 1087.75 feet;

THENCE S 21°41'22" E, with the east boundary line of said 169.99 acre tract, same being in part the west boundary line of said 27.36 acre tract, also being in part the west boundary line of a remnant portion of called 107 acre tract recorded in Volume 309, Page 269 of the Deed Records of Williamson County, Texas and being in part the west boundary line of a called 10.00 acre tract recorded in Document No. 2008053240 of the Official Public Records of Williamson County, Texas, a distance of **3375.35 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the north boundary line of Rivers Crossing Subdivision, Phase Three, a subdivision according to the plat recorded in Cabinet X, Slide 250 of the Plat Records of Williamson County, Texas for a southeast corner hereof, from which a ½" iron rod found on the northeast corner of said Rivers Crossing Subdivision, Phase Three bears, S 82°15'05" E, 522.64 feet;

THENCE with the north boundary line of said Rivers Crossing Subdivision, Phase Three, same being the south boundary line of said 169.99 acre tract the following four (4) courses and distances:

1. N 82°15'05" W, a distance of **656.59 feet** to a ½" iron rod found for a south corner hereof,
2. N 83°17'18" W, a distance of **456.80 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a south corner hereof,
3. S 79°27'12" W, a distance of **893.10 feet** to a ½" iron rod found for a south corner hereof, and
4. S 78°54'12" W, at a distance of **772.40 feet** passing through a 2" iron pipe found in the south boundary line of the aforementioned 169.99 acre tract, continuing with the south boundary line of said 169.99 acre tract, same being the north boundary line of said 0.50 acre tract for a total distance of **781.81 feet** to the **POINT OF BEGINNING**, and containing 153.340 acres in Williamson County, Texas. Said tract being described in accordance with a survey map prepared by Pape-Dawson Engineers, Inc. under Job No. 51048-00.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: February 18, 2019
JOB No.: 51048-00
DOC ID.: H:\survey\CIVIL\51048-00 MUSTANG CREEK\Word\FN-51048-00_153.340Ac.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-01

APPENDIX C

Appendix C

Parcel Map

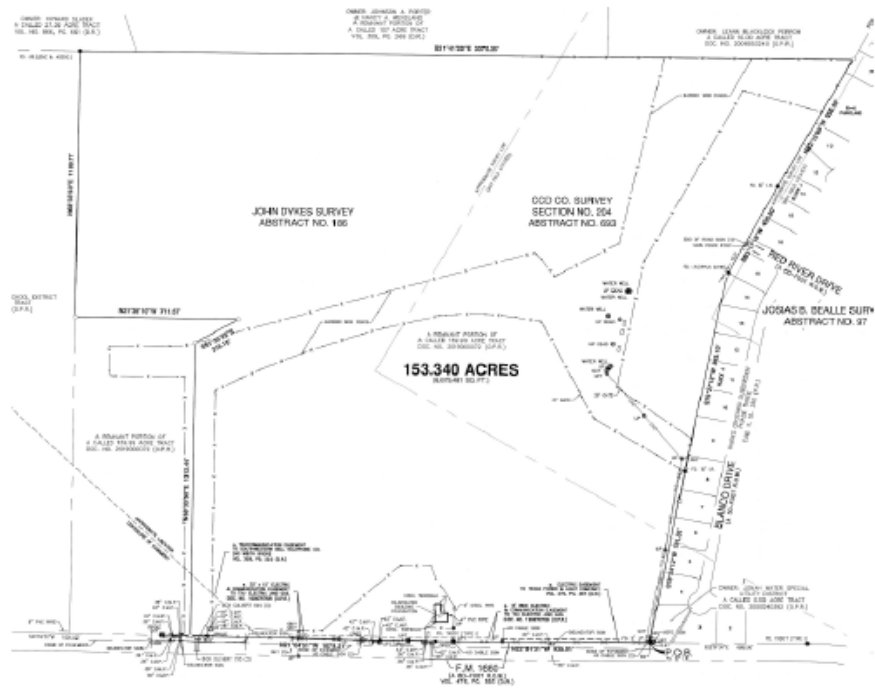


EXHIBIT D

PUBLIC IMPROVEMENTS [NEEDS TO BE ADJUSTED TO REFLECT ONLY THOSE IMPROVEMENTS TO BE FUNDED BY PID

- **Site Work, Site Grading, and Drainage:** Extensive grading and site balancing along with in-line detention designs will be implemented to reclaim considerable amounts of land inside the development. Due to the soil conditions in the area, the residential pad sites will also be moisture conditioned to provide increased stabilization and improved compaction conditions for residence foundations. The site also contains over 6,500' linear feet of underground storm drain ranging from 18" to 48" in diameter. The combined drainage system allows the subdivision to maximize the land usage within the development and provide an oversized stormwater system to efficiently, effectively and safely remove the storm water from the subdivision all while maintaining the current storm water levels required as the water exits the site.
- **Neighborhood Streets:** 18,129 linear feet of residential local (30' width) and collector streets (44' width) utilizing a total of 23.18 acres will be created throughout the subdivision to provide improved access within the subdivision as well as to FM1660 and future CR118 roadways.
- **CR118 (Arterial A) Roadway:** New roadway to be created at a new intersection on the Northern boundary of Mustang Creek Subdivision/Southern boundary of the Hutto ISD property making the eastern boundary of the Mustang Creek property accessible to FM 1660. Approximately 2,700 feet long in total build out (1200' of Mustang Creek), within a 120' right of way. The roadway will include 4 lanes with center turn lane and pedestrian sidewalks on each side.
- **Water:** Water provided by Jonah Special Utility District is available in the ROW of FM1660. Mustang Creek has negotiated with Jonah SUD to secure water availability to all phases of the development. A new 17,000 linear feet of water service lines will be installed throughout the subdivision to provide domestic water services to each residence as well as new fire services throughout the subdivision including 30 new fire hydrants.
- **Wastewater:** A new wastewater lift station will be constructed on .27 acres in the southeastern corner of the property and will serve the entire subdivision. The system includes the associated dedicated land along with 7,000 linear feet of force mains, over 17,000 linear feet of gravity lines and new easement dedications for future expansions.
- **Erosion and Sedimentation Control:** The erosion and sediment improvements consist of silt barriers and other methods to best stabilize the improvements being constructed.
- **Engineering and Planning Costs:** Engineering fees and other expenses associated with the Authorized Improvements described above.
- **Parks and Open Space:** A large open space (approximately 49 acres) of riparian zone natural area, meadows, and play field to be dedicated to the City to provide run and play areas and walkable access to future school, church and commercial developments on the

north end of the subdivision. An additional .29-acre amenity center lot will be near the entry of the subdivision and enhanced with playground equipment for neighborhood use.

EXHIBIT E

FORM OF CERTIFICATION AND APPROVAL OF CONSTRUCTION (Design – Mustang Creek)

Hutto1660, LP (the “**Construction Manager**”) hereby requests approval for the percentage of design completed and the cost associated therewith (the “**Completed Design**”) described in Attachment A attached hereto. Capitalized undefined terms shall have the meanings ascribed thereto in the Construction Contract between RIVER CREEK DEVELOPMENT CORPORATION and the Construction Manager, dated as of _____, 2019 (the “**Agreement**”). In connection with this Certification and Approval of the Construction, the undersigned, in his or her capacity as the _____ of Construction Manager, to his or her knowledge, hereby represents and warrants to the City of Hutto, Texas (the “**City**”) as follows:

1. He (she) is a duly authorized representative of the Construction Manager, qualified to execute this request on behalf of the Construction Manager and knowledgeable as to the matters forth herein.
2. The design work described in Attachment A has been completed in the percentages as shown in relation to the updated construction schedule as attached.
3. The true and correct design costs for which approval is requested is set forth in Attachment A and has not been subject to any previously submitted request for approval.
4. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed design work described in Attachment A has been paid in full for all work completed through the previous Certification and Approval of Construction.
5. Attached hereto as Attachment C are invoices, receipts, worksheets, and other evidence of costs which are in sufficient detail to allow the City to verify the Completed Design.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION AND APPROVAL OF CONSTRUCTION

Hutto1660 LP,
a Texas limited partnership

By: Packsaddle Real Estate Partners, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Scott Rempe – Managing Partner

APPROVAL BY THE CITY

The Design described in Attachment A has been reviewed, verified, and approved by the City Construction Representative. Payment of the Completed Design is hereby approved.

Date: _____

CITY OF HUTTO, TEXAS

By: _____

Name: _____

Title: _____

ATTACHMENT A TO CERTIFICATION AND APPROVAL OF CONSTRUCTION
(DESIGN)

<u>Description of Design Work</u>	<u>Percentage of Design Work Completed under this Certification and Approval of Construction</u>	<u>Design Costs</u>	<u>Total Percentage of Design Work Completed</u>
---------------------------------------	--	---------------------	--

ATTACHMENT B TO CERTIFICATION AND APPROVAL OF CONSTRUCTION
(DESIGN)

[attached – bills paid affidavit]

ATTACHMENT C TO CERTIFICATION AND APPROVAL OF CONSTRUCTION
(DESIGN)

[attached – receipts]

FORM OF CERTIFICATION AND APPROVAL OF CONSTRUCTION
(Construction – Mustang Creek)

Hutto1660, LP (the “**Construction Manager**”) hereby requests approval of the Public Improvements and associated cost of the work described in Attachment A attached hereto (the “**Completed Public Improvements**”). Capitalized undefined terms shall have the meanings ascribed thereto in the Construction Contract between RIVER CREEK DEVELOPMENT CORPORATION and the Construction Manager, dated as of _____, 2019. In connection with this Certification and Approval of Construction, the undersigned, in his or her capacity as the _____ of the Construction Manager, to his or her knowledge, hereby represents and warrants to the City of Hutto, Texas (the “**City**”) as follows:

1. He (she) is a duly authorized representative of the Construction Manager, qualified to execute this request for payment on behalf of the Construction Manager and knowledgeable as to the matters forth herein.

2. The true and correct costs for the Completed Public Improvements is set forth in Attachment A and has not been subject to any previously submitted request for approval.

3. Attached hereto as Attachment B is a true and correct copy of a bills paid affidavit evidencing that any contractor or subcontractor having performed work on a Segment described in Attachment A has been paid in full for all work completed through the previous Certification and Approval of Construction.

4. Attached hereto as Attachment C are invoices, receipts, worksheets, and other evidence of costs which are in sufficient detail to allow the City to verify the Completed Public Improvements of each Segment.

[Signature Page Follows]

SIGNATURE PAGE TO
FORM OF CERTIFICATION AND APPROVAL OF CONSTRUCTION

Hutto1660 LP,
a Texas limited partnership

By: Packsaddle Real Estate Partners, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Scott Rempe – Managing Partner

JOINDER OF PROJECT ENGINEER

The undersigned Project Engineer joins this Certification and Approval of Construction solely for the purposes of certifying that the representations made by the Construction Manager in Paragraph 2 above are true and correct in all material respects.

Project Engineer

APPROVAL BY THE CITY

The Completed Public Improvements of each Segment described in Attachment A have been reviewed, verified, and approved by the City Construction Representative of the City. The Completed Public Improvements of each such Segment are hereby approved.

Date: _____

CITY OF HUTTO, TEXAS

By: _____

Name: _____

Title: _____

ATTACHMENT A TO CERTIFICATION AND APPROVAL OF CONSTRUCTION
(CONSTRUCTION)

<u>Segment</u>	<u>Description of Work Completed under this Certification and Approval of Construction</u>	<u>Costs of Completed Public Improvements</u>
----------------	--	---

ATTACHMENT B TO CERTIFICATION AND APPROVAL OF CONSTRUCTION
(CONSTRUCTION)

[bills paid affidavit – attached]

ATTACHMENT C TO CERTIFICATION AND APPROVAL OF CONSTRUCTION
(CONSTRUCTION)

[receipts – attached]

EXHIBIT F

FORM OF COMPLETED IMPROVEMENT APPROVAL REQUEST

The undersigned is a lawfully authorized representative for HUTTO1660, LP (the “**Construction Manager**”) and requests approval of the completed Public Improvements and associated costs, as follows. Capitalized undefined terms shall have the meanings ascribed thereto in the Construction Contract between RIVER CREEK DEVELOPMENT CORPORATION and the Construction Manager, dated as of _____, 2019.

In connection to the above referenced payment, the Construction Manager represents and warrants to the City as follows:

1. The undersigned is a duly authorized officer of the Construction Manager, is qualified to execute this Completed Improvement Approval Request on behalf of the Construction Manager, and is knowledgeable as to the matters set forth herein.

2. The Public Improvements and the amount listed for the below itemized costs is a true and accurate representation of the costs incurred by the Construction Manager and such costs are in compliance with the Service and Assessment Plan and have not been previously has not been subject to any previously submitted request for approval. The itemized costs are as follows:

[insert itemized list of costs here]

TOTAL REQUESTED: \$ _____

3. The Construction Manager is in compliance with the terms and provisions of the Service and Assessment Plan.

4. All conditions of the Construction Manager set forth in the Construction Contract for the payment hereby requested have been satisfied.

5. The Construction Manager agrees to cooperate with the City in conducting its review of the requested payment, and agrees to provide additional information and documentation as is reasonably necessary for the City to complete its review.

I hereby declare that the above representations and warranties are true and correct.

Hutto1660 LP,
a Texas limited partnership

By: Packsaddle Real Estate Partners, LLC
(a Texas limited liability company)
Its General Partner

By: _____
Scott Rempe – Managing Partner

APPROVAL OF REQUEST BY CITY

The City is in receipt of the attached Completed Improvement Approval Request. After reviewing the Completed Improvement Approval Request, the City approves the Completed Improvement Approval Request.

CITY OF HUTTO, TEXAS

By: _____
Name: _____
Title: _____

EXHIBIT G

MUSTANG CREEK PUBLIC IMPROVEMENT DISTRICT HOMEBUYER DISCLOSURE

HOME BUYER DISCLOSURE PROGRAM

1. A Builder¹ for an Assessed Parcel shall provide each residential homebuyer with the “Notice of Obligation to Pay Public Improvement District Assessment to Hutto”, the form of which is attached hereto as Exhibit “G-1”.
2. A Builder for an Assessed Parcel shall provide evidence of compliance with paragraph 1 above, signed by such residential homebuyer, to the City upon receipt of written request by the City or the Builder which sets forth the City’s mailing address and other contact information.
3. A Builder for an Assessed Parcel shall prominently display signage provided by the Construction Manager or the PID Administrator in the Builder’s model homes, if any, located within the Property.
4. If prepared and provided by the City and approved by Construction Manager (such approval not to be unreasonably withheld), a Builder for an Assessed Parcel shall distribute informational brochures about the existence and effect of the District in prospective homebuyer sales packets.
5. A Builder shall include Assessments in estimated property taxes, if such Builder estimates monthly ownership costs for prospective homebuyers for an Assessed Parcel.
6. The Construction Manager must post signage along the main entry/exits located at the boundaries of the District that identifies the area as a public improvement district. All signage shall be clearly visible to all motorists entering and exiting the District.

¹ “Builder” means a commercial builder who is in the business of constructing and/or selling residences to individual home buyers.

Exhibit G-1

MUSTANG CREEK PID – LOT TYPE []: HOMEBUYER DISCLOSURE

**NOTICE OF OBLIGATION TO PAY
PUBLIC IMPROVEMENT DISTRICT ASSESSMENTS
TO HUTTO, TEXAS**

CONCERNING THE PROPERTY AT:

STREET ADDRESS

**OUTSTANDING PRINCIPAL OF ASSESSMENT FOR AUTHORIZED
IMPROVEMENT: \$[]**

As the purchaser of the real property located at the street address set forth above, you are obligated to pay assessments to the City of Hutto, Texas, for the costs of a portion of public improvements (the “*Authorized Improvements*”), undertaken for the benefit of the property within the “*Mustang Creek Public Improvement District*” (the “*District*”), created under Subchapter A, Chapter 372, Local Government Code.

**THE OUTSTANDING PRINCIPAL OF THE ASSESSMENT AGAINST YOUR
PROPERTY FOR THE AUTHORIZED IMPROVEMENTS IS [\$], WHICH
MAY BE PAID IN FULL AT ANY TIME; HOWEVER, IF NOT PAID IN FULL, IT
WILL BE DUE AND PAYABLE IN ANNUAL INSTALLMENTS WHICH MAY VARY
FROM YEAR TO YEAR DEPENDING ON THE AMOUNT OF INTEREST PAID,
COLLECTION COSTS, ADMINISTRATIVE COSTS, AND DELINQUENCY COSTS.**

An estimate of the annual installments is attached; **however, it is only an estimate and is subject to change.** The exact amount of the annual installments, including the annual installments thereof, will be approved each year by the City Council of Hutto, Texas in the Annual Service Plan Update for the District. More information about the assessments, including the amounts and due dates, may be obtained from the City of Hutto.

You may ask your mortgage company to include the Annual Installments in your monthly escrow payment.

Your failure to pay any assessment, or any annual installment thereof, may result in penalties and interest being added to what you owe and could result in a lien on and the foreclosure of your property.

The undersigned purchaser acknowledges receipt of the foregoing notice prior to the effective date of a binding contract for the purchase of the real property at the street address set forth above.

(G-1)-1

IN WITNESS WHEREOF, I have signed this certificate this _____, 20__.

PURCHASER:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

STATE OF TEXAS

§

WILLIAMSON COUNTY

§

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

STATE OF TEXAS

§

WILLIAMSON COUNTY

§

§

The foregoing instrument was acknowledged before me by _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he or she executed the same for the purposes therein expressed, in the capacity stated and as the act and deed of the above-referenced entities as an authorized signatory of said entities.

Given under my hand and seal of office on this _____, 20__.

Notary Public, State of Texas

(G-1)-2

PROJECTED ANNUAL INSTALLMENTS – LOT TYPE [__]

[WILL INSERT SCHEDULE OF PROJECTED ANNUAL INSTALLMENTS ONCE FINALIZED]

EXHIBIT H
FORM OF REPRESENTATION AGREEMENT

EXHIBIT I
FORM OF CONTINUING DISCLOSURE AGREEMENT

LOAN AGREEMENT
(Mustang Creek Public Improvement District Project)

This **LOAN AGREEMENT** (the “**Loan Agreement**” or “**Agreement**”), dated as of August 22, 2019, is between the **PRESTON HOLLOW CAPITAL, LLC**, a Delaware limited liability company, including its designated successors and Assigns (the “**Lender**”), and **RIVER CREEK DEVELOPMENT CORPORATION**, a public nonprofit corporation created by and acting on behalf of the City of Hutto, Texas (the “**Corporation**”) pursuant to Chapter 431, Texas Transportation Code, as amended (the “**Act**”).

W I T N E S S E T H:

WHEREAS, on June 7, 2018, the City Council of the City of Hutto, Texas (the “**City**”) passed and approved Resolution No. R-18-06-07-9C authorizing the creation of the Mustang Creek Public Improvement District (the “**District**”) pursuant to Chapter 372, Texas Local Government Code, as amended (the “**PID Act**”); and

WHEREAS, on June 20, 2019 the City Council passed and approved Resolution No. R-19-06-20-_____, amending the boundaries of the District to match the boundaries of the Property; and

WHEREAS, the District was created, in part, to undertake and finance those certain Public Improvements (as defined in Interlocal Agreement) as approved by the City Manager (the “**Public Improvements**”) and set forth in the Service and Assessment Plan and Assessment Roll approved by the City Council of the City dated August 22, 2019, as amended from time to time (the “**Service and Assessment Plan**”); and

WHEREAS, on August 22, 2019, the City Council passed and approved Ordinance No. _____ (the “**Assessment Ordinance**”) which, among other things, approved the Service and Assessment Plan which identified the amount of certain assessments on the benefitted property within the District (“**Assessments**”), and established the dates upon which interest on assessments will begin to accrue and collection of Assessments will begin; and

WHEREAS, in addition to approving the Service and Assessment Plan, the Assessment Ordinance levied the Assessments against certain parcels within the boundaries of the District for the Public Improvements (as defined herein) in accordance with the Service and Assessment Plan; and

WHEREAS, Assessments are reflected in the Service and Assessment Plan as approved by the City Council, as amended and updated annually as provided in the PID Act; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full, and if an assessment is not paid in full, it shall be due and payable in Annual Installments (as defined in the SAP) plus interest; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, pursuant to Chapter 372.018(f) of the PID Act, that if an Annual Installment of an Assessment

becomes delinquent, such Annual Installment shall be due and payable plus interest, penalties, and expenses incurred or imposed with respect to any delinquent installments; and

WHEREAS, the Service and Assessment Plan allocated the cost of the Public Improvements to the Assessed Parcels (as defined in the Interlocal Agreement) proportionally based on the special benefits conferred to each lot or parcel by the Public Improvements; and

WHEREAS, all revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs, and Administrative Expenses) (the “**Assessment Revenues**”) shall be deposited as required by the PID Act into an assessment fund created pursuant to the PID Act (the “**Assessment Fund**”); and

WHEREAS, the City and the Corporation have entered into the Interlocal Agreement dated August 22, 2019 to administer certain matters related to the Corporation and for the purchase and sale of the Public Improvements (the “**Project**”) pursuant Chapter 372.023(a) of the PID Act; and

WHEREAS, in order to construct and finance the Project, the Corporation is entering into this Loan Agreement with the Lender; and

WHEREAS, the City has authorized the Corporation to enter into this Loan Agreement; and

WHEREAS, the Corporation intends to engage Stifel, Nicolaus & Company Incorporated as loan placement agent (the “Loan Placement Agent”) for the purpose of soliciting the Lender to make the Loan and accordingly shall enter into that certain Loan Placement Agreement dated as of August 22, 2019 with the Loan Placement Agent and the Lender (the “**Loan Placement Agreement**”), and

WHEREAS, the Corporation and the Construction Manager (as defined herein) have entered into a Construction Contract dated as of August 22, 2019, whereby the Construction Manager will construct the Public Improvements to be sold to the City by the Corporation pursuant to the Interlocal Agreement; and

WHEREAS, in connection with the Loan Placement Agreement and the engagement of the Construction Manager pursuant to the Construction Contract, the Corporation intends to enter into the Representation, Warranty and Indemnity Agreement with the Loan Placement Agent, the Construction Manager and the Lender dated as of August 22, 2019 (the “**Representation Agreement**”), and

WHEREAS, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and delivery of this Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this Agreement;

NOW, THEREFORE, for and in consideration of the mutual agreements, covenants, and conditions contained herein, and other good and valuable consideration, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND RULES OF CONSTRUCTION

Section 1.1 Definitions. The capitalized terms used in this Agreement shall have the following respective meanings unless the context otherwise requires:

“**Act**” shall have the meaning ascribed for such term in the opening paragraph hereof.

“**Agreement**” shall mean this Loan Agreement and any amendments hereto.

“**Business Day**” shall mean any day, other than a Saturday, Sunday, or legal holiday, on which the offices of the Lender are not required or authorized by law or executive order to be closed.

“**Closing**” shall mean the delivery of the Note to the Lender.

“**Closing Date**” shall mean the date of the Closing.

“**Code**” shall mean the Internal Revenue Service Code of 1986, as amended, and all applicable regulations and any official rulings and regulations under the above.

“**Continuing Disclosure Agreement**” shall mean the Continuing Disclosure Agreement of the City and of the Corporation, dated as of August 22, 2019, in the form attached to the Interlocal Agreement as Exhibit F.

“**City**” shall mean the City of Hutto, Texas.

“**City Council**” shall mean the governing body of the City.

“**Construction Manager**” shall mean Hutto1660, LP, a Texas limited partnership.

“**Corporation Documents**” shall mean, collectively, this Agreement, the Loan Placement Agreement, the Fiscal Agent Agreement, the Continuing Disclosure Agreement, the Representation Agreement, the Note, and the Resolution.

“**Event of Default**” shall mean unless waived in writing by the Lender, the occurrence of any of the following, which is not cured by the Corporation within thirty (30) days following written notice by the Lender of such Event of Default (except for clause (a) below which shall have no cure period):

(a) the failure of the Corporation to make any of the Note Payments when due and in the amounts provided herein; or

(b) the failure of the Corporation to comply with any other covenant, condition, or agreement under this Agreement or other agreements or obligations entered into by the Corporation for the borrowing of funds; or

(c) the failure of the Corporation to provide the Fiscal Agent with an enforceable lien on the Pledged Revenues; or

(d) the bankruptcy, insolvency, appointment of a receiver for the Corporation.

“Fiscal Agent” shall mean UMB Bank, N.A. and its successors and assigns.

“Fiscal Agent Agreement” shall mean the Fiscal Agent Agreement, dated as of August 22, 2019 by and between the Lender, the Corporation and Fiscal Agent.

“Interlocal Agreement” shall mean the Interlocal Agreement, dated as of August 22, 2019, by and between the City and the Corporation.

“Installment Payments” shall mean the payments from the City to the Corporation for the purchase of the Public Improvements as described in the Interlocal Agreement.

“Loan” shall mean the loan from the Lender to the Corporation made pursuant to this Agreement.

“Loan Documents” shall mean, collectively, this Agreement and the Note.

“Loan Placement Agreement” shall have the meaning ascribed to it in the RECITALS hereof.

“Maximum Interest Rate” shall mean the maximum rate of interest allowed under Chapter 1204, Texas Government Code, as amended, or other applicable law in effect.

“Note” shall mean the promissory note of even date herewith (such promissory note, as the same may be renewed, extended, amended, or otherwise modified from time to time) delivered pursuant to this Agreement in substantially the form attached hereto as Exhibit A, and any promissory note executed and delivered by the Corporation in replacement thereof.

“Note Payments” shall mean the payments required by Section 2.4 to be made by the Corporation in payment of the principal of and interest on the Note.

“Outstanding” shall mean, with respect to the Note, the unpaid principal thereof and interest thereon, and, with respect to the Principal Amount, the unpaid portion thereof.

“PID Act” shall mean Chapter 372, Texas Local Government Code, as amended.

“Pledged Revenues” shall mean the Installment Payments paid by the City to the Corporation pursuant to the Interlocal Agreement.

“Principal Amount” shall mean \$9,455,000.00.

“**Project**” shall have the meaning ascribed in the RECITALS hereof.

“**Representation Agreement**” shall have the meaning ascribed to it in the RECITALS hereof.

“**Resolution**” shall mean the resolution of the Board of Directors of the Corporation authorizing the execution and delivery of this Agreement and the Note and the pledge of the Pledged Revenues to the payment of the principal of and interest on the Note, and any amendments or supplements thereto.

“**State**” shall mean the State of Texas.

Section 1.2 Interpretive Matters.

(a) Whenever the context requires:

(i) references in this Agreement of the singular number shall include the plural and vice versa; and

(ii) words denoting gender shall be construed to include the masculine, feminine, and neuter.

(b) The table of contents and the titles given to any article or section of this Agreement are for convenience of reference only and are not intended to modify the meaning of the article or section.

ARTICLE II

THE LOAN; REPAYMENT OF THE LOAN

Section 2.1 The Loan. Subject to the terms and conditions set forth in this Agreement, including without limitation the conditions set forth in Section 2.2, and for and in consideration of the payment by the Corporation of its obligations under this Agreement and the Note and the covenants and agreements herein contained, the Lender will loan to, for the sole use and benefit of the Corporation, \$9,455,000.00 to be used for the payment by the Corporation of the costs of the Project.

Section 2.2 Conditions to Closing. The obligation of the Lender to make the Loan to the Corporation as described in Section 2.1 hereof shall be subject to the following conditions:

(a) The representations of the Corporation herein shall be true, complete, and correct in all material respects on the date hereof and on and as of the Closing Date as if made on the Closing Date;

(b) At the time of Closing, the Corporation Documents shall be in full force and effect, assuming due authorization and execution by the other parties thereto, and shall not have been amended or supplemented except as may have been agreed to in writing by the Lender;

(c) At or prior to the Closing, the Lender shall have received each of the following documents:

- (i) The Note executed by the authorized officers of the Corporation;
- (ii) This Loan Agreement executed by the authorized officers of the Corporation, with such changes or amendments as may have been approved by the Lender and the Corporation;
- (iii) The Loan Placement Agreement executed by the authorized officers of the Corporation, the Lender and the Loan Placement Agent;
- (iv) The Representation Agreement executed by the authorized officers of the Corporation, the Construction Manager, the Lender and the Loan Placement Agent;
- (v) Certified copies of the Resolution of the Corporation authorizing execution, delivery, and performance of all of the Loan Documents and the Corporation Documents and authorizing the borrowing hereunder, along with such certificates of existence, certificates of good standing, and other certificates or documents as the Lender may reasonably require to evidence the Corporation's authority to enter into the Loan Documents and the Corporation Documents;
- (vi) An opinion of counsel for the Corporation, addressed to the Lender, to the effect that the Loan Documents and Corporation Documents have been duly authorized, executed and delivered by the Corporation and are legal, valid and binding agreements of the Corporation enforceable against the Corporation in accordance with their terms;
- (vii) True copies of all organization documents of the Corporation, including all amendments or supplements thereto;
- (viii) The Continuing Disclosure Agreement, executed by the authorized officers and officials of the Corporation, the City and the other parties thereto; and
- (ix) A completed IRS Form 8038-G of the Corporation and executed Tax Certificate.

Section 2.3 Note Terms.

- (a) The Corporation agrees to execute and deliver the Note to the Lender on the Closing Date.
- (b) The Note shall be dated as of the Closing Date, shall be in an aggregate principal amount equal to the Principal Amount, and shall be payable in installments on the dates and in the amounts specified in the Note.
- (c) Interest on the Note shall bear interest at 5.5975% per annum (calculated on the per annum basis of a 360-day year consisting of twelve 30-day months).

In no event shall the interest rate on the Note exceed the Maximum Interest Rate.

Section 2.4 Note Payments. All Note Payments shall be made by the Fiscal Agent to the Lender as set forth in Schedule I to the Note; provided, however, such payments shall be adjusted to reflect any changes to the Service and Assessment Plan or any prepayment made hereunder.

Section 2.5 Note Payments Due on Business Days. If the regularly scheduled due date for a Note Payment is not a Business Day, the due date for such payment shall be the next succeeding Business Day, and payment made on such succeeding Business Day shall have the same force and effect as if made on the regularly scheduled due date.

Section 2.6 Optional Prepayment of Note. The Corporation shall have the right to prepay the Note in whole or in part on a pro rata basis without penalty or any additional costs on or after October 1, 2029.

Section 2.7 Mandatory Prepayment of Note. The Corporation shall prepay the Note in an amount and on such dates as required in Section 6.06 of the Interlocal Agreement and as set forth in the Fiscal Agent Agreement.

Section 2.8 Pledge of Pledged Revenues. Subject only to the provisions of this Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein, in accordance with the provisions of this Agreement and the PID Act, the Corporation hereby pledges to the Fiscal Agent for the benefit of the Lender, and grants thereto a lien on and a security interest in, all of the Pledged Revenues.

Section 2.9 Assignment. The Corporation hereby transfers, assigns and conveys to the Fiscal Agent for the benefit of the Lender, its successors and assigns, forever, all of the Corporation's right, title and interest in, to and under the Interlocal Agreement.

ARTICLE III

SPECIAL AGREEMENTS

Section 3.1 Obligations of Corporation Unconditional.

(a) The obligation of the Corporation to make the payments required hereunder shall be a special limited obligation payable solely from the Pledged Revenues. The Corporation shall pay all such amounts without abatement, diminution, or deduction (whether for taxes or otherwise) regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off, recoupment, or counterclaim that the Corporation may have or assert against the Lender or any other person. Notwithstanding the foregoing, the Corporation's obligation to make the payments required hereunder shall be a special limited obligation payable solely from the Pledged Revenues, and shall never be a charge against the general credit or taxing powers of the City, the State of Texas, any political subdivision or agency of the States of Texas.

(b) Until such time as the Note is fully paid the Corporation:

(i) will not suspend or discontinue, or permit the suspension or discontinuance of any Note Payment;

(ii) will perform and observe all of its other agreements contained in this Agreement;

(iii) except by full payment and retirement of the Note will not terminate this Agreement for any cause other than default by the Lender; and

(iv) will not pledge, bargain, sell, convey, or place or allow any lien to be placed on the assets pledged pursuant to Section 2.8.

Section 3.2 Agreement as Security Agreement.

(a) An executed copy of this Agreement shall constitute a security agreement pursuant to applicable law with the Fiscal Agent for the benefit of the Lender as the secured party. The lien, pledge, and security interest of the Fiscal Agent for the benefit of the Lender created in this Agreement shall become effective immediately upon the Closing, and the same shall be continuously effective for so long as the Note is outstanding.

(b) A fully executed copy of this Agreement and the proceedings authorizing it shall be filed as a security agreement among the permanent records of the Corporation. Such records shall be open for inspection to any member of the general public and to any person proposing to do or doing business with, or asserting claims against, the Corporation, at all times during regular business hours.

(c) Chapter 1208, Texas Government Code, as amended, applies to the issuance of the Note and the pledge of the Pledged Revenues granted by the Corporation under Section 2.8 of this Agreement, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Note is outstanding and unpaid such that the pledge of the Pledged Revenues granted by the Corporation hereunder is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the perfection of the Fiscal Agent's security interest in said pledge, the Corporation agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business and Commerce Code, and enable a filing to perfect the security interest in said pledge to occur.

Section 3.3 Financial Statements and Reports. For so long as any amounts remain outstanding under the Note, the Corporation agrees to comply with the requirements of the Continuing Disclosure Agreement.

Section 3.4 Existence. While this Agreement is in effect, the Corporation shall maintain its governmental existence and qualification to do business in the State of Texas, and may not liquidate, dissolve, or voluntarily suspend business.

REPRESENTATIONS

Section 4.1 Representations of Lender. To the knowledge of the undersigned officers of the Lender, the Lender represents to the Corporation the following:

(a) The Lender has all necessary power and authority to enter into and perform under this Agreement.

(b) The Lender has taken all actions required to authorize and execute this Agreement and to perform its obligations hereunder and the execution, delivery, and performance by the Lender of and compliance with the provisions of this Agreement will not conflict with any existing law, regulation, rule, decree, or order or any agreement or other instrument by which the Lender is bound.

Section 4.2 Representations by the Corporation. To the knowledge of the undersigned officers of the Corporation, the Corporation represents, warrants, and covenants to the Lender as follows:

(a) The Corporation is a nonprofit governmental corporation created by the City under the Act; has all of the rights, powers, privileges, authority, and functions given by the general laws of the State of Texas, except as otherwise provided in the Act; and is authorized by the Act to borrow money and to execute and to enter into this Agreement and to undertake the transactions contemplated herein and to carry out its obligations hereunder with the approval of the City.

(b) The Corporation has all requisite power, authority, and legal right to execute and deliver the Loan Documents, the Corporation Documents and all other instruments and documents to be executed and delivered by the Corporation pursuant thereto and to perform and observe the provisions thereof and to carry out the transactions contemplated by the Loan Documents. All action on the part of the Corporation which is required for the execution, delivery, performance, and observance by the Corporation of the Loan Documents and the Corporation Documents has been duly authorized and effectively taken, and such execution, delivery, performance, and observation by the Corporation do not contravene applicable law or any contractual restriction binding on or affecting the Corporation.

(c) By resolution the Corporation has duly approved the borrowing of funds from the Lender, and such resolution has not been repealed, rescinded, or revoked; no other authorization or approval or other action by, and no notice to or filing with any governmental authority or regulatory body is required as a condition to the performance by the Corporation of its obligations under any of the Loan Documents and the Corporation Documents.

(d) The Loan Documents, the Corporation Documents and all other documents to which the Corporation is a party and contemplated hereby or thereby have been duly authorized and are legally valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their respective terms.

(e) There is no default of the Corporation in the payment of the principal of or interest on any of its indebtedness for borrowed money or under any instrument or instruments or agreements under and subject to which any indebtedness for borrowed money has been incurred which does or could affect the validity and enforceability of the Loan Documents or the ability of

the Corporation to perform its obligations thereunder, and no event has occurred and is continuing under the provisions of any such instrument or agreement which constitutes or, with the lapse of time or the giving of notice, or both, would constitute such a default.

(f) There is no pending or threatened action or proceeding before any court, governmental agency, department, or arbitrator (i) to restrain or enjoin the execution or delivery of the Loan Documents or the Corporation Documents or the collection of any of the Corporation's Pledged Revenues to pay the Note, (ii) in any way contesting or affecting the authority for the execution and delivery or the validity of the Loan Documents or the Corporation Documents, or (iii) in any way contesting the levy of the Pledged Revenues or the existence of the Corporation or the title or powers of the officers of the Corporation.

(g) In connection with the authorization, execution, and delivery of this Agreement and the Note, the Corporation has complied with all provisions of the laws of the State, including the Act.

(h) The execution and delivery of the documents contemplated hereunder do not violate any provision of any instrument or agreement to which the Corporation is a party or by which it is bound.

(i) The Corporation has, by proper action, duly authorized the execution and delivery of this Agreement.

(j) The Corporation is not in default under or in violation of the Constitution or any of the laws of the State relevant to the issuance of the Note or the consummation of the transactions contemplated hereby or in connection with such issuance, and has duly authorized the issuance of the Note and the execution and delivery of this Agreement. The Corporation agrees that it will do or cause to be done in a timely manner all things necessary to preserve and keep in full force and effect its existence, and to carry out the terms of this Agreement and the Note.

(k) The Corporation shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on this Agreement under Section 103 of the Code. Without limiting the generality of the foregoing, the Corporation shall comply with the requirements of the Tax Certificate, to be provided by the Corporation to the Lender and shall provide to the Lender, and file with the Internal Revenue System an executed Form 8038-G related to this Agreement.

(l) No written information, exhibit or report furnished to the Lender by the Corporation in its application for financing or by the Corporation or its representatives in connection with the negotiation of this Agreement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, that the representation in this subsection is made only to the Lender and may not be relied upon by any other Person.

Section 4.3 Permits or Licenses. In the event that it may be necessary for the proper performance of this Agreement on the part of the Corporation that any application or applications

for any permit or license to do or to perform certain things be made to any governmental or other agency by the Corporation, the Corporation shall execute such application or applications and shall otherwise comply with regulatory requirements, as applicable.

REMEDIES

Section 5.1 Remedies Available.

(a) Upon the occurrence of any Event of Default and at any time thereafter for so long as the Event of Default has not been cured, the Lender and/or the Fiscal Agent at the direction of the Lender or its assignee may take any action at law or in equity to collect all amounts then due under this Agreement and the enforcing of compliance with any other obligation of the Corporation under this Agreement.

(b) Upon the occurrence of any Event of Default and at any time thereafter for so long as the Event of Default has not been cured, the Lender and/or the Fiscal Agent at the direction of the Lender or its assignee may proceed against the Corporation for the purposes of protecting and enforcing the rights of the Lender under this Agreement and the Interlocal Agreement, by mandamus or other suit, action or special proceedings in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby enjoin any action or thing that may be unlawful or in violation of any right of the Lender hereunder or any combination of such remedies.

(c) In addition to the remedies provided in subsection (a) of this Section, the Lender and the Fiscal Agent shall, to the extent permitted by law, be entitled to recover the costs and expenses, including attorney's fees and court costs, incurred by the Lender and/or the Fiscal Agent in the proceedings authorized under subsection (a) of this Section.

Section 5.2 Application of Money Collected. Any money collected as a result of the taking of remedial action pursuant to this Article V, including money collected as a result of foreclosing the liens of this Agreement, shall be applied by the Fiscal Agent as set forth in the Fiscal Agent Agreement.

Section 5.3 Restoration of Rights. If any action taken as a result of an Event of Default is discontinued or abandoned for any reason, or is determined adversely to the interests of the Lender, or if an Event of Default is cured, all parties shall be deemed to be restored to their respective positions and rights under the Loan Documents as if such Event of Default had not occurred; provided, that the foregoing shall not operate to extinguish any rights that accrue to the Lender either as a result of such action or during the pendency thereof.

Section 5.4 Non-Exclusive Remedies. No remedy conferred upon or reserved to the Lender by this Agreement is intended to be exclusive of any other available remedy, and each such remedy shall be in addition to any other remedy given under this Agreement or the other Loan Documents or now or hereafter existing at law or in equity.

Section 5.5 Delays. No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or be construed to be a waiver thereof, and all such rights and powers may be exercised as often as may be deemed expedient.

Section 5.6 Limitation on Waivers. If an Event of Default is waived, such waiver shall be limited to the particular Event of Default so waived and shall not be deemed a waiver of any other Event of Default; provided, that no waiver of an Event of Default shall be effective unless such waiver is made in writing.

ARTICLE VI

DISCHARGE

Section 6.1 Discharge by Payment. When the Note has been paid in full or when the Corporation has made payment to the Lender, or to the Fiscal Agent for the benefit of the Lender, of the whole amount due or to become due under the Note (including all interest that has accrued thereon or that may accrue to the date of maturity or prepayment, as applicable), and all other amounts payable by the Corporation under this Agreement have been paid, the liens of this Agreement shall be discharged and released, and the Lender, upon receipt of a written request by the Corporation and the payment by the Corporation of all expenses with respect thereto, shall discharge and release, or causes to be discharged and released, the lien of this Agreement and execute and deliver to the Corporation such releases or other instruments as shall be requisite to release the lien hereof.

Section 6.2 Termination. If the Corporation shall pay or cause to be paid or there shall otherwise be paid to the Lender all Pledged Revenues at the times and in the manner stipulated herein, then the Lender shall cease to be entitled to the pledge of the Pledged Revenues provided herein, and all agreements, covenants and other obligations of the Corporation hereunder shall thereupon cease, terminate and become void and this Agreement shall be discharged and satisfied. In such event, the Lender shall execute and deliver to the Corporation all such instruments as may be necessary or desirable to evidence such discharge and satisfaction.

ARTICLE VII

MODIFICATION OF DOCUMENTS

Section 7.1 Amendments Require Consent of Lender. The Corporation may not amend, or agree or consent to amendment of, the Corporation Documents without the prior written consent of the Lender. The Lender may not amend, or agree or consent to amendment of, the Corporation Documents without the prior written consent of the Corporation.

ARTICLE VIII

MISCELLANEOUS

Section 8.1 Term of Agreement. This Agreement shall become effective upon the Closing Date and shall continue in full force and effect until all obligations of the Corporation under this Agreement and the Note have been fully paid.

Section 8.2 Notices.

(a) All notices, certificates, or other communications required by or made pursuant to this Note Agreement shall be in writing and given by certified or registered United States Mail, return receipt requested, addressed as follows and including an email copy:

(i) if to the Lender:

Preston Hollow Capital, LLC
Attention: John Dinan, General Counsel
1717 Main Street, Suite 3900
Dallas, Texas 75201
E-Mail: jdinan@phcllc.com

(ii) if to the Corporation:

River Creek Development Corporation
Attention: Chair
500 W. Live Oak Street
Hutto, Texas 78634
E-mail: odis.jones@huttotx.gov
bbingham@mcginnislaw.com

(iii) If to the Fiscal Agent:

UMB Bank, N.A.
6034 W. Courtyard Dr., Suite 370
Austin, Texas 78730
Email: jose.gaytan@umb.com

(b) The Corporation and the Lender may designate any further or different addresses to which subsequent notices shall be sent.

(c) Except as otherwise provided by this Agreement, any communication delivered by mail in compliance with this section is deemed to have been given as of the date of deposit in the mail.

(d) A provision of this Agreement that provides for a specific method of giving notice or otherwise conflicts with this section supersedes this section to the extent of the conflict.

Section 8.3 Binding Effect, Assignment. This Agreement shall (i) be binding upon the Corporation, its successors and assigns, and (ii) inure to the benefit of and be enforceable by the Lender and its successors, transferees and assigns; provided that the Corporation may not assign all or any part of this Agreement without the prior written consent of the Lender or if such action would cause the income from the Agreement to be considered subject to federal income taxes. The Note is not negotiable and not registered. The Lender may assign, transfer, or grant participations in all or any portion of this Agreement, the Note, or any of its rights or security hereunder, including without limitation, the instruments securing the Corporation's obligations under this Agreement; provided that any such assignment, transfer, or grant shall be made only to a financial institution whose primary business is the lending of money and the Lender shall give written notice to the Corporation of such assignment, transfer or grant prior to such assignment, transfer or grant becoming effective.

Section 8.4 Entire Agreement. The Corporation Documents contain the entire agreement between the parties, and there are no other representations, endorsements, promises, agreements, or understandings, oral or written, express or implied, between the Corporation and the Lender.

Section 8.5 Severability. If any part of this Agreement is ruled invalid or unenforceable by a court of competent jurisdiction, the invalidity or unenforceability thereof shall not affect the remainder of this Agreement.

Section 8.6 Counterparts. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same document.

Section 8.7 Governing Law and Venue. All disputes, claims, defenses, controversies or causes of action (whether in contract or tort) that may be based upon, arise out of or relate hereto, including as to any representation or warranty made by the Corporation in or in connection with this Agreement or as an inducement to enter into this Agreement, shall be governed by and construed in accordance with the laws of the State, without regard to any conflicts of laws principles.

Section 8.8 Waiver of Personal Liability. No Corporation Director, or City Council Member shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Note or any costs incidental thereto or any amount under this Agreement or be subject to personal liability or accountability by reason of the execution and delivery of this Agreement. No Corporation Director or City Council Member shall be individually liable for the breach of any representation, warranty or agreement contained herein.

Section 8.9 Declaration of Intent. The Corporation understands and acknowledges that the Arizona Industrial Development Authority (the "**Authority**"), a nonprofit corporation designated a political subdivision of the State of Arizona, has established the AZIDA Land Secured Bond Pooling Program (the "**Program**"), pursuant to which the Authority issues, from time to time, bonds, notes or other evidences of indebtedness ("**Bonds**"), the proceeds of which are used to purchase or otherwise acquire land secured obligations such as this Loan Agreement and the Note. The Corporation understands and acknowledges that the Lender has reserved the

right to and may sell, transfer and assign its right, title and interest in and to this Loan Agreement to the Fiscal Agent and sell, transfer, and assign the Note to the Authority, or to a commercial bank acting as trustee for the Bonds (the “**Trustee**”), and that the Note Payments, and other amounts payable under this Loan Agreement and the Note will be pledged to the payment of and as security for the Bonds. The Corporation hereby consents to and approves such sale, transfer and assignment by the Lender to the Authority of this Loan Agreement and the Note, on such terms as may be agreed upon by the Lender, and hereby further consents to and approves the enforcement by the Fiscal Agent, Authority or the Trustee, as applicable, in accordance with the provisions hereof, of the Lender’s rights under this Loan Agreement and the Note. Upon the sale, transfer and assignment of the Note to the Authority or the Trustee, the Corporation shall, if so requested in writing by the Authority or Trustee or if required by the documents executed in connection with the issuance of the Bonds, as applicable, make payment of Note Payments, and any other amounts payable under this Loan Agreement, directly to the Authority or the Trustee, as applicable instead of first to the Fiscal Agent. Notwithstanding the foregoing, the Lender acknowledges and agrees that any future sale or assignment of its rights under the Loan Agreement and the Note, including in connection with the described Bonds, shall be in compliance with the then applicable federal securities laws.

Section 8.10 Liability of the Corporation. The Corporation shall not be liable for any costs, expenses, losses, damages, claims or actions under or by reason of or in connection with this Agreement, except as set forth herein.

[Signature Pages Follow]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed and attested by their respective duly authorized officers as of the date first above written.

PRESTON HOLLOW CAPITAL, LLC

By:_____

Name:_____

Assistant Secretary

**RIVER CREEK DEVELOPMENT
CORPORATION**

By_____

Chair

ATTEST:

By_____

Secretary

EXHIBIT A

Principal Amount
\$9,455,000.00

August 22, 2019

Form of Note

PROMISSORY NOTE

RIVER CREEK DEVELOPMENT CORPORATION (the "*Corporation*") for value received, hereby promises to pay to the order of the **PRESTON HOLLOW CAPITAL, LLC**, and its successor or assigns (the "*Lender*"), at its offices located at 1717 Main Street, Dallas, Texas 75201 in lawful money of the United States of America, the principal sum of NINE MILLION FOUR HUNDRED FIFTY FIVE THOUSAND 00/100 DOLLARS.

All capitalized terms which are used but not defined in this Note shall have the same meanings as in the Loan Agreement dated August 22, 2019, between the Corporation and the Lender (such Loan Agreement, together with all amendments or supplements thereto, being the "*Loan Agreement*").

In addition to the principal sum referred to in the first paragraph of this Note, the Corporation also agrees to pay interest on the outstanding principal balance at 5.5975% per annum (calculated on the per annum basis of a 360-day year consisting of twelve 30-day months).

Notwithstanding any other provisions of this Note, interest payable on this Note, together with any other costs, consideration, or payments in the nature of and constituting interest under applicable law (whether denominated as interest or as any other type of payment hereunder or thereunder, respectively) shall not exceed, and shall automatically be reduced to, the Maximum Interest Rate; and all such costs, consideration, and payments constituting interest shall be pro-rated, spread, and allocated, to the fullest extent permitted by law, to such periods and loan amounts as will cause the money so paid or received to conform to and comply with applicable law and the Maximum Interest Rate.

The principal and interest of this Note are due and payable in the amounts and on the dates set forth in Schedule I attached hereto.

This Note is authorized under the Loan Agreement and is subject to, and is executed in accordance with, all of the terms, conditions, and provisions thereof. A fully executed copy of the Loan Agreement is on file in the permanent records of the Corporation and is open for inspection to any member of the general public and to any person proposing to do business with, or asserting claims against, the Corporation, at all times during regular business hours.

The principal of and interest on this Note are payable from the Corporation's Pledged Revenues, as described in and subject to the limitations contained in the Loan Agreement.

A-1

4128-8091-5996.6

Except as otherwise provided in the Loan Agreement, the Corporation waives all demands for payment, presentations for payment, protests, notices of protests, and all other demands and notices, to the extent permitted by law.

All agreements between the Corporation and holder hereof, whether now existing or hereafter arising and whether written or oral, are hereby limited so that in no contingency, whether by reason of demand, prepayment, or otherwise, shall the interest contracted for, charged, received, paid, or agreed to be paid to the holder hereof, exceed the maximum permissible by applicable law. If, from any circumstances whatsoever, interest would otherwise be payable to the holder hereof in excess of the Maximum Interest Rate, then the interest payable to the holder hereof shall be reduced to the maximum amount permitted under applicable law; and if from any circumstances the holder hereof shall ever receive anything of value deemed interest by applicable law in excess of the Maximum Interest Rate, an amount equal to any excessive interest shall be applied to the reduction of the principal hereof and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal hereof, such excess shall be refunded to the Corporation. All interest paid or agreed to be paid to the holder hereof shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full period of the subject loan until payment in full of the principal so that the interest hereon for such full period shall not exceed the maximum amount permitted by applicable law. This paragraph shall control all agreements between the Corporation and the holder hereof.

THIS NOTE AND THE LOAN AGREEMENT REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.

NEITHER THE CITY OF HUTTO, TEXAS, THE STATE OF TEXAS, NOR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATES OF TEXAS SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THAT THE CORPORATION IS OBLIGATED TO MAKE THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON THIS NOTE. NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY OF HUTTO, TEXAS, THE STATE OF TEXAS OR ANY POLITICAL SUBDIVISION OR AGENCY OF THE STATES OF TEXAS IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE, EXCEPT TO THE EXTENT THE CORPORATION HAS PLEDGED THE PLEDGED REVENUES DESCRIBED ABOVE TO MAKE THE NOTE PAYMENTS.

Principal due on this Note may be voluntarily prepaid pursuant to the provisions of Section 2.6 of the Loan Agreement. Principal due on this Note shall be mandatorily prepaid in accordance with Section 2.7 of the Loan Agreement. Any prepayments of Principal on this Note shall be paid without penalty or any additional prepayment costs.

If a date for the payment of the principal of or interest on the Note is a Saturday, Sunday, legal holiday, or a day on which the Lender is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday,

legal holiday, or day on which such banking institution is authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

This Note shall be governed in all respects by the laws of the State of Texas as described in the Loan Agreement and of the United States of America.

IN WITNESS WHEREOF, this Note has been duly executed in accordance with law as of August 22, 2019.

**RIVER CREEK DEVELOPMENT
CORPORATION**

By: _____
Chair

ATTEST:

By: _____
Secretary

SCHEDULE I**Loan Payments**

Closing Date: August 26, 2019

Installment Payment Date	Installment Principal	Installment Interest	Semi-Annual Total	Annual Total
3/15/2020	-	367,101.05	367,101.05	
9/15/2020	50,000.00	264,621.81	314,621.81	681,722.86
3/15/2021	-	313,997.44	313,997.44	
9/15/2021	100,000.00	263,222.44	363,222.44	677,219.88
3/15/2022	-	310,698.69	310,698.69	
9/15/2022	105,000.00	260,423.69	365,423.69	676,122.38
3/15/2023	-	307,235.00	307,235.00	
9/15/2023	110,000.00	257,485.00	367,485.00	674,720.00
3/15/2024	-	303,606.38	303,606.38	
9/15/2024	115,000.00	254,406.38	369,406.38	673,012.76
3/15/2025	-	299,812.81	299,812.81	
9/15/2025	120,000.00	251,187.81	371,187.81	671,000.62
3/15/2026	-	295,854.31	295,854.31	
9/15/2026	130,000.00	247,829.31	377,829.31	673,683.62
3/15/2027	-	291,565.94	291,565.94	
9/15/2027	135,000.00	244,190.94	379,190.94	670,756.88
3/15/2028	-	287,112.63	287,112.63	
9/15/2028	140,000.00	240,412.63	380,412.63	667,525.26
3/15/2029	-	282,494.38	282,494.38	
9/15/2029			386,494.38	

Schedule I

4128-8091-5996.6

	150,000.00	236,494.38		668,988.76
3/15/2030	-	277,546.25	277,546.25	
9/15/2030	160,000.00	232,296.25	392,296.25	669,842.50
3/15/2031	-	272,268.25	272,268.25	
9/15/2031	165,000.00	227,818.25	392,818.25	665,086.50
3/15/2032	-	266,825.31	266,825.31	
9/15/2032	175,000.00	223,200.31	398,200.31	665,025.62
3/15/2033	-	261,052.50	261,052.50	
9/15/2033	185,000.00	218,302.50	403,302.50	664,355.00
3/15/2034	-	254,949.81	254,949.81	
9/15/2034	195,000.00	213,124.81	408,124.81	663,074.62
3/15/2035	-	248,517.25	248,517.25	
9/15/2035	210,000.00	207,667.25	417,667.25	666,184.50
3/15/2036	-	241,589.88	241,589.88	
9/15/2036	220,000.00	201,789.88	421,789.88	663,379.76
3/15/2037	-	234,332.63	234,332.63	
9/15/2037	230,000.00	195,632.63	425,632.63	659,965.26
3/15/2038	-	226,745.50	226,745.50	
9/15/2038	245,000.00	189,195.50	434,195.50	660,941.00
3/15/2039	-	218,663.56	218,663.56	
9/15/2039	260,000.00	182,338.56	442,338.56	661,002.12
3/15/2040	-	210,086.81	210,086.81	
9/15/2040	275,000.00	175,061.81	450,061.81	660,148.62
3/15/2041	-	201,015.25	201,015.25	
9/15/2041	290,000.00	167,365.25	457,365.25	658,380.50

Schedule I

4128-8091-5996.6

3/15/2042	-	191,448.88	191,448.88	
9/15/2042	305,000.00	159,248.88	464,248.88	655,697.76
3/15/2043	-	181,387.69	181,387.69	
9/15/2043	325,000.00	150,712.69	475,712.69	657,100.38
3/15/2044	-	170,666.75	170,666.75	
9/15/2044	340,000.00	141,616.75	481,616.75	652,283.50
3/15/2045	-	159,451.00	159,451.00	
9/15/2045	360,000.00	132,101.00	492,101.00	651,552.00
3/15/2046	-	147,575.50	147,575.50	
9/15/2046	380,000.00	122,025.50	502,025.50	649,601.00
3/15/2047	-	135,040.25	135,040.25	
9/15/2047	405,000.00	111,390.25	516,390.25	651,430.50
3/15/2048	-	121,680.31	121,680.31	
9/15/2048	430,000.00	100,055.31	530,055.31	651,735.62
3/15/2049	-	107,495.69	107,495.69	
9/15/2049	455,000.00	88,020.69	543,020.69	650,516.38
3/15/2050	-	92,486.38	92,486.38	
9/15/2050	480,000.00	75,286.38	555,286.38	647,772.76
3/15/2051	-	76,652.38	76,652.38	
9/15/2051	505,000.00	61,852.38	566,852.38	643,504.76
3/15/2052	-	59,993.69	59,993.69	
9/15/2052	535,000.00	47,718.69	582,718.69	642,712.38
3/15/2053	-	42,345.38	42,345.38	
9/15/2053	570,000.00	32,745.38	602,745.38	645,090.76
3/15/2054	-		23,542.50	

Schedule I

4128-8091-5996.6

		23,542.50		
9/15/2054	600,000.00	16,792.50	616,792.50	640,335.00
	9,455,000.00	13,676,471.82	23,131,471.82	23,131,471.82

Schedule I

**RIVER CREEK DEVELOPMENT CORPORATION
(MUSTANG CREEK PUBLIC IMPROVEMENT DISTRICT PROJECT)**

LOAN PLACEMENT AGREEMENT

August 22, 2019

River Creek Development Corporation
Attention: Odis Jones, City Manager
500 West Live Oak Street
Hutto, Texas 78634

Preston Hollow Capital, LLC
Attention: John Dinan
1717 Main Street
Dallas, Texas 75201

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company Incorporated (the “Loan Placement Agent”) enters into this Loan Placement Agent Agreement (this “Agreement”) with the River Creek Development Corporation (the “Borrower”) and Preston Hollow Capital, LLC (the “Lender”) which will be binding upon the Borrower, the Lender and the Loan Placement Agent upon the acceptance of this Agreement by the Borrower. All capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Loan Agreement (defined herein) between the Borrower and the Lender, relating to the Loan (defined herein).

1. Placement of Loan. Upon the terms and conditions and upon the basis of the representations, warranties and covenants set forth herein and in the Loan Agreement (to the extent that such representations inure to the benefit of the Loan Placement Agent as provided in Section 3 hereof, the Loan Placement Agent hereby agrees to use its best efforts to place the Loan with the Lender behalf of the Borrower on terms consistent with the Loan Agreement and mutually agreeable to the Borrower and the Lender. For its services hereunder, on the Closing Date and concurrent with the execution of the Loan Agreement, the Borrower will pay a fee equal to \$42,275 (the “Fee”) to the Loan Placement Agent and the fees and expenses of counsel to the Loan Placement Agent (“Loan Placement Agent’s Counsel”) in the amount of \$80,368 (the “Counsel Fee”). On the Closing Date, the Borrower shall pay or cause to be paid the Fee to the Loan Placement Agent and the Counsel Fee to Loan Placement Agent’s Counsel by wire transfer or immediately available funds. The Fee does not include any services the Loan Placement Agent may render in the future to the Borrower.

The Borrower acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the Borrower and the Loan Placement Agent in which the Loan Placement Agent is not acting as a municipal advisor, financial advisor or fiduciary to the Borrower; (ii) the Loan Placement Agent has not assumed any advisory or fiduciary responsibility to the Borrower with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Loan Placement Agent has provided other services or is currently providing other services to the Borrower on other matters); (iii) the only obligations the Loan Placement Agent has to the Borrower with respect to the transaction contemplated hereby expressly are set forth in this Agreement; (iv) the Borrower has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate; and (v) the use of the term "Agent" with reference to this Agreement and the role of Loan Placement Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such terms are used merely as a matter of market custom and intended to create or reflect only an independent contractor relationship between contracting parties and Loan Placement Agent acts as an independent broker-dealer and exercises its own independent judgment in connection with its rights and duties under this Agreement.

The Loan shall have the terms as outlined in the Loan Agreement. Closing of the Loan shall take place on August 26, 2019 (or such other date as may be agreed to by the Borrower, and the Loan Placement Agent) (the "Closing Date").

2. Authorization Instruments and Law. The Loan is authorized by a resolution approved by the Borrower on August 22, 2019 (the "Resolution") and shall be authorized by Chapter 431, Texas Transportation Code and Chapter 372, Texas Local Government Code, as amended (collectively, the "Act") and the Bylaws of the Borrower. The Loan shall be substantially in the form described in, and shall be secured under the provisions of, the Loan Agreement.

The City of Hutto, Texas (the "City") has created the Mustang Creek Public Improvement District (the "District") and Hutto1660, LP (the "Developer") has agreed to develop the District. The City has formed the Borrower to help facilitate development in and manage the District. The Lender and the Borrower have entered into the Loan Agreement dated August 22, 2019 (the "Loan Agreement") pursuant to which the Lender has agreed to loan the Borrower the proceeds for the Loan for the purpose of providing funds to the Borrower to finance the costs of the Public Improvements, which costs include certain soft costs and fees relating to the Loan to be paid by the Borrower from the proceeds of the Loan. The City and the Borrower have entered into the Interlocal Agreement dated August 22, 2019 (the "Interlocal Agreement") pursuant to which the Borrower has agreed to cause the construction of the Public Improvements and the City has agreed to purchase the Public Improvements from the Borrower, the purchase price for which shall be the sum of all Installment Payments under the Interlocal Agreement (the "Purchase Price"). The Borrower and the Developer have entered into the Construction Contract dated August 22, 2019 (the "Construction Contract") under which the Borrower has appointed the Developer as its "Construction Manager," with full responsibility for the design, designation of easement locations, facilities site designations and acquisitions, supervision of construction and the bidding and letting of construction contracts for the construction of the Public

Improvements. The payment of the Purchase Price under the Interlocal Agreement is secured by special assessments within the District (the “Assessments”), levied by the City on August 22, 2019. The Loan Agreement is secured by a pledge of all Installment Payments made pursuant to the Interlocal Agreement (the “Pledged Payments”), and monies to be transferred under the Loan Agreement and the Interlocal Agreement shall be held and disbursed pursuant to that Fiscal Agent Agreement by and between the Borrower, the Lender and UMB Bank, N.A. (the “Fiscal Agent”), dated as of August 22, 2019 (the “Fiscal Agent Agreement”).

The Loan is a limited obligation of the Borrower and are payable, as to the principal of and interest thereon, solely from the Pledged Payments as described in the Loan Agreement.

3. Borrower Agreements, Representations and Covenants.

- (a) The Borrower agrees that the representations of the Borrower set forth in Section 4.2 of the Loan Agreement shall inure to the benefit of the Loan Placement Agent
- (b) Borrower has not participated in the preparation of any Project Summary Memorandum prepared relating to the Construction Manager and the Public Improvements.
- (c) The Borrower further represents that:
 - i. any statements made by the Borrower to the Lender to induce it to execute the Loan (including any materials provided to the Loan Placement Agent for that purpose) were accurate and not misleading;
 - ii. all documentation necessary to effectuate the execution of the Loan shall be consistent with characterization of the Loan as such and not as a security; and
 - iii. there shall be no CUSIP for the Loan and the Loan shall not be DTC-eligible.

4. Lender Representations.

(a) The Lender has been provided with, or given access to, all financial and other information it has requested of the Developer and the Borrower in connection with the Loan.

(b) The Lender has such information and experience in financial and business matters that it is capable of evaluating the merits and risks of the Loan and considers it prudent to make the Loan for the benefit of the Borrower.

(c) The Lender understands that, notwithstanding the preparation of any Project Summary Memorandum, no formal offering statement, prospectus, offering circular or other comprehensive offering document containing material information with respect to the Loan or the Developer is being issued with respect to the Loan. Notwithstanding the preparation of any Project Summary Memorandum, the Lender has

made its own inquiry and analysis with respect to the Loan and the security therefore and other material factors affecting the security for and the payment of the Loan. The Lender hereby acknowledges that it is not relying upon, and waives any requirements of due diligence in investigation or inquiry on the part of the Loan Placement Agent and that Loan Placement Agent has not made any representations concerning the accuracy or completeness of any information supplied to the Lender.

(d) The Lender presently intends to book and hold the Loan as a loan in its loan portfolio. To the extent the word “Bond” or “Note” may have been used in any way to reference the debt instrument, the Lender acknowledges that the word “Bond” or “Note” is for convenience only and not intended to indicate that the instrument is a security within the meaning of the Securities Act of 1933.

5. The Closing. At 10:00 a.m., Central time, on the Closing Date, or at such other time or on such earlier or later business day as shall have been mutually agreed upon by the Borrower, the Lender and the Loan Placement Agent, the Borrower will deliver the closing documents hereinafter mentioned to Orrick, Herrington & Sutcliffe, LLP (“Loan Counsel”), or a place to be mutually agreed upon by the Borrower, the Lender and the Loan Placement Agent. The Lender will deliver funds to fund the Loan as set forth in the Loan Agreement and to pay the costs of certain Public Improvements, including the soft costs therefor as described in Section 1 hereof by wire transfer in federal funds payable to the order of the Borrower or its designee. These payments and deliveries, together with the delivery of the aforementioned documents, are herein called the “Closing.” Documents relating to the Loan will be made available to the Loan Placement Agent and the Lender for inspection not less than twenty-four (24) hours prior to the Closing.

6. Closing Conditions. The Loan Placement Agent has entered into this Agreement in reliance upon the representations and covenants herein and the performance by the Borrower of their respective obligations under this Agreement both as of the date hereof and as of the date of the Closing. The Lender’s and the Loan Placement Agent’s obligations under this Agreement are and shall be subject to the following additional conditions:

(a) Bring-Down Representations of the Borrower. The representations and covenants of the Borrower contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) Executed Agreements and Performance Thereunder. At the time of the Closing (i) the Borrower Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented; (ii) the Assessment Ordinance shall be in full force and effect; (iii) there shall be in full force and effect such other resolutions or actions of the Borrower as, in the opinion of Loan Counsel and Counsel to the Borrower, shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Borrower described in the Borrower Documents; and (iv) the Borrower shall perform or have performed its obligations required or specified in the Borrower Documents to be performed at or prior to Closing.

(c) No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under the Borrower Documents or other documents relating to the Loan.

(d) Closing Documents. At or prior to the Closing, the Lender shall have received each of the documents required under Section 7 below.

7. Closing Documents. At or prior to the Closing, the Lender shall receive the following documents, and shall confirm receipt of the same to the Loan Placement Agent:

(a) Loan Counsel Opinion. The approving opinion of Loan Counsel, dated the Closing Date.

(b) Borrower Legal Opinion. An opinion of counsel to the Borrower, dated the Closing Date in substantially the form attached hereto as Appendix A.

(c) Lender Letter. Lender shall execute a Lender Letter in the form attached to this Agreement as Appendix E and in form and substance acceptable to the Loan Placement Agent and addressed to the Loan Placement Agent and the Borrower.

(d) Borrower Certificate. A certificate of the Borrower, dated the Closing Date, to the effect that:

(i) the representations of the Borrower contained herein and in the Borrower Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Borrower Documents are in full force and effect and have not been amended, modified, or supplemented.

(e) Delivery of Borrower Documents and Additional Transaction Documents. The Borrower Documents shall have been executed and delivered.

(f) Form 8038. Evidence that the federal tax information form 8038-G has been prepared by Loan Counsel for filing.

(g) Federal Tax Certificate. A certificate of the Borrower in form and substance satisfactory to Loan Counsel setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Loan will be used in a manner that would cause the Loan to be "arbitrage Loan" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code.

(h) Developer Representation Agreement. The Representation, Warranty and Indemnification Agreement dated as of August 22, 2019 (the "Developer Representation Agreement") by and among the Lender, the Developer and the Loan Placement Agent

shall have been executed and delivered in a form and content satisfactory to the Loan Placement Agent, and the documents to be delivered pursuant to Section 4 thereof have been delivered in a form satisfactory to the Lender.

(i) Continuing Disclosure Agreements. The Continuing Disclosure Agreement of the Developer and the City and Corporation Disclosure Agreement each shall have been executed by the parties thereto in forms acceptable to the Lender.

(j) City Legal Opinion. An opinion of counsel to the City, dated the Closing Date in substantially the form attached hereto as Appendix B.

(k) Borrower Closing Certificate. A certificate of the Borrower dated the Closing Date in substantially the form attached hereto as Appendix C.

(l) City Closing Certificate. A certificate of the Borrower dated the Closing Date in substantially the form attached hereto as Appendix D.

(m) Additional Documents. Such additional legal opinions, certificates, instruments, and other documents as the Loan Placement Agent or their counsel may reasonably deem necessary.

The obligation of the Borrower hereunder to deliver the Note shall be subject to receipt on or before the date of the Closing the opinion of Loan Counsel described in Section 7(a) and the receipt of all documents required to be delivered to the Lender hereunder.

If the Borrower shall be unable to satisfy the conditions contained in this Agreement or if the obligations of the Lender and the Loan Placement Agent shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and the Lender, the Loan Placement Agent, the Borrower shall have no further obligation hereunder, except as further set forth in Sections 8, 9 and 11 hereof.

8. Securitization Bonds.

The Borrower understands and agrees that the Lender may take steps to securitize the revenues to be received under the Loan through the issuance of pooled municipal bonds (the "Securitization Bonds") and that the Securitization Bonds shall be sold to purchasers by an underwriter or placement agent for such Securitization Bonds (the "Securitization Bond Underwriter"), which Securitization Bond Underwriter may be the Loan Placement Agent. If Securitization Bonds are issued, the Borrower agrees as follows:

(a) Offering Document. The Borrower will cooperate and provide information relating to the Borrower (collectively, the "Borrower Information") as requested by the Securitization Bond Underwriter as necessary in connection with the preparation of any offering materials (including any amendments or supplements to such offering materials) to be utilized by the Securitization Bond Underwriter in the marketing of the Securitization Bonds (the "Offering Document") such that the Borrower Information does not and will not contain any untrue statement of a material fact or omit

to state any material fact required to be stated in the Offering Document or necessary to make the statements in the Offering Document, in light of the circumstances under which they were made, not misleading.

(b) Bring Down Certificate: The Borrower shall deliver to the Bond Securitization Underwriter a certificate or certificates of the Borrower, dated the delivery date of the Securitization Bonds, to the effect that:

(i) the Borrower Information set forth in the Offering Document is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as of the date thereof;

(ii) although the Borrower has not verified and does not assume any responsibility for the accuracy, completeness, or fairness of the information contained in the Offering Document other than the Borrower Information, and without independent verification, no facts came to the Developer's attention to lead it to believe that the Offering Document, as of its date or as of the date of Closing (except for financial, forecast, technical and statistical statements and data therein and the information regarding The Depository Trust Company and its book-entry only system, in each case as to which it is not called upon to comment) contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

9. Costs and Expenses.

The Loan Placement Agent shall be under no obligation to pay, and the Borrower shall cause to be paid, but only from proceeds of the Loan, the following expenses incident to the issuance of the Loan and performance of the Borrower's obligations hereunder: (i) closing costs relating to the Loan; (ii) the fees and expenses of Loan Counsel relating to the Loan, or the fees and expenses of Loan Placement Agent's Counsel relating to the Loan, (iii) any application or administrative fee of the Borrower, (iv) the fees and disbursements of accountants, advisers and any other experts or consultants retained by the Borrower or in connection with the Loan, and (vi) the expenses incurred by or on behalf of Borrower employees and representatives that are incidental to the closing of the Loan and the performance by the Borrower of its obligations under this Agreement. The Corporation shall not be responsible for the payment of any closing costs incurred at the time of issuance of the Securitization Bonds.

10. Notice. Any notice or other communication to be given to the Borrower under this Agreement may be given by delivering the same in writing to the Borrower at its address on the first page hereof. Any notice or other communication to be given to the Lender under this Agreement may be given by delivering the same in writing to the Lender at its address on the first page hereof.

Any notice or other communication to be given to the Loan Placement Agent under this Agreement may be given by delivering the same in writing to: Stifel, Nicolaus & Company Incorporated, 501 N. Broadway, St. Louis, MO 63102, (314) 342-2153, Attention: Laura Radcliff.

11. Entire Agreement. This Agreement is made solely for the benefit of the Lender, the Borrower and the Loan Placement Agent (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Borrower's representations and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Lender or the Loan Placement Agent, provided the Borrower shall have no liability with respect to any matter of which the Loan Placement Agent has actual knowledge prior to the purchase of the Loan; or (ii) delivery of any Loan fund pursuant to the Loan Agreement. The agreements contained in this Section and in Section 12 shall survive any termination of this Agreement.

12. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation or warranty in the instrument in question.

13. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

14. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State.

16. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by the Lender, the Loan Placement Agent or the Borrower without the prior written consent of the other parties hereto.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first set forth above.

**STIFEL, NICOLAUS & COMPANY
INCORPORATED,**
as Loan Placement Agent

By: _____
Name: _____
Title: _____

**RIVER CREEK DEVELOPMENT
CORPORATION**

By: _____
Name: _____
Title: _____

PRESTON HOLLOW CAPITAL, LLC

By: _____
Name: _____
Title: _____

APPENDIX A

FORM OF BORROWER'S COUNSEL OPINION

[CLOSING DATE], 2019

Stifel, Nicolaus & Company Incorporated
501 N. Broadway
St. Louis, MO 63102

Winstead PC
500 Winstead Building
2728 N. Harwood St.
Dallas, Texas 75201

Orrick, Herrington & Sutcliffe
609 Main Street, 40th Floor
Houston, Texas 77002

Preston Hollow Capital, LLC
1717 Main Street
Dallas, Texas 75201

River Creek Development Corporation
Attention: Chair
500 W. Live Oak Street
Hutto, Texas 78634

Ladies and Gentlemen:

We are the Attorney for the River Creek Development Corporation (the "Corporation") for limited purposes, and are rendering this opinion in connection with that certain loan from Preston Hollow Capital, LLC (the "Lender") to the Corporation for the purpose of constructing certain public improvements (the "Public Improvements") in the Hutto Mustang Creek Public Improvement District (the "District") formed by the City of Hutto, Texas (the "City") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "Act"). The City will purchase the Public Improvements from the Corporation (the "Purchase") pursuant to an Interlocal Agreement dated August 22, 2019, by and between the Corporation and the City (the "Interlocal Agreement").

In connection with rendering this opinion, we have reviewed the following documents (the "Transaction Documents"):

(a) The resolution adopted by the Board of Directors of the Corporation (the "Authorizing Resolution") on August 22, 2019 authorizing the execution and delivery of the Loan Agreement, the Note, and the Continuing Disclosure Agreement (each as defined herein);

(b) The Loan Agreement dated August 22, 2019 between the Authority and the Corporation;

(c) The promissory note from the Corporation to the Authority, dated as of August 22, 2019;

(d) The Interlocal Agreement

(e) the Loan Placement Agent Agreement dated as of August 22, 2019 among the Corporation, the Lender and Stifel, Nicolaus & Company Incorporated; and

(e) the Fiscal Agent Agreement dated as of August 22, 2019 among the Corporation, the Lender and UMB Bank, N.A.; and

(f) The Continuing Disclosure Agreement, dated as of August 22, 2019, executed and delivered by the City, the Corporation, Development Planning & Financing Group, Inc., the Lender and UMB Bank, N.A. (the “Continuing Disclosure Agreement”).

In addition to the Transaction Documents, other documents we have reviewed in rendering this opinion, and upon which we have relied, include the following (the “Corporation Documents”):

(a) A resolution adopted September 20, 2018 of the City Council of the City of Hutto approving the creation of the Corporation pursuant to Chapter 431, Texas Transportation Code, as amended (“Chapter 431”);

(b) The Corporation’s Certificate of Formation as filed with the Secretary of State of the State of Texas on September 9, 2018 (the “Certificate of Formation”);

(c) A certified copy of the Corporation’s Bylaws and any amendments thereto;

(d) A Certificate of Existence of the Corporation dated _____, 2019; and

(e) Such other documents and records of the Corporation and certificates of directors and officers of the corporation as we have deemed necessary to render this opinion.

In all such examinations, we have assumed that all signatures on documents and instruments executed by the Corporation are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the Corporation Documents by all parties other than the Corporation.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The Corporation is validly formed and existing pursuant to Chapter 431 and has all necessary power and authority to enter into and perform its obligations under the Transaction Documents and the Corporation Documents. The Corporation has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Transaction Documents and the performance of its obligations thereunder.

2. To our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the Corporation: (a) affecting the existence of the Corporation or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the Corporation, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the collection of the Pledged Revenues (as such term is defined in the Loan Agreement) from the City pursuant to the Loan Agreement, (d) contesting or affecting the validity or enforceability or the Corporation’s performance under the Corporation Documents, or (e) which may result in any material adverse change relating to the financial condition of the Corporation.

3. Whenever our opinion with respect to the existence or absence of facts is qualified by the phrase “to our knowledge” it is intended to mean that (i) during the course of our engagement by the Corporation, as of the date hereof no information has come to the attention of William H. Bingham as the Attorney for the Corporation that would give us actual knowledge of the existence of such facts and (ii) we have not undertaken any independent investigation to determine the existence or absence of such facts outside of the materials furnished to or obtained by William H. Bingham in the course of his engagement

by the Corporation and no inference as to our knowledge as to such matters should be drawn from the fact of our representation of the Corporation.

As to various questions of fact material to our opinions, we have relied upon certificates and written statements of representatives of the Corporation.

4. The Authorizing Resolution was duly enacted by the Board of Directors of the Corporation and remains in full force and effect on the date hereof.

5. The Transaction Documents have been duly authorized, executed and delivered by the Corporation and remain legal, valid and binding obligations of the Corporation enforceable against the Corporation in accordance with their terms. However, the enforceability of the obligations of the Corporation under such Corporation Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity, and (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

6. To our knowledge, the performance by the Corporation of the obligations under the Transaction Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

7. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the Corporation as a condition precedent to the performance by the Corporation of its obligations under the Transaction Documents.

8. The adoption of the Authorizing Resolution and the execution and delivery of the Transaction Documents and the compliance with the provisions of the Transaction Documents under the circumstances contemplated thereby, to our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the Corporation a breach of or default under any agreement to which the Corporation is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the Corporation a violation, breach of or default under any existing law, regulation, court order or consent decree to which the Corporation is subject.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

ATTORNEY FOR THE CORPORATION

APPENDIX B

FORM OF CITY ATTORNEY OPINION

[LETTERHEAD OF CITY ATTORNEY]

[CLOSING DATE], 2019

Stifel, Nicolaus & Company Incorporated
501 N. Broadway
St. Louis, MO 63102

Winstead PC
500 Winstead Building
2728 N. Harwood St.
Dallas, Texas 75201

Orrick, Herrington & Sutcliffe
609 Main Street, 40th Floor
Houston, Texas 77002

Preston Hollow Capital, LLC
1717 Main Street
Dallas, Texas 75201

City of Hutto, Texas
500 W. Live Oak Street
Hutto, Texas 78634

Ladies and Gentlemen:

We are the Attorney for the City of Hutto, Texas (the “City”) for limited purposes, and are rendering this opinion in connection that certain loan from Preston Hollow Capital, LLC (the “Lender”) to the River Creek Development Corporation (the “Corporation”) for the purpose of constructing certain public improvements (the “Public Improvements”) in the Hutto Mustang Creek Public Improvement District (the “District”) formed by the City pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the “Act”). The City will purchase the Public Improvements from the Corporation (the “Purchase”) pursuant to an Interlocal Agreement dated August 22, 2019, by and between the Corporation and the City (the “Interlocal Agreement”).

In connection with rendering this opinion, we have reviewed the:

(a) Resolution No. _____ (the “Creation Resolution”) enacted by the City Council on _____, 2019;

(b) Ordinance No. _____ approved by City Council on August 22, 2019, and the Service and Assessment Plan attached as an exhibit thereto (the “Assessment Ordinance”);

(c) Resolution No. _____ (the “River Creek Resolution”) approved by City Council on August 22, 2019, approving certain agreements involving River Creek Development Corporation, the City and other parties.

(d) The Interlocal Agreement;

(e) the Construction Contract, dated August 22, 2019 between Hutto1660, LP (the “Developer”) and the Corporation (the “Construction Contract”); and

(f) The Continuing Disclosure Agreement, dated as of August 22, 2019, executed and delivered by the City, the Corporation, Development Planning & Financing Group, Inc., the Lender and UMB Bank, N.A. (the “Continuing Disclosure Agreement”).

The Creation Resolution, the Assessment Ordinance, and the River Creek Resolution shall herein after be referred to as the “Authorizing Documents” and the remaining documents shall herein after be collectively referred to as the “City Documents.”

In all such examinations, we have assumed that all signatures on documents and instruments executed by the City are genuine and that all documents submitted to me as copies conform to the originals. In addition, for purposes of this opinion, we have assumed the due authorization, execution and delivery of the City Documents by all parties other than the City.

Based upon and subject to the foregoing and the additional qualifications and assumptions set forth herein, we are of the opinion that:

1. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents and the City Documents. The City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the City Documents and the performance of its obligations thereunder.

2. To our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the levy or collection of special assessments in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein or, (d) contesting or affecting the validity or enforceability or the City’s performance of the City Documents, or (e) which may result in any material adverse change relating to the financial condition of the City.

3. Whenever our opinion with respect to the existence or absence of facts is qualified by the phrase “to our knowledge” it is intended to mean that (i) during the course of our engagement by the City of Hutto, as of the date hereof no information has come to the attention of William H. Bingham as the City Attorney for the City of Hutto that would give us actual knowledge of the existence of such facts and (ii) we have not undertaken any independent investigation to determine the existence or absence of such facts outside of the materials furnished to or obtained by William H. Bingham in the course of his engagement by the City of Hutto and no inference as to our knowledge as to such matters should be drawn from the fact of our representation of the City of Hutto.

As to various questions of fact material to our opinions, we have relied upon certificates and written statements of representatives of the City of Hutto.

4. The Authorizing Documents were duly enacted by the City and remain in full force and effect on the date hereof.

5. The City Documents have been duly authorized, executed and delivered by the City and remain legal, valid and binding obligations of the City enforceable against the City in accordance with their terms. However, the enforceability of the obligations of the City under such City Documents may be limited or otherwise affected by (a) bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally, (b) principles of equity, whether considered at law or in equity,

and (c) the application of Texas law relating to action by future councils and relating to governmental immunity applicable to governmental entities.

6. To our knowledge, the performance by the City of the obligations under the Authorizing Documents and the City Documents will not violate any provision of any Federal or Texas constitutional or statutory provision.

7. No further consent, approval, authorization, or order of any court or governmental agency or body or official is required to be obtained by the City as a condition precedent to the performance by the City of its obligations under the Authorizing Documents and the City Documents.

8. The adoption of the Authorizing Documents and the execution and delivery of the City Documents and the compliance with the provisions of the Authorizing Documents and the City Documents under the circumstances contemplated thereby, to our knowledge: (a) do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement to which the City is a party or by which it is bound, and (b) do not and will not in any material respect conflict with or constitute on the part of the City a violation, breach of or default under any existing law, regulation, court order or consent decree to which the City is subject.

This opinion may not be relied upon by any other person except those specifically addressed in this letter.

Very truly yours,

ATTORNEY FOR THE CITY

APPENDIX C

FORM BORROWER CLOSING CERTIFICATE

In connection with the issuance by the loan (the “Loan”) from Preston Hollow Capital, LLC (the “Lender”) to the River Creek Development Corporation (the “Corporation”) pursuant to that certain Loan Agreement dated as of August 22, 2019 between the Lender and the Corporation (the “Loan Agreement”), the Corporation DOES HEREBY CERTIFY the following:

1. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Loan Agreement.

2. The Corporation, a public nonprofit corporation, duly formed by the City Council of the City of Hutto, Texas (the “City”) pursuant to Subchapter D, Chapter 431, Texas Transportation Code, as amended (“Chapter 431”) and the Texas Nonprofit Corporation Law, Chapter 22, Business Organizations Code, has been organized to help facilitate development in and manage the Mustang Creek Public Improvement District (the “District”).

3. The Corporation has delivered true, correct, complete and fully executed copies of (i) a Resolution adopted September 20, 2018 of the City Council of the City of Hutto approving the creation of the Corporation pursuant to Chapter 431, (ii) the Corporation’s Certificate of Formation as filed with the Secretary of State of Texas on September 9, 2018 (the “Certificate of Formation”), (iii) a certified copy of the Corporation’s Bylaws and any amendments thereto; and (iv) a Certificate of Existence of the Corporation (the “Corporation’s Organizational Documents”), and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

4. The Corporation has executed and delivered each of the below listed documents (individually, a “Corporation Document” and collectively, the “Corporation Documents”) in the capacity provided for in each such Corporation Document, and each such Corporation Document constitutes a valid and binding obligation of the Corporation, enforceable against the Corporation in accordance with its terms:

(a) that certain Loan Agreement dated August 22, 2019 between the Authority and the Corporation;

(b) that certain Interlocal Agreement dated August 22, 2019 between the City and the Corporation;

(c) the promissory note from the Corporation to the Lender dated August 22, 2019;

(d) that certain Continuing Disclosure Agreement, dated as of August 22, 2019 executed and delivered by the City, the Corporation, Development Planning & Financing Group, Inc. (the “Administrator”), the Lender and UMB Bank, N.A., as dissemination agent (the “Continuing Disclosure Agreement”);

(e) that certain Resolution adopted by the Board of Directors of the Corporation on August 22, 2019 authorizing the execution and delivery of the Loan Agreement, the Note, and the Continuing Disclosure Agreement (each as defined herein); and

(f) that certain Construction Contract dated August 22, 2019 between the Corporation and Hutto1660, LP.

5. The Corporation has complied in all material respects with all of the Corporation's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Corporation under the Corporation Documents on or prior to the date hereof.

6. The execution and delivery of the Corporation Documents by the Corporation does not violate any judgment, order, writ, injunction or decree binding on the Corporation or any indenture, agreement, or other instrument to which the Corporation is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the Corporation that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on such ability of the Corporation to perform its obligations under the Corporation Documents.

7. The Corporation is not insolvent and has not made an assignment for the benefit of creditors, filed or consented to a petition in bankruptcy, petitioned or applied (or consented to any third party petition or application) to any tribunal for the appointment of a custodian, receiver or any trustee or commenced any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction.

Dated: [CLOSING DATE], 2019

**RIVER CREEK DEVELOPMENT
CORPORATION**

By: _____
President

APPENDIX D

FORM CITY CLOSING CERTIFICATE

In connection with the issuance by the loan (the “Loan”) from Preston Hollow Capital, LLC (the “Lender”) to the River Creek Development Corporation (the “Corporation”) pursuant to that certain Loan Agreement dated as of August 22, 2019 between the Lender and the Corporation (the “Loan Agreement”), which Loan Agreement is secured by a pledge of payments to be made by the City of Hutto, Texas (the “City”) to the Corporation pursuant to that Interlocal Agreement between the City and the Corporation dated as of August 22, 2019 (the “Interlocal Agreement”), the City DOES HEREBY CERTIFY the following:

1. All capitalized terms not otherwise defined herein shall have the meaning given to such terms in the Loan Agreement.

2. The City is a Texas political subdivision and has all necessary power and authority to enter into and perform its obligations under the Authorizing Documents (as such term is defined in the opinion of counsel to the City delivered in connection with the Loan) and the City Documents (as defined herein). The City has taken or obtained all actions, approvals, consents and authorizations required of it by applicable laws in connection with the execution of the Authorizing Documents and the City Documents and the performance of its obligations thereunder.

3. To our knowledge, there is no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, public board or body, pending, or threatened against the City: (a) affecting the existence of the City or the titles of its officers to their respective offices, (b) in any way questioning the formation or existence of the District, (c) affecting, contesting or seeking to prohibit, restrain or enjoin the levy or collection of special assessments in the District pursuant to the provisions of the Assessment Ordinance and the Service and Assessment Plan referenced therein (d) contesting or affecting the validity or enforceability or the City’s performance of the City Documents, or (e) which may result in any material adverse change relating to the financial condition of the City.

4. The City has executed and delivered each of the below listed documents (individually, a “City Document” and collectively, the “City Documents”) in the capacity provided for in each such City Document, and each such City Document constitutes a valid and binding obligation of the City, enforceable against the City in accordance with its terms:

(a) that certain Interlocal Agreement; and

(b) that certain Continuing Disclosure Agreement, dated as of August 22, 2019 executed and delivered by the City, the Corporation, Development Planning & Financing Group, Inc. (the “Administrator”), the Lender and UMB Bank, N.A., as dissemination agent (the “Continuing Disclosure Agreement”).

5. The City has complied in all material respects with all of the City’s agreements and covenants and satisfied all conditions required to be complied with or satisfied by the City under the City Documents on or prior to the date hereof.

6. The execution and delivery of the City Documents by the City does not violate any judgment, order, writ, injunction or decree binding on the City or any indenture, agreement, or other instrument to which the City is a party. There are no proceedings pending or threatened in writing before any court or administrative agency against the City that is either not covered by insurance or which singularly or collectively would have a material, adverse effect on such ability of the City to perform its obligations under the City Documents.

Dated: [CLOSING DATE], 2019

CITY OF HUTTO, TEXAS

By: _____
City Manager

APPENDIX E
FORM OF LENDER LETTER

Stifel, Nicolaus & Company Incorporated
501 N. Broadway
St. Louis, MO 63102

Re: Loan to River Creek Development Corporation relating to Public Improvements
 constructed in the Mustang Creek Public Improvement District

Ladies and Gentlemen:

Preston Hollow Capital, LLC (the “Lender”) hereby certifies as follows with regard to the Loan Agreement, dated as of August 22, 2019 (the “Loan Agreement”), by and between the River Creek Development Corporation (the “Borrower”) and the Lender relating to Public Improvements constructed in the Mustang Creek Public Improvement District, as evidenced by a Note from the Borrower to the Lender (the “Note”), placed by Stifel, Nicolaus & Company, Incorporated (the “Placement Agent”) with the Lender pursuant to the Loan Placement Agreement by and among the Lender, the Placement Agent and the Borrower (the “Loan Placement Agreement”):

1. The Lender has full power and authority to carry on its business as now conducted, deliver this letter and make the representations and certifications contained herein.

2. The Lender is a non-bank lender that regularly extends credit to state and local governments by making loans the repayment obligations under which are evidenced by obligations such as the Loan; has knowledge and experience in financial and business matters that make it capable of evaluating the Borrower, the Loan and the risks associated with the extension of credit evidenced by the Loan Agreement and the Note; and has the ability to bear the economic risk of extending the credit evidenced by the Loan Agreement and the Note. The Lender is not acting as a broker, dealer, municipal securities underwriter, municipal advisor or fiduciary in connection with its extension of credit evidenced by the Loan Agreement and the Note.

3. The Lender has conducted its own investigation of the financial condition of the Borrower, the purpose for which the Note is being executed and delivered and of the security for the payment of the principal of and interest on the Loan, and has obtained such information regarding the Loan and the Borrower and its operations, financial condition and financial prospects as the Lender deems necessary to make an informed decision with respect to its extension of credit evidenced by the Loan Agreement and the Note. The Lender further acknowledges and agrees that it has not relied upon the Borrower or the Placement Agent for any information in connection with the Loan, including any information contained in any Project Summary Memorandum (as defined in the Loan Placement Agreement).

E-1

4. The Lender is extending credit to the Borrower evidenced by the Loan Agreement and the Note and is acquiring the Loan for its own loan account and without any present intention of distributing, assigning, or selling any interest therein or portion thereof, provided that the Lender retains the right at any time to dispose of the Loan or any interest therein or portion thereof, but agrees that any such sale, transfer or distribution by the Lender shall be made, in accordance with applicable law and the provisions of the Loan, the Loan Agreement, and related documents, to (a) an affiliate of the Lender, (b) one or more lenders, or (c) the Arizona Industrial Development Authority (“AZIDA”) or its designee in relation to any “Program” (as such term is defined in the Loan Agreement), provided that in the event of a transfer to AZIDA, AZIDA shall work with the underwriter of any “Bonds” (as such term is defined in the Loan Agreement) to determine what, if any, transfer restrictions shall be imposed and provided further that any such transfer shall be in compliance with the then applicable federal securities laws. The Lender and its assignees further retain the right to sell or assign participation interests in the Loan to one or more entities listed in (a) or (b) of this Section 4, provided that any participation, custodial or similar agreement under which multiple ownership interests in the Loan are created shall provide the method by which the owners of such interests shall establish the rights and duties of a single entity, owner, servicer or other fiduciary or agent acting on behalf of all of the assignees to act on their behalf with respect to the rights and interests of the registered owner of the Note, including with respect to the exercise of rights and remedies of the registered owner on behalf of such owners upon the occurrence of an event of default under the Loan Agreement.

5. The Lender acknowledges that (a) the Note (i) has not been registered under the Securities Act of 1933, as amended, (ii) has not been registered or otherwise qualified for sale under the securities laws of any state, and (iii) will not be listed on any securities exchange and (b) there is no established market for the Note and that none is likely to develop. The Lender understands and acknowledges that (a) the Note is not intended to be a security, (b) the Lender will treat the Note as a loan and not a security for accounting purposes, and (c) the Note will neither be assigned a CUSIP number nor made DTC eligible.

6. The Lender is acting solely for its own account and not as a fiduciary for the Borrower or in the capacity of broker, dealer, placement agent, municipal securities underwriter, municipal advisor, or fiduciary. The Lender has not provided, and will not provide, financial, legal (including securities law), tax, accounting, or other advice to or on behalf of the Borrower (including to any financial advisor or any placement agent engaged by the Borrower) with respect to the structuring or delivery of the Loan. The Lender has no fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to the Borrower with respect to the transactions relating to the structuring or delivery of the Loan and the discussions, undertakings, and procedures leading thereto. Each of the Borrower, its financial advisor, and its placement agent has sought and shall seek and obtain financial, legal (including securities law), tax, accounting, and other advice (including as it relates to structure, timing, terms, and similar matters and compliance with legal requirements applicable to such parties) with respect to the Loan from its own financial, legal, tax, and other advisors (and not from the undersigned or its affiliates) to the extent that the Borrower, its financial advisor, or its placement agent desires to, should, or needs to obtain such advice. The Lender expresses no view regarding the legal sufficiency of its representations for purposes of compliance with any legal requirements

applicable to any other party, including but not limited to the Borrower's financial advisor or placement agent, or the correctness of any legal interpretation made by counsel to any other party, including but not limited to counsel to the Borrower's financial advisor or placement agent, with respect to any such matters. The transactions between the Borrower and the Lender are arm's-length, commercial transactions in which the Lender is acting and has acted solely as a principal and for its own interest, and the Lender has not made recommendations to the Borrower with respect to the transactions relating to the Loan.

PRESTON HOLLOW CAPITAL, LLC

By _____
Name _____

FISCAL AGENT AGREEMENT

among the
RIVER CREEK DEVELOPMENT CORPORATION,
PRESTON HOLLOW CAPITAL, LLC
and
UMB Bank, N.A., as Fiscal Agent

Dated as of August 22, 2019

THIS FISCAL AGENT AGREEMENT made and entered into as of August 22, 2019 (the "Fiscal Agent Agreement") by and between UMB Bank, N.A., a national banking association, which is authorized by law to accept and exercise the powers set forth herein, and its successors and assigns, as fiscal agent (the "Fiscal Agent"), PRESTON HOLLOW CAPITAL, LLC, a Delaware limited liability company, including its designated successors and Assigns (the "Lender"), and the RIVER CREEK DEVELOPMENT CORPORATION, a public nonprofit corporation created by and acting on behalf of the City of Hutto, Texas, together with its successors and assigns (herein called the "Corporation");

W I T N E S S E T H:

WHEREAS, on June 7, 2018, the City Council of the City of Hutto, Texas (the "City") passed and approved Resolution No. R-19-06-07-9C authorizing the creation of the Mustang Creek Public Improvement District (the "District") pursuant to Chapter 372, Texas Local Government Code, as amended (the "PID Act"); and

WHEREAS, on June 20, 2019 the City Council passed and approved Resolution No. R-19-06-20-_____, amending the boundaries of the District to match the boundaries of the Property; and

WHEREAS, the District was created, in part, to undertake and finance those certain Public Improvements (as defined in Interlocal Agreement) as approved by the City Manager (the "Public Improvements") and set forth in the Service and Assessment Plan and Assessment Roll approved by the City Council of the City dated August 22, 2019, as amended from time to time (the "Service and Assessment Plan"); and

WHEREAS, on August 22, 2019, the City Council passed and approved Ordinance No. _____ (the "Assessment Ordinance") which, among other things, approved the Service and Assessment Plan which identified the amount of certain assessments on the benefitted property within the District ("Assessments"), and established the dates upon which interest on assessments will begin to accrue and collection of Assessments will begin; and

WHEREAS, in addition to approving the Service and Assessment Plan, the Assessment Ordinance levied the Assessments against certain parcels within the boundaries of the District for the Public Improvements (as defined herein) in accordance with the Service and Assessment Plan; and

WHEREAS, Assessments are reflected in the Service and Assessment Plan as approved by the City Council, as amended and updated annually as provided in the PID Act; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, in part, that an Assessment or Assessments may be paid in full, and if an assessment is not paid in full, it shall be due and payable in Annual Installments (as defined in the SAP) plus interest; and

WHEREAS, the Service and Assessment Plan and the Assessment Ordinance provide, pursuant to Chapter 372.018(f) of the PID Act, that if an Annual Installment of an Assessment

becomes delinquent, such Annual Installment shall be due and payable plus interest, penalties, and expenses incurred or imposed with respect to any delinquent installments; and

WHEREAS, the Service and Assessment Plan allocated the cost of the Public Improvements to the Assessed Parcels (as defined in the Interlocal Agreement) proportionally based on the special benefits conferred to each lot or parcel by the Public Improvements; and

WHEREAS, all revenue received and collected by the City from the collection of the Assessments and Annual Installments (excluding Delinquent Collection Costs, and Administrative Expenses) (the "Assessment Revenues") shall be deposited as required by the PID Act into an assessment fund created pursuant to the PID Act (the "Assessment Fund"); and

WHEREAS, the City and the Corporation have entered into the Interlocal Agreement dated August 22, 2019 to administer certain matters related to the Corporation and for the purchase and sale of the Public Improvements (the "Project") pursuant Chapter 372.023(a) of the PID Act; and

WHEREAS, the City has agreed to make payments for the purchase of the public improvements (the "Installment Payments") under the Interlocal Agreement from the Assessment Fund;

WHEREAS, in order to meet its obligations under the Interlocal Agreement to construct and finance the Project, the Corporation has entered into a Loan Agreement (the "Loan Agreement") with the Lender dated as of August 22, 2019; and

WHEREAS, pursuant to the Loan Agreement, the Corporation will make payments to the Lender for amounts due under the Loan Agreement through the Fiscal Agent no later than each payment date set forth on Schedule I to the Loan Agreement, from funds received by the Corporation from the City and that the City has drawn from the Assessment Fund; and

WHEREAS, on each September 16, the Corporation shall transfer any remaining available funds received from the City which were on deposit in the Assessment Fund (less certain Administrative Expenses and Delinquent Collection Costs described in the Service and Assessment Plan) to the Fiscal Agent as a prepayment under Section 2.7 of the Loan Agreement; and

WHEREAS, the Corporation has entered into that certain Construction Contract with Hutto1660, LP (the "Construction Manager") dated August 22, 2019 (the "Construction Contract") to facilitate the construction of the Project; and

WHEREAS, the Corporation has agreed to pay the Construction Manager its Actual Costs (as defined in the Construction Contract) of the Public Improvements in an amount not to exceed \$8,347,841.50 (the "Contract Amount"); and

WHEREAS, the Corporation, the Lender and the Fiscal Agent are entering into this Fiscal Agent Agreement for the purpose of (1) depositing all payments made by the Corporation and received from the City pursuant to the Interlocal Agreement for the payment of Note and (2)

depositing and controlling the distribution of funds to the to the Construction Manager pursuant to the terms of the Construction Contract.

NOW, THEREFORE, THIS FISCAL AGENT AGREEMENT WITNESSETH, the Corporation does hereby covenant and agree with the Fiscal Agent and the Lender, for the benefit of the Lender, as follows:

GRANTING CLAUSES

TO SECURE THE PAYMENT OF THE NOTE, the Corporation conveys, transfers, pledges and confirms to the Fiscal Agent the payments received by the Corporation under the Interlocal Agreement and in and to:

I. A security interest in the Pledged Revenues, subject to the provisions of this Fiscal Agent Agreement permitting the application thereof for the purposes and on the terms and conditions set forth herein; and, for avoidance of doubt, excluding the Rebate Fund.

TO HAVE AND HOLD all the same with all privileges and appurtenances hereby given, granted, pledged, assigned, conveyed, mortgaged and transferred, or agreed or intended to be to the Fiscal Agent and its successors in said trusts and to them and their assigns forever;

IN TRUST, NEVERTHELESS, upon the terms herein set forth, for the equal and proportionate benefit, security and protection of the Lender; and

PROVIDED, HOWEVER, that upon payment in full of the Note in accordance with the terms and provisions of this Fiscal Agent Agreement, this Fiscal Agent Agreement and the rights hereby granted shall cease, determine and be void; otherwise, this Fiscal Agent Agreement shall be of full force and effect.

ARTICLE I

DEFINITIONS; EQUAL SECURITY

SECTION 1.01 Definitions. Unless the context otherwise requires, the terms defined in this section shall for all purposes hereof and of any certificate, opinion, request or other document herein or therein mentioned have the meanings herein specified:

Actual Costs

The term “Actual Costs” shall have the meaning given to such term in the Construction Contract.

Administrative Expenses

The term “Administrative Expenses” shall have the meaning given to such term in the Service and Assessment Plan.

Annual Debt Service

The term “Annual Debt Service” means, for each Note Year, the sum of (i) the interest due on the Note in such Note Year, assuming that the Note is retired as scheduled, and (ii) the principal amount of the Note due in such Note Year.

Assessed Parcels

The term “Assessed Parcels” shall have the meaning given to such term in the Interlocal Agreement.

Assessments

The term “Assessments” shall have the meaning given to such term in the recitals hereto.

Assessment Fund

The term “Assessment Fund” shall have the meaning given to such term in the recitals hereto.

Assessment Ordinance

The term “Assessment Ordinance” shall have the meaning given to such term in the recitals hereto.

Assessment Revenues

The term “Assessment Revenues” shall have the meaning given to such term in the recitals hereto.

Authorized Signatory

The term “Authorized Signatory” shall mean any officer, director or other person designated by resolution of the board of directors of the Corporation (whether such resolution is adopted in connection with the issuance of the Note or otherwise) or by the Corporation’s bylaws as an ‘Authorized Signatory’ empowered to, among other things, execute and deliver on behalf of the Corporation this Fiscal Agent Agreement and the Note.

Business Day

The term “Business Day” means any day other than a Saturday or Sunday or a day on which the corporate office of the Fiscal Agent, the location of which shall be designated by the Fiscal Agent, is closed, or a day on which the New York Stock Exchange is scheduled to be closed.

Certification and Approval of Construction

The Term “Certification and Approval of Construction” means a certificate substantially in the form of Exhibit E attached to the Construction Contract approved and executed by the Construction Manager and an authorized representative of the City.

Certificate of the Corporation

The term “Certificate of the Corporation” means an instrument in writing signed by an Authorized Signatory of the Corporation.

City

The term “City” means the City of Hutto, Texas, a Texas municipal corporation located in Williamson County, Texas.

Code

The term “Code” means the Internal Revenue Code of 1986.

Contract Amount

The term “Contract Amount” shall have the meaning given to such term in the recitals hereto.

Construction Contract

The term “Construction Contract” shall have the meaning given to such term in the recitals hereto.

Construction Account

The term “Construction Account” means the account by that name established pursuant to Section 2.02.

Construction Manager

The term “Construction Manager” shall have the meaning given to such term in the recitals hereto.

Corporation

The term “Corporation” shall have the meaning given to such term in the recitals hereto.

Costs of Issuance

The term “Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Corporation and related to the creation of the District, certain

costs of the Construction Manager, certain costs related to the City, and the authorization, execution and delivery of the Fiscal Agent Agreement and the sale of the Note, including, but not limited to, costs of preparation and reproduction of documents, costs of rating agencies and costs to provide information required by rating agencies, filing and recording fees, initial fees and charges of the Fiscal Agent, legal fees and charges, fees and disbursements of consultants and professionals, fees and expenses of the loan placement agent, fees and charges for preparation, execution and safekeeping of the Note, fees of the Corporation, and any other cost, charge or fee in connection with the original execution and delivery of the Note.

Cost of Issuance Account

The term “Cost of Issuance Account” means the fund by that name established pursuant to Section 2.02.

Deferred Loan Proceeds Accounts

The Term “Deferred Loan Proceeds Accounts” means collectively the Phase II Deferred Loan Proceeds Account, Phase III Deferred Loan Proceeds Account, Phase IV Deferred Loan Proceeds Account, and Phase V Deferred Loan Proceeds Account.

Delinquent Collection Costs

The term “Delinquent Collection Costs” shall have the meaning given to such term in the Service and Assessment Plan.

District

The term “District” shall have the meaning given to such term in the recitals hereto.

Event of Default

The term “Event of Default” shall have the meaning ascribed to such term in Section 7.01.

Fiscal Agent

The term “Fiscal Agent” means UMB Bank, N.A., or any other association or corporation which may at any time be substituted in its place as provided in Section 5.01.

Fiscal Agent Agreement

The term “Fiscal Agent Agreement” means this Fiscal Agent Agreement, dated as of August 22, 2019, between the Corporation, the Lender and the Fiscal Agent, as originally executed and as it may from time to time be amended or supplemented pursuant to the provisions hereof.

Independent Appraisal

The term “Independent Appraisal” means an “as-is” appraisal delivered by an appraiser that is MAI designated by the Appraisal Institute and is licensed in the State of Texas.

Installment Payments

The term “Installment Payments” shall have the meaning given to such term in the Interlocal Agreement.

Interlocal Agreement

The term “Interlocal Agreement” shall have the meaning given to such term in the recitals hereto.

Lender

The term “Lender” shall have the meaning given to such term in the recitals hereto.

Loan Agreement

The term “Loan Agreement” shall have the meaning given to such term in the recitals hereto.

Maximum Annual Debt Service

The term “Maximum Annual Debt Service” means the largest Annual Debt Service for the Note Year after the calculation is made through the final maturity date of the Note.

Note

The term “Note” shall have the meaning given to such term in the recitals hereto.

Note Documents

The term “Note Documents” means this Fiscal Agent Agreement, the Loan Agreement, and the Note.

Note Fund

The term “Note Fund” means the fund by that name established pursuant to Section 2.02.

Note Payment Date

The term “Note Payment Date” means a date on which interest and/or principal is due on the Note, being April 1 and October 1 of each year to which reference is made, commencing on April 1, 2020.

Note Year

The term “Note Year” means the one-year period beginning on the first day of October 1 in each year and ending on the last day of September 30 in the following year.

Opinion of Counsel

The term “Opinion of Counsel” means a written opinion of counsel of recognized national standing in the field of law relating to municipal bonds, appointed and paid by the Corporation.

Outstanding

The term “Outstanding,” when used as of any particular time with reference to the Note, means any principal amount outstanding of the Note.

Permitted Investments

The term “Permitted Investments” means any of the following obligations if and to the extent that, at the time of making such investment, they are permitted by applicable Texas law for the investment of public moneys by political subdivisions of the State of Texas:

- (1) Direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of the Treasury of the United States of America;
- (2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:
 - a) Export-Import Bank
 - b) Farm Credit System Financial Assistance Corporation
 - c) Rural Economic Community Development Administration (formerly the Farmers Home Administration)
 - d) General Services Administration
 - e) U.S. Maritime Administration
 - f) Small Business Administration
 - g) Government National Mortgage Association (GNMA)
 - h) U.S. Department of Housing & Urban Development (PHA’s)
 - i) Federal Housing Administration
 - j) Federal Financing Bank;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- a) Senior debt obligations rated “Aaa” by Moody’s and “AAA” by S&P issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- b) Obligations of the Resolution Funding Corporation (REFCORP)
- c) Senior debt obligations of the Federal Home Loan Bank System
- d) Senior debt obligations of other Government Sponsored Agencies;

(4) U.S. dollar denominated deposit accounts, federal funds and bankers’ acceptances with domestic commercial banks (including the Fiscal Agent and its affiliates and subsidiaries) which have a rating on their short-term certificates of deposit on the date of purchase of “A-1” or “A-1+” by S&P and “P-1” by Moody’s and maturing no more than 360 days after the date of purchase. (Ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and “P-1” by Moody’s and which matures not more than 270 days after the date of purchase;

(6) Investments in a money market fund rated “AAAm” or “AAAm-G” by S&P, including such funds for which the Fiscal Agent or an affiliate of the Fiscal Agent acts as an investment advisor or provides other services;

(7) Pre-refunded municipal obligations defined as follows: The Note or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(A) which are rated based on an irrevocable escrow account or fund (the “escrow”) in the highest rating category of S&P and Moody’s or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on the Note or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the Note or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; and

(8) General obligations of states with a rating of at least “Aaa/AAA” or higher by both Moody’s and S&P;

The value of the above investments shall be determined as follows:

“Value”, which shall be determined as of the end of each month by the Fiscal Agent in accordance with Section 3.03 hereof, means that the value of any investments shall be calculated as follows:

(a) As to investments the bid and asked prices of which are published on a regular basis in The Wall Street Journal (or, if not there, then in The New York Times): the average of the bid and asked prices for such investments so published on or most recently prior to such time of determination;

(b) As to investments the bid and asked prices of which are not published on a regular basis in The Wall Street Journal or The New York Times: the average bid price at such time of determination for such investments by any two nationally recognized government securities dealers (selected by the Corporation in its absolute discretion) at the time making a market in such investments or the bid price published by a nationally recognized pricing service;

(c) As to certificates of deposit and bankers acceptances: the face amount thereof, plus accrued interest;

(d) As to any investment not specified above: the lower of cost or market value thereof.

Person

The term “Person” shall mean any individual, corporation, partnership, limited liability company, association, joint-stock company, trust, unincorporated organization, governmental body, political subdivision, municipality, municipal authority or any other group or organization of individuals.

Phase

The term “Phase” means the construction of Public Improvements leading to finished lots identified in all or portions of “Block A,” “Block B,” “Block C,” “Block D,” “Block E,” “Block F,” “Block G,” “Block H,” “Block I,” “Block J,” “Block K,” “Block L,” “Block M,” and “Block N” in “Appendix C—Legal Descriptions – 505 Lots” of that Appraisal of Real Property prepared by Integra Realty Resources DFW for the City and Stifel, Nicolaus & Company, Incorporated dated as of August __, 2019 and displayed more particularly in “Table II—Public Improvement District Boundaries” of the Service and Assessment Plan dated as of August 22, 2019 and consisting of Phase I, Phase II, Phase III, Phase IV, and Phase V.

Phase I

The term “Phase I” means the construction of Public Improvements leading to those particular planned finished lots identified in “Block A,” “Block B,” “Block C,” “Block D,”

and “Block E” in “Appendix C—Legal Descriptions – 505 Lots” of that Appraisal of Real Property prepared by Integra Realty Resources DFW for the City and Stifel, Nicolaus & Company, Incorporated dated as of August __, 2019 and displayed more particularly in “Table II—Public Improvement District Boundaries” of the Service and Assessment Plan dated as of August 22, 2019; such identified finished lots may be subsequently amended with Lender approval.

Phase II

The term “Phase II” means the construction of Public Improvements leading to those particular planned finished lots identified in “Block B,” “Block C,” “Block E,” “Block F,” and “Block G” in “Appendix C—Legal Descriptions – 505 Lots” of that Appraisal of Real Property prepared by Integra Realty Resources DFW for the City and Stifel, Nicolaus & Company, Incorporated dated as of August __, 2019 and displayed more particularly in “Table II—Public Improvement District Boundaries” of the Service and Assessment Plan dated as of August 22, 2019; such identified finished lots may be subsequently amended with Lender approval.

Phase III

The term “Phase III” means the construction of Public Improvements leading to those particular planned finished lots identified in “Block B,” “Block G,” “Block F,” and “Block H” in “Appendix C—Legal Descriptions – 505 Lots” of that Appraisal of Real Property prepared by Integra Realty Resources DFW for the City and Stifel, Nicolaus & Company, Incorporated dated as of August __, 2019 and displayed more particularly in “Table II—Public Improvement District Boundaries” of the Service and Assessment Plan dated as of August 22, 2019; such identified finished lots may be subsequently amended with Lender approval.

Phase IV

The term “Phase IV” means the construction of Public Improvements leading to those particular planned finished lots identified in “Block B,” “Block I,” “Block J,” “Block K,” “Block L,” “Block M,” and “Block N” in “Appendix C—Legal Descriptions – 505 Lots” of that Appraisal of Real Property prepared by Integra Realty Resources DFW for the City and Stifel, Nicolaus & Company, Incorporated dated as of August __, 2019 and displayed more particularly in “Table II—Public Improvement District Boundaries” of the Service and Assessment Plan dated as of August 22, 2019; such identified finished lots may be subsequently amended with Lender approval.

Phase V

The term The term “Phase V” means the construction of Public Improvements leading to those particular planned finished lots identified in “Block B,” “Block M,” and “Block N” in “Appendix C—Legal Descriptions – 505 Lots” of that Appraisal of Real Property prepared by Integra Realty Resources DFW for the City and Stifel, Nicolaus & Company, Incorporated dated as of August __, 2019 and displayed more particularly in “Table II—Public Improvement

District Boundaries” of the Service and Assessment Plan dated as of August 22, 2019; such identified finished lots may be subsequently amended with Lender approval.

Phase II Deferred Loan Proceeds Account

The term “Phase II Deferred Loan Proceeds Account” means the account by that name established pursuant to Section 2.02(b)(ii).

Phase III Deferred Loan Proceeds Account

The term “Phase III Deferred Loan Proceeds Account” means the account by that name established pursuant to Section 2.02(b)(ii).

Phase IV Deferred Loan Proceeds Account

The term “Phase IV Deferred Loan Proceeds Account” means the account by that name established pursuant to Section 2.02(b)(ii).

Phase V Deferred Loan Proceeds Account

The term “Phase V Deferred Loan Proceeds Account” means the account by that name established pursuant to Section 2.02(b)(ii).

PID Act

The term “PID Act” shall have the meaning given to such term in the recitals hereto.

Pledged Revenues

The term “Pledged Revenues” means (a) Revenues, (ii) the moneys held in any of the Revenue Fund, the Note Fund, the Project Fund, the Reserve Fund, and the Redemption Fund, and (iii) all interest or other income from any investment of any money in any fund or account established pursuant to this Fiscal Agent Agreement.

Prepayment and Delinquency Reserve Account

The term “Prepayment and Delinquency Reserve Account” means the account by that name established pursuant to Sections 2.02 and 2.07.

Prepayment and Delinquency Reserve Requirement

The term “Prepayment and Delinquency Reserve Requirement” means the moneys to be deposited in the Prepayment and Delinquency Reserve Account as described in Section 2.03 and 2.07 in an amount equal to 5.5% of the Note then Outstanding. The initial Prepayment and Delinquency Reserve Requirement is \$520,025.00.

Prepayments

The Term “Prepayment” means the payment of all or a portion of an Assessment (as defined in the Service and Assessment Plan) before the due date thereof, including prepayment under the Interlocal Agreement, and proceeds of the Note issued to refund all or a portion of the Note herein and the proceeds, including interest and penalty interest, paid to the Fiscal Agent pursuant to the Interlocal Agreement from the enforcement of the Assessments against any assessed parcel or assessed parcels, whether by foreclosure of lien or otherwise.

Principal and Interest Account

The term “Principal and Interest Account” means the account by that name established pursuant to Section 2.02.

Project

The term “Project” shall have the meaning given to such term in the recitals hereto.

Project Documents

The term “Project Documents” means (i) the Note Documents; and (ii) any other agreement, contract, document, or instrument executed by the Lender in connection with any of the foregoing.

Public Improvements

The term “Public Improvements” shall have the meaning given to such term in the Interlocal Agreement (such term is defined as “Authorized Improvements in the Service and Assessment Plan).

Rebate Fund

The term “Rebate Fund” means the fund by that name established pursuant to Sections 2.02 and 2.08.

Redemption Fund

The term “Redemption Fund” means the fund by that name established pursuant to Sections 2.02 and 2.06.

Reserve Account

The term “Reserve Account” means the account by that name established pursuant to Sections 2.02 and 2.07.

Reserve Account Requirement

The term “Reserve Account Requirement” means the moneys to be deposited in the Reserve Fund as described in Section 2.03 and 2.07 and shall be an amount the Corporation confirms in writing to the Fiscal Agent is equal to 50% of the least of (i) Maximum Annual Debt Service on the Note as of its date of issuance, (ii) 125% of average Annual Debt Service on the Note as of its date of issuance, and (iii) 10% of the proceeds of the Note as of their date of issuance; provided, however, that such amount shall be reduced by the amount of any transfers made to the Redemption Fund as a result of Prepayments, surplus Note proceeds or other funds deposited to the Redemption Fund and used to redeem the Note; and provided further that as a result of an optional redemption or extraordinary mandatory redemption, the Reserve Account Requirement shall be reduced by a percentage equal to the pro rata principal amount of the Note redeemed by such redemption divided by the total principal amount of the Note prior to such redemption. As of the date of delivery of the Note, the Reserve Account Requirement is \$317,745.38 which is an amount equal to 50% of the Maximum Annual Debt Service on the Note as of the date of issuance.

Reserve Fund

The term “Reserve Fund” means the fund by that name established pursuant to Sections 2.02 and 2.07.

Responsible Officer

The term “Responsible Officer” means any officer within the corporate trust department of the Fiscal Agent, including any vice president, assistant vice president, assistant secretary, assistant treasurer, trust officer or any other officer of the Fiscal Agent who customarily performs functions similar to those performed by the persons who at the time shall be such officers, respectively, or to whom any corporate trust matter is referred because of such person’s knowledge of and familiarity with the particular subject and who shall have direct responsibility for the administration of this Fiscal Agent Agreement.

Revenues

The term “Revenues” means Installment Payments paid by the City to the Corporation pursuant to the Interlocal Agreement.

Revenue Fund

The term “Revenue Fund” means the fund by that name established pursuant to Sections 2.02 and 2.03.

Service and Assessment Plan

The term “Service and Assessment Plan” shall have the meaning given to such term in the recitals hereto.

State

The term “State” means the State of Texas.

Tax Certificate

The term “Tax Certificate” means the Tax Certificate executed and delivered by the Corporation at the time of the issuance and delivery of the Note, as the same may be amended or supplemented in accordance with its terms.

Value-to-Lien Ratio

The term “Value-to-Lien Ratio” means the ratio of the aggregate appraised value of the Assessed Parcels within the District to the aggregate amount of the lien(s) upon such Assessed Parcels securing repayment of Assessments.

VTL Certificate

The term “VTL Certificate” means a certificate signed by the Lender that is delivered to the Corporation and the Fiscal Agent stating that, at the time of such delivery, the Value-to-Lien Ratio per Phase for which such transfer is being requested. The aggregate appraised value of the Assessed Parcels comprising the specific Phase within the District that is the subject of the VTL Certificate shall be based upon and be accompanied by either (i) an original and signed copy of an Independent Appraisal for the Assessed Parcels comprising the specific Phase within the District that is addressed to the Corporation and the Fiscal Agent, or (ii) a copy of the most recent tax roll for the Assessed Parcels comprising the specific Phase within the District certified by the Williamson Central Appraisal District to be true and correct.

Written Request of the Corporation

The term “Written Request of the Corporation” means an instrument in writing signed on behalf of the Corporation by an Authorized Signatory.

ARTICLE II

THE FUNDS

SECTION 2.01 Procedure for the Deposit of the Proceed of the Note.

Upon receipt of the proceeds of the Note from the Lender, the Fiscal Agent shall set aside and deposit the proceeds received in the following respective accounts or funds created pursuant to Section 2.02 hereof:

- (a) The Fiscal Agent shall deposit \$563,742.50 in the Cost of Issuance Account of the Project Fund.
- (b) The Fiscal Agent shall deposit \$5,355,842.86 in the Construction Account of the Project Fund.
- (c) The Fiscal Agent shall deposit \$317,745.38 in the Reserve Account of the Reserve Fund.

(d) The Fiscal Agent shall deposit \$0.00 in the Prepayment and Delinquency Reserve Account of the Reserve Fund.

(e) The Fiscal Agent shall deposit \$537,237.32 in the Phase II Deferred Loan Proceeds Account of the Project Fund.

(f) The Fiscal Agent shall deposit \$743,867.06 in the Phase III Deferred Loan Proceeds Account of the Project Fund.

(g) The Fiscal Agent shall deposit \$867,844.91 in the Phase IV Deferred Loan Proceeds Account of the Project Fund.

(h) The Fiscal Agent shall deposit \$843,049.34 in the Phase V Deferred Loan Proceeds Account of the Project Fund

The deposit to the Construction Account of the Project Fund described in Section 2.01(b) above shall be disbursed only pursuant to the provisions of Section 2.05(b) hereof. The deposit to the Phase II Deferred Loan Proceeds Account, Phase III Deferred Loan Proceeds Account, Phase IV Deferred Loan Proceeds Account and Phase V Deferred Loan Proceeds Account shall be disbursed only pursuant to the provisions of Sections 2.05(b) and 2.05(g) hereof. Notwithstanding any other provision of any document, at no time shall the Construction Manager have any rights, whether legal or equitable, in or to any such funds after they are received by the Fiscal Agent; provided, however, that this sentence does not modify in any way the provisions of Sections 2.05(b) or 2.05 (g) hereof.

SECTION 2.02 Funds and Accounts.

(a) Creation of Funds. The following Funds are hereby created and established under this Fiscal Agent Agreement to be held by the Fiscal Agent:

- (i) Revenue Fund;
- (ii) Note Fund;
- (iii) Project Fund;
- (iv) Reserve Fund;
- (v) Redemption Fund; and
- (vi) Rebate Fund.

(b) Creation of Accounts.

- (i) The following Accounts are hereby created and established under the Note Fund:
 - (A) Principal and Interest Account.
- (ii) The following Accounts are hereby created and established under the Project Fund:
 - (A) Construction Account;
 - (B) Cost of Issuance Account;

- (C) Phase II Deferred Loan Proceeds account of the Project Fund;
- (D) Phase III Deferred Loan Proceeds account of the Project Fund;
- (E) Phase IV Deferred Loan Proceeds account of the Project Fund; and
- (F) Phase V Deferred Loan Proceeds account of the Project Fund.

(iii) The following Accounts are hereby created and established under the Reserve Fund:

- (A) Reserve Account; and
- (B) Prepayment and Delinquency Reserve Account.

(c) Each fund and account created within such fund shall be maintained by the Fiscal Agent separate and apart from all other funds. Interest earnings and profit on each respective Fund and Account established by this Fiscal Agent Agreement shall be applied or withdrawn for the purposes of such fund or account as specified in this Fiscal Agent Agreement.

SECTION 2.03 Revenue Fund.

(a) On or before April 1 and October 1 of each while the Note is Outstanding and beginning in year 2020, the Fiscal Agent shall deposit or cause to be deposited such portions of the Revenues received on or before April 1 and October 1 of such year from the Corporation or the City into the Revenue Fund. Specifically, the Fiscal Agent shall deposit or cause to be deposited such portions of the Revenues received from the Corporation or the City on or April 1 and October 1 of such year to the Revenue Fund to be used in the following order of priority: (a) first, amounts sufficient to pay the fees and expenses of the Fiscal Agent, (b) second, amounts sufficient to pay debt service on the Note next coming due, (c) third, as described in Section 2.07(a) hereof, to the Reserve Account of the Reserve Fund in an amount to cause the amount of funds in the Reserve Account of the Reserve Fund to equal the Reserve Account Requirement, (d) fourth, as described in Section 2.07(a) hereof, to the Prepayment and Delinquency Reserve Account of the Reserve Fund in amounts to cause the amount of funds in the Prepayment and Delinquency Reserve Account to equal the Prepayment and Delinquency Reserve Requirement, and (e) fifth, to the Redemption Fund or Rebate Fund as described in Section 2.07(a) hereof.

(b) From time to time as needed to pay the obligations relating to the Notes, but no later than five (5) Business Days before each Note Payment Date, the Fiscal Agent shall withdraw from the Revenue Fund and transfer to the Principal and Interest Account of the Note Fund, an amount, taking into account any amounts then on deposit in such Principal and Interest Account to the Principal and Interest Account, such that the amount on deposit in the Principal and Interest Account equals the principal and interest due on the Note on the next Note Payment Date.

(c) If, after the foregoing transfers and any transfer from the Reserve Fund as provided in Section 2.07 herein, there are insufficient funds to make the payments provided in

paragraph (b) above, the Fiscal Agent shall apply the available funds in the Principal and Interest Account first to the payment of interest, then to the payment of principal on the Note.

(d) Notwithstanding Sections 2.03(a) and 2.07(a) hereof, the Fiscal Agent shall deposit Prepayments to the Revenue Fund and as soon as practicable after such deposit shall transfer such Prepayments first to the Reserve Fund to restore any transfers from the Reserve Fund made due to delinquency, and second, to the Redemption Fund.

(e) Any funds received at closing of the Note pursuant to the Interlocal Agreement shall be applied as provided in Section 2.01, or any funds received at closing of the Note not otherwise applied in accordance with Section 2.01 shall be deposited into the Revenue Fund. Such provisions and procedures are herein incorporated by reference and deemed set forth herein in full.

(f) After satisfaction of the requirement to provide for the payment of the principal and interest on the Note to fund any deficiency that may exist in the Reserve Fund, any remaining Revenues shall be deposited into the Redemption Fund or Rebate Fund as described in Section 2.07(a) hereof.

SECTION 2.04 Note Fund.

(a) On each Note Payment Date, the Fiscal Agent shall withdraw from the Principal and Interest Account the principal and interest then due and payable on the Note.

(b) If amounts in the Principal and Interest Account are insufficient for the purposes set forth in paragraph (a) above, the Fiscal Agent shall withdraw from the Reserve Fund amounts to cover the amount of such insufficiency in the order described in Section 2.07(c) hereof. Amounts so withdrawn from the Reserve Fund shall be deposited in the Principal and Interest Account and applied in accordance with Section 2.04.

SECTION 2.05 Project Fund.

(a) Money on deposit in the Project Fund shall be used to pay the Contract Amount and Cost of Issuance.

(b) Disbursements from the Cost of Issuance Account of the Project Fund shall be made by the Fiscal Agent to pay Costs of Issuance of the Note pursuant to a closing memorandum approved by the Corporation or written instruction from the Corporation, which instructions may be submitted through electronic means. Disbursements from the Construction Account of the Project Fund to pay all or a portion of the Contract Amount shall be made to the Construction Manager by the Fiscal Agent upon receipt by the Fiscal Agent of a written request of the City in the form of the Certification and Approval of Construction (provided no more than one disbursement from the Construction Account may be made each month) that has been approved in writing by the Lender within (10) business days. The Fiscal Agent may rely upon an executed Certification and Approval of Construction, provided such Certification and Approval of Construction has previously been approved in writing by the Lender within (10) business days, as conclusive proof that the disbursement procedures described in the Construction Contract have been met and in no event shall the Fiscal Agent be required to review or receive

any of the attachments or schedules to the Certification and Approval of Construction. The disbursement of funds from the Construction Account of the Project Fund to pay for the Contract pursuant to a Certification and Approval of Construction shall never exceed the amount available in the Construction Account of the Project Fund (including any subaccounts thereof). The Construction Manager has acknowledged and agreed that its right to be reimbursed the cost of the Project is limited to the lesser of \$8,347,841.50 or the amounts available in the Project Fund, regardless of the Construction Manager's Actual Costs.

(c) If the City notifies the Corporation in writing, after September 1, 2022, that amounts then on deposit in the Project Fund are not expected to be expended for purposes of the Project Fund due to the abandonment, or constructive abandonment, of the Project or for such other reasons as reasonably determined in the sole reasonable discretion of the City, such that it is unlikely that the amounts in the Project Fund will be timely expended for the purposes of the Project Fund, the Corporation shall file a Written Request of the Corporation with the Fiscal Agent which identifies the amounts then on deposit in the Project Fund that are not expected to be used for the timely construction of the Project. If such Written Request of the Corporation is so filed, the amounts on deposit in the Project Fund shall be transferred to the Redemption Fund to redeem all or a portion of the Note on the earliest practicable date after notice of redemption has been provided in accordance with this Fiscal Agent Agreement.

(d) Upon the filing of a certificate of the Corporation with the Fiscal Agent stating that all Improvements have been completed, the Fiscal Agent shall transfer the amount, if any, remaining within the Project Fund to the Principal and Interest Account of the Note Fund and shall close the Project Fund.

(e) On December 31, 2019, any amounts remaining in the Cost of Issuance Account shall be transferred to the Construction Account of the Project Fund and used to pay Public Improvement Project Costs and the Cost of Issuance Account shall be closed.

(f) On September 1, 2022, any amounts remaining in the Construction Account of the Project Fund shall be transferred to the Redemption Fund to redeem all or a portion of the Note on the earliest practicable date after notice of redemption has been provided in accordance with this Fiscal Agent Agreement. The Construction Account of the Project Fund shall be closed.

(g) Notwithstanding anything to the contrary herein, the Loan proceeds in each of the Deferred Loan Proceeds Accounts established for each Phase shall be maintained in its respective subaccount of the Project Fund by the Fiscal Agent and maintained pursuant to this Fiscal Agent Agreement until such time as the Lender provides the Fiscal Agent with either a VTL Certificate indicating that the Value-to-Lien Ratio for such Phase is greater than 2.00:1 (the "VLT Certificate Condition") or the Lender provides written notice that (i) it has approved an executed construction contract for the Public Improvements for such Phase and (ii) actual work under such contract shall have commenced prior to the transfer of the respective deferred Loan proceeds (the "Contract Work Condition"). After the Lender provides the Fiscal Agent with confirmation of the satisfaction of either the VLT Certificate Condition or the Contract Work Condition with respect to such Phase, the Fiscal Agent shall transfer the amounts in the applicable Deferred Loan Proceeds Subaccount established for such Phase to the Construction

Account for disbursal to the Construction Manager to pay Contract Amounts pursuant to the provisions of Section 2.05(b).

SECTION 2.06 Redemption Fund.

(a) The Fiscal Agent shall cause to be deposited to the Redemption Fund from the Revenue Fund an amount sufficient to redeem all or a portion of the Note as provided in Sections 2.09(a), 2.09(b), 2.03, 2.04(c), 2.05, and 2.07 on the dates specified for redemption as provided in Sections 2.09(a) and 2.09(b). Amounts on deposit in the Redemption Fund shall be used and withdrawn by the Fiscal Agent to redeem all or a portion of the Note as provided in Article II.

SECTION 2.07 Reserve Fund.

(a) The Reserve Account of the Reserve Fund will be initially funded with a deposit of \$317,745.38 from the proceeds of the Note as described in Section 2.01 hereof. After such initial deposit, the Corporation agrees with the Lender to accumulate from the deposits outlined in and available pursuant to the provisions of Section 2.03(a) hereof, and when accumulated maintain in the Reserve Account of the Reserve Fund, an amount equal to not less than the Reserve Account Requirement. All amounts deposited in the Reserve Account of the Reserve Fund shall be used and withdrawn by the Fiscal Agent for the purpose of making transfers to the Principal and Interest Account of the Note Fund as provided in this Fiscal Agent Agreement. Subject to other deposit priority described in Section 2.03(a) hereof, the Fiscal Agent will transfer from the Revenue Fund to the Prepayment and Delinquency Reserve Account on April 1 and October 1 of each year, commencing April 1, 2020, until the Prepayment and Delinquency Reserve Requirement has been accumulated in the Prepayment and Delinquency Reserve Account. In addition, on April 1 and October 1 of each year, any funds in the Reserve Account of the Reserve Fund in excess of the Reserve Account Requirement, subject to other deposit priority described in Section 2.03(a) hereof, shall be deposited to the Prepayment and Delinquency Reserve Account as described in the preceding sentence until the amounts therein equal the Prepayment and Delinquency Reserve Requirement. Otherwise, on any April 1 and October 1, in the event that Reserve Account Requirement has been accumulated in the Reserve Account, the Prepayment and Delinquency Reserve Requirement has been accumulated in the Prepayment and Delinquency Reserve Account, the Fiscal Agent will transfer funds available in excess of such requirements to the Revenue Fund to be held until the next Note Payment Date. On June 30 of each year, the Fiscal Agent shall notify the Corporation, the Corporation and Development Planning & Financial Group, Inc., as District administrator, of any amounts held in the Revenue Fund and Note Fund in excess of the amount payable on the next Note Payment Date.

(b) Subject to the provisions of Section 2.07(c) hereof, whenever all or a portion of the Note is to be redeemed with the proceeds of Prepayments pursuant to Section 2.03(b), monies previously transferred from the Revenue Fund to the Redemption Fund pursuant to the provisions of Section 2.03(e) hereof, shall be transferred by the Fiscal Agent pursuant to the provisions of Section 2.03(b) hereof for the redemption of the Note. If after applying the Prepayments available in the Redemption Fund for the redemption of the Note, and after applying the investment earnings on Prepayments available for such redemption in the

Redemption Fund toward payment of accrued interest, there are insufficient funds to pay the principal amount plus accrued and unpaid interest on the Note to the date fixed for redemption of the Note to be redeemed as a result of such Prepayment, the Fiscal Agent shall transfer an amount equal to the shortfall from the Prepayment and Delinquency Reserve Account to the Redemption Fund and such funds shall to be applied to the redemption of the Note.

(c) Whenever, on any Note Payment Date, the amount on deposit in the Note Fund is insufficient to pay the debt service on the Note due on such date, the Fiscal Agent shall transfer, first, from the Prepayment and Delinquency Reserve Account of the Reserve Fund, and second, from the Reserve Account of the Reserve Fund to the Note Fund the amounts necessary to cure such deficiency.

(d) Whenever, on any Note Payment Date, the amounts on deposit in the Prepayment and Delinquency Reserve Account exceed the Prepayment and Delinquency Reserve Requirement, the Fiscal Agent shall transfer the amount in excess of the Prepayment and Delinquency Reserve Requirement to the Redemption Fund, or upon the Written Request of the Corporation, to the Rebate Fund.

(e) Whenever a transfer is made from the Reserve Account to the Note Fund due to a deficiency in the Note Fund, the Fiscal Agent shall provide written notice thereof to the Corporation and the Lender, specifying the amount withdrawn and the source of said funds.

(f) At the final maturity of the Note, the amount on deposit in the Reserve Account and the Prepayment and Delinquency Reserve Account shall be transferred to the Redemption Fund and applied to the payment of the principal of the Note.

(g) If the amount held in the Reserve Fund together with the amount held in the Note Fund and Redemption Fund is sufficient to pay the principal amount and interest on the Note on the next Note Payment Date, together with the unpaid interest accrued on the Note as of such Note Payment Date, such moneys shall be transferred to the Redemption Fund and thereafter used to redeem the Note as of such Note Payment Date.

SECTION 2.08 Rebate Fund. There is hereby established a special fund to be designated “River Creek Development Corporation Public Improvement Rebate Fund” (the “Rebate Fund”) to be held by the Fiscal Agent in accordance with Section 5.03 hereof. Notwithstanding anything herein to the contrary, Pledged Revenues shall be subject to the provisions of Section 5.03 hereof.

SECTION 2.09 Redemption of the Note. The Note is subject to optional and mandatory prepayment as set forth in the Loan Agreement and as a result of Prepayments or transfers to the Redemption Fund made pursuant to Section 2.03, 2.04, 2.05, 2.06 or 2.07 hereof.

ARTICLE III

PLEDGED REVENUES

SECTION 3.01 Pledge of Pledged Revenues. All Pledged Revenues and any other amounts (including proceeds of the sale of the Note) held by the Fiscal Agent in the

Revenue Fund, the Note Fund, the Project Fund, the Reserve Fund, and the Redemption Fund are hereby irrevocably pledged to the payment of the interest on and principal of the Note and other amounts payable as provided herein, and the Pledged Revenues shall not be used for any other purpose while any of the Note remains Outstanding; provided, however, that out of the Pledged Revenues and other moneys there may be applied such sums for such purposes as are permitted hereunder. This pledge shall constitute a pledge of and charge and lien upon the Pledged Revenues and all other moneys on deposit in the Revenue Fund, the Note Fund, the Project Fund, the Reserve Fund, and the Redemption Fund for the payment of the interest on and principal of the Note in accordance with the terms hereof and thereof. SUBJECT ONLY TO THE RIGHTS OF THE CORPORATION TO APPLY AMOUNTS UNDER THE PROVISIONS OF THIS FISCAL AGENT AGREEMENT, THE PLEDGE OF THE PLEDGED REVENUES HEREBY MADE SHALL IMMEDIATELY ATTACH THERETO AND SHALL BE EFFECTIVE, BINDING AND ENFORCEABLE FROM THE DATE HEREOF. THE SECURITY SO PLEDGED AND ANY ASSIGNMENT THEN OR THEREAFTER RECEIVED BY THE FISCAL AGENT FROM THE CORPORATION AS SECURITY FOR THE NOTE SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE AND THE LIEN OF SUCH PLEDGE.

The assignment of the Pledged Revenues to the Fiscal Agent is solely in its capacity as Fiscal Agent under this Fiscal Agent Agreement and the duties, powers and liabilities of the Fiscal Agent in acting hereunder shall be subject to the provisions of this Fiscal Agent Agreement, including, without limitation, the provisions of Article V hereof. The Fiscal Agent shall have no responsibility for the representations, covenants or warranties of the Corporation under the Loan Agreement and the Interlocal Agreement.

SECTION 3.02 Receipt and Deposit of Revenues in the Revenue Fund.

In order to carry out and effectuate the pledge, charge and lien contained herein, the Fiscal Agent agrees and covenants that all Revenues when and as received shall be received by the Fiscal Agent hereunder for the benefit of the Lender and shall be transferred when and as received by the Fiscal Agent pursuant to Section 2.03.

SECTION 3.03 Deposit and Investments of Money in Accounts and Funds. Subject to Section 4.03, all money held by the Fiscal Agent in any of the accounts or funds established pursuant hereto, except the Project Fund, shall be invested in Permitted Investments at the Written Request of the Corporation. In the absence of a Written Request of the Corporation (or with respect to the Project Fund, in the absence of the written direction of the Lender) directing the Fiscal Agent to invest money held by the Fiscal Agent in any of the accounts or funds established pursuant hereto, Fiscal Agent shall invest the money in Fidelity Treasury #2016 (CUSIP 31607A406). The Fiscal Agent may conclusively rely upon the Corporation's written instructions as to both the suitability and legality of the directed investments (including the initial investment set forth herein) and such written direction shall be deemed to be a certification that such directed investments constitute Permitted Investments.

Investments (except investment agreements) in Fiscal Agent Agreement funds and accounts shall be valued at the market value thereof, exclusive of accrued interest. The Corporation acknowledges that Values shall be determined in accordance with the price provided by pricing services and sources relied upon by the Fiscal Agent and the Fiscal Agent does not

have any duty to independently value any asset or an obligation other than the price provided by pricing services and sources relied upon by Fiscal Agent.

Investments purchased with funds on deposit shall mature not later than the dates upon which such funds shall need to be expended.

Subject to Section 4.03, all interest or profits received on amounts shall be deposited as described in Section 2.02(c) hereof. The Fiscal Agent shall not be liable for any losses on such investments.

Although the Corporation recognizes that it may obtain brokerage confirmations or written statements containing comparable information at no additional cost, each of the Corporation agrees that brokerage confirmations are not required to be issued by the Fiscal Agent for each month in which a monthly statement of investments is provided by the Fiscal Agent. No statement needs to be provided, however, for any fund or account for any month in which no investment activity occurred during such month in such fund or account.

The Fiscal Agent may elect, but shall not be obligated, to credit the funds and accounts held by it with the moneys representing income or principal payments due on, or sales proceed due in respect of, Permitted Investments in such funds and accounts, or to credit to Permitted Investments intended to be purchased with such moneys, in each case before actually receiving the requisite moneys from the payment source, or to otherwise advance funds for account transactions. The Corporation acknowledges that the legal obligation to pay the purchase price of Permitted Investments arises immediately at the time of the purchase. Notwithstanding anything else in this Fiscal Agent Agreement, (i) any such crediting of funds or assets shall be provisional in nature, and the Fiscal Agent shall be authorized to reverse any such transactions or advances of funds in the event that it does not receive good funds with respect thereto, and (ii) nothing in this Fiscal Agent Agreement shall constitute a waiver of any the Fiscal Agent's rights as a securities intermediary under Uniform Commercial Code §9-206.

Notwithstanding anything in this Agreement, moneys held in the Project Fund shall only be invested in non-AMT municipal obligations or a non-AMT tax-exempt municipal money market fund in accordance with the written instruction of the Lender.

ARTICLE IV

COVENANTS OF THE CORPORATION

SECTION 4.01 Punctual Payment and Performance. The Corporation will punctually pay out of the Pledged Revenues the interest on and the principal of and redemption premium, if any, to become due on the Note issued hereunder in strict conformity with the terms hereof and of the Note, and will faithfully observe and perform all the agreements and covenants to be observed or performed by the Corporation contained herein, in the Loan Agreement and in the Note.

SECTION 4.02 Against Encumbrances. The Corporation will not make any pledge of or place any charge or lien upon the Pledged Revenues except as provided herein, and will not issue notes or obligations payable from the Pledged Revenues of or charge or lien upon the Pledged Revenues.

SECTION 4.03 Tax Covenants; Rebate Fund.

(a) There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate and in accordance with written instructions of the Corporation. All money at any time deposited in the Rebate Fund shall be held by the Fiscal Agent in trust, to the extent required to satisfy the Rebate Requirement (as defined in the Tax Certificate), for payment to the United States of America. Notwithstanding the provisions of Sections 3.01, 3.02, 3.03, and 7.02 relating to the pledge of Pledged Revenues, the Corporation acknowledges that the allocation of money in the Revenue Fund, the investments of money in any fund or account, the application of funds upon the defeasance of Note, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section 5.03 and by the Tax Certificate (which is incorporated herein by reference). The Fiscal Agent shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Corporation, and shall have no liability or responsibility to enforce compliance by the Corporation with the terms of the Tax Certificate or to determine whether not any written directions it receives are in compliance with the requirements set forth therein.

(b) Any funds remaining in the Rebate Fund after redemption and payment with respect to all of the Note, or provision made therefor satisfactory to the Fiscal Agent, including accrued interest and payment of any applicable fees and expenses to the Fiscal Agent and satisfaction of the Rebate Requirement (as defined in the Tax Certificate), shall be withdrawn by the Fiscal Agent and remitted to or upon the direction of the City.

(c) The Corporation shall not use or permit the use of any proceeds of the Note for any funds of the Corporation, directly or indirectly, to acquire any securities or obligations, and shall not take or permit to be taken any other action or actions, which would cause the Note to be an “arbitrage bond” within the meaning of Section 148 of the Code, “private activity bond” within the meaning of Section 141(a) of the Code, or “federally guaranteed” within the meaning of Section 149(b) of the Code and any such applicable requirements promulgated from time to time thereunder. The Corporation shall observe and not violate the requirements of Section 148 of the Code and any such applicable regulations. The Corporation shall comply with all requirements of Sections 148 and 149(b) of the Code to the extent applicable to the Note. In the event that at any time the Corporation is of the opinion that for purposes of this Section 4.03(c) it is necessary to restrict or to limit the yield on the investment of any moneys held by the Fiscal Agent under this Fiscal Agent Agreement, the Corporation shall so instruct the Fiscal Agent under this Fiscal Agent Agreement in writing, and the Fiscal Agent shall take such action as may be necessary in accordance with such instructions.

(d) The Corporation specifically covenants to comply with the provisions and procedures of the Tax Certificate.

(e) The Corporation shall not use or permit the use of any proceeds of the Note or any funds of the Corporation, directly or indirectly, in any manner, and shall not take or omit to take any action that would cause any of the Note to be treated as an obligation not described in Section 103(a) of the Code.

(f) Notwithstanding any provisions of this Section if the Corporation shall provide to the Fiscal Agent an Opinion of Counsel that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest with respect to the Note, the Fiscal Agent and the Corporation may conclusively rely on such opinion in complying with the requirements of this Section, and, notwithstanding Article VI hereof, the covenants hereunder shall be deemed to be modified to that extent.

SECTION 4.04 Accounting Records and Reports. The Corporation will keep or cause to be kept proper books of record and accounts in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocation and application of the Pledged Revenues. The Corporation shall also keep or cause to be kept such other information as may be required under the Tax Certificate.

SECTION 4.05 Further Assurances. Whenever and so often as reasonably requested to do so by the Fiscal Agent or the Lender, the Corporation will promptly execute and deliver or cause to be executed and delivered all such other and further assurances, documents or instruments, and promptly do or cause to be done all such other and further things as may be necessary or reasonably required in order to further and more fully vest in the Fiscal Agent all rights, interests, powers, benefits, privileges and advantages conferred or intended to be conferred upon them hereby.

SECTION 4.06 Limitations on Liability. Notwithstanding anything in this Fiscal Agent Agreement or in the Note, the Note is a special limited obligation of the Corporation payable solely from the Pledged Revenues and, except from such source, none of the Corporation, the City, the State or any political subdivision or agency thereof or any political subdivision approving the issuance of the Note shall be obligated to pay the principal of, premium, if any, or interest thereon or any costs incidental thereto.

ARTICLE V

THE FISCAL AGENT

SECTION 5.01 The Fiscal Agent. UMB Bank, N.A. shall serve as the Fiscal Agent for the Note for the purpose of receiving all money which the Corporation is required to deposit with the Fiscal Agent hereunder and for the purpose of allocating, applying and using such money as provided herein and for the purpose of paying the interest on and principal of the Note.

The Corporation may at any time and upon 30 days' prior notice and with written consent of the Lender (which shall not be unreasonably withheld) unless there exists any Event

of Default as defined in Section 7.01, remove the Fiscal Agent initially appointed and any successor thereto and may appoint a successor or successors thereto by an instrument in writing; provided that any such successor shall be a banking corporation or trust company, having a combined capital (exclusive of borrowed capital) and surplus of at least one hundred million dollars (\$100,000,000) and subject to supervision or examination by federal or state authority. If such banking corporation or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If any Event of Default as defined in Section 7.01 exists, the Lender may at any time remove the Fiscal Agent appointed by the Corporation and may appoint a successor or successors thereto by instrument(s) in writing; provided that any such successor shall meet the requirements for the Corporation appointment set forth above. The Fiscal Agent may at any time resign by giving written notice of such resignation to the Corporation and by mailing by first class mail to the Lender notice of such resignation. Upon receiving such notice of resignation, the Corporation shall promptly appoint a successor Fiscal Agent by an instrument in writing. Any removal or resignation of a Fiscal Agent and appointment of a successor Fiscal Agent shall become effective only upon the acceptance of appointment by the successor Fiscal Agent. If, within thirty (30) days after notice of the removal or resignation of the Fiscal Agent no successor Fiscal Agent shall have been appointed and shall have accepted such appointment, the removed or resigning Fiscal Agent may petition any court of competent jurisdiction for the appointment of a successor Fiscal Agent, which court may thereupon, after such notice, if any, as it may deem proper and prescribe and as may be required by law, appoint a successor Fiscal Agent having the qualifications required hereby. The costs of any such proceeding shall be borne by the Corporation.

The Fiscal Agent shall perform such duties and only such duties as are specifically set forth in this Fiscal Agent Agreement and no implied duties or obligations shall be read into this Fiscal Agent Agreement.

SECTION 5.02 Liability of Fiscal Agent. The recitals of facts, agreements and covenants made by the Corporation herein and in the Note shall be taken as recitals of facts, agreements and covenants of the Corporation, and the Fiscal Agent assumes no responsibility for the correctness of the same or makes any representation as to the sufficiency or validity hereof or of the Note, or shall incur any responsibility in respect thereof other than in connection with the rights or obligations assigned to or imposed upon it herein, in the Note or in law or equity. The Fiscal Agent shall not be liable in connection with the performance of its duties hereunder except for its own negligence or willful misconduct.

The Fiscal Agent shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Fiscal Agent was negligent in ascertaining the pertinent facts.

The Fiscal Agent shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Lender or of the holder of the Note, relating to the time, method and place of conducting any proceeding for any remedy

available to the Fiscal Agent, or exercising any trust or power conferred upon the Fiscal Agent under this Fiscal Agent Agreement.

The Fiscal Agent shall be under no obligation to exercise any of the rights or powers vested in it by this Fiscal Agent Agreement at the request, order or direction of the Lender pursuant to the provisions of this Fiscal Agent Agreement unless the Lender shall have offered to the Fiscal Agent security or indemnity reasonably satisfactory to it against the costs, expenses and liabilities that may be incurred therein or thereby. The Fiscal Agent has no obligation or liability to the Lender for the payment of interest on, principal of or redemption premium, if any, with respect to the Note from its own funds; but rather the Fiscal Agent's obligations shall be limited to the performance of its duties hereunder.

The Fiscal Agent shall not be deemed to have knowledge of any default or Event of Default unless and until a Responsible Officer has actual knowledge thereof or the Fiscal Agent shall have been specifically notified in writing of such Event of Default by the Corporation or by the Lender at its corporate trust office in Austin, Texas or such other office as designated by the Fiscal Agent, and in the absence of such actual knowledge or notice so delivered the Fiscal Agent may conclusively assume there is no Event of Default except as aforesaid. The Fiscal Agent shall not be responsible for the validity or effectiveness of any collateral given to or held by it.

The Fiscal Agent may execute any of the powers hereunder or perform any duties hereunder either directly or by or through attorneys-in-fact, agents or receivers, and shall not be answerable for the negligence or misconduct or any such attorney-in-fact, agent or receiver if such attorney's-in-fact, agents or receivers was selected by the Fiscal Agent with due care and the Fiscal Agent exercised reasonable care overseeing the trusts, powers or duties performed by such attorney's-in-fact, agents or receivers. The Fiscal Agent shall be entitled to advice of counsel and other professionals concerning all matters of trust and its duty hereunder, but the Fiscal Agent shall not be answerable for the professional malpractice of any attorney-in-law or certified public accountant in connection with the rendering of his professional advice in accordance with the terms of this Fiscal Agent Agreement, if such attorney-in-law or certified public accountant was selected by the Fiscal Agent with due care.

The Fiscal Agent shall not be concerned with or accountable to anyone for the subsequent use or application of any moneys which shall be released or withdrawn in accordance with the provisions hereof.

Whether or not therein expressly so provided, every provision of this Fiscal Agent Agreement, the Loan Agreement or related documents relating to the conduct or affecting the liability of or affording protection to the Fiscal Agent shall be subject to the provisions of this Article.

The Fiscal Agent makes no representation or warranty, express or implied as to the title, value, design, compliance with specifications or legal requirements, quality, durability, operation, condition, merchantability or fitness for any particular purpose for the use contemplated by the Corporation, Construction Manager or City of the Project. In no event shall

the Fiscal Agent be liable for incidental, indirect, special or consequential damages in connection with or arising from the Loan Agreement, the Construction Contract, or the Project.

The Fiscal Agent shall be protected in acting upon any notice, resolution, requisition, request (including any Written Request of the Corporation), consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Fiscal Agent may consult with counsel, who may be counsel of or to the Corporation, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith as long as counsel was selected by the Fiscal Agent with due care.

Whenever in the administration of its rights and obligations hereunder the Fiscal Agent shall deem it necessary or desirable that a matter be established or proved prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may, in the absence of bad faith on the part of the Fiscal Agent, be deemed to be conclusively proved and established by a Certificate of the Corporation or a Certificate of the Lender, which certificate shall be full warrant to the Fiscal Agent for any action taken or suffered under the provisions hereof upon the faith thereof, but in its discretion the Fiscal Agent may in lieu thereof accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

No provision of this Fiscal Agent Agreement shall require the Fiscal Agent to expend or risk its own funds or otherwise incur any financial liability in the performance or exercise of any of its duties hereunder, or in the exercise of its rights or powers.

The Fiscal Agent shall have no responsibility or liability with respect to any information, statements or recital in any offering memorandum or other disclosure material prepared or distributed with respect to the issuance of the Note.

The Fiscal Agent shall be under no responsibility to approve or evaluate any expert or other skilled person selected by the Corporation for any of the purposes expressed in this Fiscal Agent Agreement or the Loan Agreement.

Any company into which the Fiscal Agent may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Fiscal Agent may sell or transfer all or substantially all of its corporate trust business, provided such company shall be eligible under Section 5.01 shall be the successor to such Fiscal Agent without execution or filing of any further act, anything herein to the contrary notwithstanding.

At all times, the Fiscal Agent may seek the direction of the Lender, and the Fiscal Agent shall be protected in relying upon such direction and in refraining from acting unless and until the Fiscal Agent has received such direction.

SECTION 5.03 Compensation and Indemnification of Fiscal Agent.

The Corporation, to the extent permitted by law, solely from Pledged Revenues and funds deposited under this Agreement, shall indemnify, defend and hold harmless the Fiscal Agent

against any loss, damages, liability or expense incurred but solely and exclusively from funds available pursuant to the terms and provisions of this Fiscal Agent Agreement without negligence or bad faith on the part of the Trustee, arising out of or in connection with the acceptance or administration of the accounts created hereby, including costs and expenses (including attorneys' fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers hereunder. The Corporation, solely from Pledged Revenues and funds deposited under this Agreement, shall pay to the Fiscal Agent from time to time its compensation for its services hereunder and all costs, advances and expense (including attorneys' fees) incurred in the performance of its obligations as Fiscal Agent. The Fiscal Agent's rights under this section shall survive the satisfaction and discharge of this Fiscal Agent Agreement and resignation or removal of the Fiscal Agent. After an Event of Default and during the continuance thereof, the Fiscal Agent shall have a priority of payment prior to payment on account of interest, principal and premium, if any, on the Note for all reasonable administrative fees, expenses, advances, disbursements and counsel fees incurred or made in and about execution of the trusts and performance of the duties of the Fiscal Agent.

SECTION 5.04

ARTICLE VI

AMENDMENT OF THE FISCAL AGENT AGREEMENT

SECTION 6.01 **Amendment of the Fiscal Agent Agreement.** The Fiscal Agent Agreement may be amended at any time by the written consents of the Fiscal Agent, the Lender and the Corporation.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF THE LENDER

SECTION 7.01 **Events of Default.** Each of the following occurrences or events shall be and is hereby declared to be an "Event of Default," to wit:

(a) failure to pay the interest on and principal of the Note when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) a draw on the Reserve Account of the Reserve Fund;

(c) if default shall be made by the Corporation in the performance of any of the agreements or covenants required herein to be performed by the Corporation other than as described in subsection (a) of this Section 7.01, and such default shall have continued for a period of thirty (30) days after the Corporation shall have been given notice in writing of such default by the Fiscal Agent; or

(d) if an Event of Default has occurred under the Loan Agreement.

SECTION 7.02 Remedies for Default. Subject to Article IV, upon the happening and continuance of any of the Events of Default described in Section 7.01, the Fiscal Agent, upon receipt of the written direction of the Lender, shall protect and enforce the rights of the Lender under this Fiscal Agent Agreement, by action seeking mandamus or by other suit, action, or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief to the extent permitted by applicable law, including, but not limited to, the specific performance of any covenant or agreement contained herein or in the Loan Agreement or the Interlocal Agreement or injunction. For the avoidance of doubt, the Fiscal Agent shall have no obligation to take, and shall not take, any action as a result of an Event of Default absent the receipt of direction of the Lender to take such action and indemnity reasonably satisfactory to it.

THE PRINCIPAL OF THE NOTE SHALL NOT BE SUBJECT TO ACCELERATION UNDER ANY CIRCUMSTANCES.

In the event of the occurrence of an Event of Default under Section 7.01 hereof, the right of acceleration of the Note is not granted as a remedy hereunder and the right of acceleration under this Fiscal Agent Agreement is expressly denied.

If the assets described in this Fiscal Agent Agreement are sufficient to pay all amounts due with respect to the Note, in the selection of the assets to be used in the payment of the Note due under this Article, the Lender shall determine, in its absolute discretion, and shall instruct the Fiscal Agent, which assets shall be applied to such payment and shall not be liable to the Lender or other person by reason of such selection and application. In the event that the Lender shall fail to deliver to the Fiscal Agent such instruction, the Fiscal Agent shall select and liquidate or sell assets as provided in the following paragraph, and shall not be liable to the Lender, or other person, or the Corporation by reason of such selection, liquidation or sale.

Whenever moneys are to be applied pursuant to this Article VII, irrespective of and whether other remedies authorized under this Fiscal Agent Agreement shall have been pursued in whole or in part, the Fiscal Agent may cause any or all of the assets of described in the Fiscal Agent Agreement, including Permitted Investments, to be sold. The Fiscal Agent may so sell the assets and all right, title, interest, claim and demand thereto and the right of redemption thereof, in one or more parts, at any such place or places, and at such time or times and upon such notice and terms as the Lender shall direct appropriate and as may be required by law and apply the proceeds thereof in accordance with the provisions of this Section. Upon such sale, the Fiscal Agent may, at the direction of the Lender make and deliver to the purchaser or purchasers a good and sufficient assignment or conveyance for the same, which sale shall be a perpetual bar both at law and in equity against the Corporation, and all other persons claiming such properties. No purchaser at any sale shall be bound to see to the application of the purchase money proceeds thereof or to inquire as to the authorization, necessity, expediency, or regularity of any such sale. Nevertheless, if so requested by the Fiscal Agent or Lender, the Corporation shall ratify and confirm any sale or sales by executing and delivering to the Fiscal Agent or to such purchaser or purchasers all such instruments as may be necessary or, in the judgment of the Fiscal Agent, proper for the purpose which may be designated in such request.

SECTION 7.03 Application of Pledged Revenues and Other Monies after Default. All moneys, securities, funds and Pledged Revenues and the income therefrom

received by the Fiscal Agent pursuant to any right given or action taken under the provisions of this Article shall, after payment of the cost and expenses of the proceedings resulting in the collection of such amounts, the expenses (including its counsel), liabilities, and advances incurred or made by the Fiscal Agent and the fees of the Fiscal Agent in carrying out this Fiscal Agent Agreement, and the creation of a reasonable reserve for anticipated fees, costs and expenses during the continuance of an Event of Default, notwithstanding Section 7.02 hereof, shall be applied by the Fiscal Agent, on behalf of the Corporation, to the payment of interest and principal or redemption price then due on the Note, as follows:

FIRST: To the payment to the Lender entitled thereto all installments of interest then due in the direct order of maturity of such installments, and, if the amount available shall not be sufficient to pay in full any installment, then to the payment thereof ratably, according to the amounts due on such installment, to the Lender entitled thereto, without any discrimination or preference; and

SECOND: To the payment to the Lender entitled thereto of the unpaid principal of the Note, or redemption price of the Note which shall have become due, whether at maturity or by call for redemption, in the direct order of their due dates and, if the amounts available shall not be sufficient to pay in full any amounts due under the Note on any date, then to the payment thereof ratably, according to the amounts of principal due and to the Lender entitled thereto, without any discrimination or preference.

Within ten (10) days after receipt of such good and available funds, the Fiscal Agent may fix a record and payment date for any payment to be made to the Lender pursuant to this Section 7.03.

The restoration of the Corporation to its prior position after any and all defaults have been cured, as provided in Section 7.03, shall not extend to or affect any subsequent default under this Fiscal Agent Agreement or impair any right consequent thereon.

SECTION 7.04 Effect of Waiver. No delay or omission of the Fiscal Agent, or the Lender, to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy given by this Fiscal Agent Agreement to the Fiscal Agent or the Lender, respectively, may be exercised from time to time and as often as may be deemed expedient.

SECTION 7.05 Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Lender is intended to be exclusive of any other remedy, and each such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by the Act or any other law.

SECTION 7.06 Lender Control of Proceedings. Anything in this Fiscal Agent Agreement to the contrary notwithstanding, the Lender shall have the right, at any time, by an instrument or instruments in writing executed and delivered to the Fiscal Agent, to direct

the method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of this Fiscal Agent Agreement, or for the appointment of a receiver or any other proceedings hereunder; provided, that such direction shall not be otherwise than in accordance with the provisions of law and of this Fiscal Agent Agreement.

SECTION 7.07 Control by Lender. Notwithstanding any other provision to the contrary, any discretionary action on the part of the Fiscal Agent contained herein or in any Project Document, including, without limitation, any consent or waiver hereunder or thereunder, shall require the prior written consent of the Lender, and the Fiscal Agent hereby agrees to take such action, or refrain from taking such action, upon the written direction of the Lender. If the Fiscal Agent fails to take any such action within fifteen (15) days after the written direction of the Lender to take such action, the Lender may, but need not, take such action. Notwithstanding the foregoing, the Fiscal Agent shall not be required to take any such action at the direction of the Lender unless the Lender provides indemnification to this Fiscal Agent as provided in Section 5.02.

SECTION 7.08 Permissive Rights. The permissive right of the Lender to act pursuant to this Fiscal Agent Agreement shall not be construed as a duty, and the Lender shall not be answerable with respect to any such permissive right other than for its gross negligence or willful misconduct that the Lender is finally adjudicated (sustained on appeal, if any) by a court of competent jurisdiction to have committed. The Lender shall have no duties, including no fiduciary or contractual duties, to any Person which are not expressly set forth in this Fiscal Agent Agreement, and no such duties shall be implied or imposed under any principle of equity. Whenever this Fiscal Agent Agreement or any other Project Document makes reference to obtaining or granting Lender consent or approval, such consent or approval may be granted or withheld by the Lender in its sole, absolute, and unreviewable discretion.

ARTICLE VIII

MISCELLANEOUS

SECTION 8.01 Benefits of the Fiscal Agent Agreement Limited to Parties. Nothing contained herein, expressed or implied, is intended to give to any person other than the Corporation, the Fiscal Agent, and the Lender any right, remedy or claim under or by reason hereof. Any agreement or covenant required herein to be performed by or on behalf of the Corporation or any member, officer or employee thereof shall be for the sole and exclusive benefit of the Fiscal Agent and the Lender. Notwithstanding the foregoing, it is specifically acknowledged and agreed that, to the extent of their rights hereunder (including, without limitation, their rights to immunity and exculpation from pecuniary liability).

SECTION 8.02 Waiver of Personal Liability. No Corporation Director, or City Council Member shall be individually or personally liable for the payment of any principal of, premium, if any, or interest on the Note or any costs incidental thereto or any amount under this Fiscal Agent Agreement or be subject to personal liability or accountability by reason of the execution and delivery of this Fiscal Agent Agreement. No Corporation Director or City Council Member shall be individually liable for the breach of any representation, warranty or agreement contained herein.

SECTION 8.03 Accounts and Funds; Business Days. Any account or fund required herein to be established and maintained by the Fiscal Agent may be established and maintained in the accounting records of the Fiscal Agent either as an account or a fund, and may, for the purposes of such accounting records, any audits thereof and any reports or statements with respect thereto, be treated either as an account or a fund; but all such records with respect to all such accounts and funds shall at all times be maintained with sound accounting practice and with due regard for the protection of the security of the Note and the rights of the Lender. Any action required to occur hereunder on a day which is not a Business Day shall be required to occur on the next succeeding Business Day.

SECTION 8.04 Notices. All written notices to be given hereunder shall be given by mail to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other party in writing from time to time, and including an email copy, namely:

If to the Corporation:

River Creek Development Corporation
Attention: Chair
500 W. Live Oak Street
Hutto, Texas 78634
E-mail: odis.jones@huttotx.gov
bbingham@mcginnislaw.com

If to the Fiscal Agent:

UMB Bank, N.A.
6034 W. Courtyard Dr., Suite 370
Austin, Texas 78730
Email: jose.gaytan@umb.com

If to the Lender:

Preston Hollow Capital, LLC
Attention: John Dinan, General Counsel
1717 Main Street, Suite 3900
Dallas, Texas 75201
E-Mail: jdinan@phcllc.com

If to Development Planning & Financial Group, Inc.:

Development Planning & Financial Group, Inc.
Attention: Rick Rosenberg
8140 North MoPac Expressway
Building 4, Suite 270
Austin, TX 78759
E-Mail: rick.rosenberg@dpfg.com

SECTION 8.05 Article and Section Headings and References. The headings or titles of the several articles and sections hereof and the table of contents appended hereto shall be solely for convenience of reference and shall not affect the meaning, construction or effect hereof. All references herein to “Articles,” “Sections” and other subdivisions or clauses are to the corresponding articles, sections, subdivisions or clauses hereof; and the words “hereby,” “herein,” “hereof,” “hereto,” “herewith,” “hereunder” and other words of similar import refer to the Fiscal Agent Agreement as a whole and not to any particular article, section, subdivision or clause hereof.

SECTION 8.06 Partial Invalidity. If any one or more of the agreements or covenants or portions thereof required hereby to be performed by or on the part of the Corporation, Lender or the Fiscal Agent shall be contrary to law, then such agreement or agreements, such covenant or covenants or such portions thereof shall be null and void and shall be deemed separable from the remaining agreements and covenants or portions thereof and shall in no way affect the validity hereof or of the Note, and the Lender shall retain all the benefit, protection and security afforded to them under any applicable provisions of law. The Corporation, the Lender and the Fiscal Agent hereby declare that they would have executed and delivered the Fiscal Agent Agreement and each and every other article, section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Note pursuant hereto irrespective of the fact that any one or more articles, sections, paragraphs, subdivisions, sentences, clauses or phrases hereof or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

SECTION 8.07 Execution in Several Counterparts. This Fiscal Agent Agreement may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the Corporation, the Lender and the Fiscal Agent shall preserve undestroyed, shall together constitute but one and the same instrument. The parties hereto agree the transactions described herein may be conducted and related documents may be sent, received and stored by electronic means.

SECTION 8.08 No Obligation to Enforce Assigned Rights. Notwithstanding anything to the contrary in this Fiscal Agent Agreement, the Corporation shall have no obligation to and instead the Fiscal Agent shall be entitled to, subject to the provisions of this Fiscal Agent Agreement, without further direction from or action by the Corporation, take any and all steps, actions and proceedings, to enforce any or all rights of the Corporation under this Interlocal Agreement, provided that, upon written request of the Fiscal Agent, the Corporation will cooperate with and assist the Fiscal Agent to the extent necessary to enable the Fiscal Agent to properly enforce such rights.

SECTION 8.09 Governing Law. This Fiscal Agent Agreement shall be governed by and construed in accordance with the laws of the State, excluding conflicts of law principles. All claims of whatever character arising out of this Fiscal Agent Agreement, or under any statute or common law relating in any way, directly or indirectly, to the subject matter hereof or to the dealings between the Corporation and any other party hereto, if and to the extent that such claim potentially could or actually does involve the Corporation, shall be brought in any

state or federal court of competent jurisdiction located in Williamson County, Texas. By executing and delivering this Fiscal Agent Agreement, each party hereto irrevocably: (i) accepts generally and unconditionally the exclusive jurisdiction and venue of such courts; (ii) waives any defense of *forum non conveniens*; (iii) agrees not to seek removal of such proceedings to any court or forum other than as specified above. The foregoing shall not be deemed or construed to constitute a waiver by the Corporation of any prior notice or procedural requirements applicable to actions or claims against or involving political subdivisions of the State that may exist at the time of and in connection with such matter.

IN WITNESS WHEREOF as of the day and year first above written.

RIVER CREEK DEVELOPMENT
CORPORATION, as borrower

By : _____
Name : _____
Title: _____

UMB Bank, N.A., as fiscal agent

By: _____
Title: _____

PRESTON HOLLOW CAPITAL, LLC,
as lender

By: _____
Title: _____

CONTINUING DISCLOSURE AGREEMENT

(MUSTANG CREEK PUBLIC IMPROVEMENT DISTRICT PROJECT)

This Continuing Disclosure Agreement dated as of August 22, 2019 (this “Disclosure Agreement”) is executed and delivered by and among the City of Hutto, Texas (the “City”), River Creek Development Corporation (the “Corporation”), Development Planning & Financing Group, Inc. (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”) and Preston Hollow Capital, LLC, as Lender (the “Lender”), and UMB Bank, N.A., as Dissemination Agent (the “Dissemination Agent”) and delivered with respect to the Loan (as defined herein). The Parties agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the Lender and any subsequent Holder.

SECTION 2. Definitions. In addition to the definitions set forth above and in the Loan Agreement dated as of August 22, 2019, relating to the Loan (the “Loan Agreement”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Administrator” shall mean the employee or designee of the City, identified in the District’s Service and Assessment Plan, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

“Annual Financial Information” shall mean annual financial information as such term is specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment(s)” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Annual City Report” shall mean any Annual City Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the City.

“Construction Contract” shall mean the Construction Contract between the Corporation and the Developer dated as of August 22, 2019.

“Developer” shall mean Hutto1660, LP, an Texas limited partnership, and its successors and assigns.

“Disclosure Agreement of the Developer” shall mean the Continuing Disclosure Agreement of the Developer dated as of August 22, 2019 executed and delivered in connection with the Loan.

“Disclosure Representative” shall mean the City Manager of the City or his or her designee, or such other officer or employee as the City, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean UMB Bank, N.A. or any successor Dissemination Agent designated in writing by the City and which has filed with the Fiscal Agent a written acceptance of such designation.

“District” shall mean the Mustang Creek Public Improvement District.

“Fiscal Agent” shall mean UMB Bank, N.A. or any successor Fiscal Agent serving in such capacity pursuant to the Fiscal Agent Agreement.

“Fiscal Agent Agreement” shall mean the Fiscal Agent Agreement, dated August 22, 2019, by and among the Corporation, the Lender and the Fiscal Agent.

“Fiscal Year” shall mean the fiscal year of the City, which is the period from October 1 through September 30.

“Interlocal Agreement” shall have the meaning assigned to such term in the Loan Agreement.

“Holder” shall mean the holder of the Note.

“Lender” shall mean Preston Hollow Capital, LLC and its successors and assigns.

“Note” shall have the meaning given to it in the Loan Agreement.

“Service and Assessment Plan” means the Service and Assessment Plan adopted for the District, as amended or updated from time to time, including any annual updates thereto.

“Special Assessments” shall have the meaning assigned to such term in the Service and Assessment Plan.

SECTION 3. Provision of Annual City Reports.

(a) The Corporation, as Borrower under the Loan Agreement, hereby directs the City to provide the information specified in Sections 3 and 4 of this Disclosure Agreement for the benefit of the Lender and any subsequent Holder. The City, on behalf of the Corporation, shall provide or cause to be provided to the Lender, in the electronic or other form required by the Lender, commencing with the Fiscal Year ending September 30, 2019, an Annual City Report which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City, when available, may be submitted separately from the Annual City Report, and later than the date required in this paragraph for the filing of the Annual City Report if audited financial statements are not available by that date; provided further, however, that the Annual Financial Information must be submitted not later than six months after the end of the City’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2019. Upon

receipt of the Annual City Report together with written instructions to file such report with the Lender, the Dissemination Agent shall provide such Annual City Report to the Lender. The Dissemination Agent has no duty or obligation to confirm that any Annual City Report provided to it under this Section 3(a) contains the required information as described in Section 4. In each case, the Annual City Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the City's Fiscal Year changes, it shall give notice of such change to the Lender and the Dissemination Agent not less than ten (10) Business Days after the occurrence of such change.

(b) The City shall or shall direct the Dissemination Agent in writing to:

(i) determine the filing address or other filing location of the Lender each year prior to filing the Annual City Report on the date required in subsection (a);

(ii) file the Annual City Report (excluding the audited financial statements of the City, which shall be filed by the City or the Dissemination Agent upon receipt from the City) containing or incorporating by reference the information set forth in Section 4 hereof with the Lender;

(iii) if the City has provided the Dissemination Agent with the Annual City Report and the Dissemination Agent has filed such Annual City Report with the Lender, then the Dissemination Agent shall file a report with the City certifying that the Annual City Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the Lender; and

(iv) if the City has filed the completed Annual City Report with the Lender, then the City shall provide the Dissemination Agent with a certification that the Annual City Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the Lender.

SECTION 4. Content and Timing of Annual City Reports. The Annual City Report shall contain or incorporate by reference, and the City agrees to provide or cause to be provided to the Dissemination Agent, the following (the "Annual Financial Information"):

(a) Within six months after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2019 (any or all of which may be unaudited):

(i) For the Interlocal Agreement, a statement of all payments made by the City to the Corporation under the Interlocal Agreement for the preceding Fiscal Year and the Unpaid Balance of the Purchase Price (as defined in the Interlocal Agreement);

(ii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a "SAP Update"), including any changes to the methodology for levying the Special Assessments in the District;

(iii) Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Special Assessments levied within the District, the number of new homes completed in the District during such Fiscal Year and the aggregate number of new

homes completed within the District since the Fiscal Year ending September 30, 2019. Completion of a home shall be evidenced by the City's issuance of a certificate of occupancy for any such home;

(iv) The individual and aggregate taxable assessed valuation for parcels or lots within the District based on the most recent certified tax roll available to the City;

(v) As of March 1 of the calendar year in which such Annual City Report is due, and in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year), the total amount of (A) Annual Installments invoiced in the preceding Fiscal Year, (B) the total amount of such Annual Installments collected (as reported by the County Tax Assessor Collector or the Administrator), (C) delinquent Annual Installments, (D) Foreclosure Proceeds collected, (E) the amount of prepaid Special Assessments collected in such Fiscal Year, and (F) number of Special Assessment payers in the District; and

(vi) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the City's audited financial statements during such Fiscal Year.

(b) If not provided with the information provided under Section 4(a) above, when available, the audited financial statements of the City for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the City.

(c) The City has designated Development Planning & Financing Group, Inc. as the initial Administrator. The Administrator shall prepare and provide the Annual Financial Information to the City for review no later than fifteen (15) Business Days prior to the day that is six months after the end of each Fiscal Year and, after such review, the City shall direct the Administrator to provide the Annual Financial Information to the Dissemination Agent on behalf of the City no later than five (5) Business Days prior to the day that is six months after the end of each Fiscal Year. If no Administrator has been designated, the City shall prepare and provide the Annual Financial Information required under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six months after the end of each Fiscal Year.

SECTION 5. Reporting of Significant Events

(a) The following shall be "Listed Events" for the purpose of this Disclosure Agreement:

(i) The occurrence and continuation of any Event of Default under the Construction Contract, the Loan Agreement, the Fiscal Agent Agreement or the Interlocal Agreement (as such term is defined under each of the foregoing agreements), which could lead to a termination of the applicable agreement; and

(ii) As measured on February 15 of each calendar year, any delinquency in the payment of Annual Installments of Special Assessments billed in the then current Fiscal Year which exceeds 20% of the Annual Installments of Special Assessments due and payable in the then current Fiscal Year;

(iii) The following events with respect to the Loan: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Loan or the Note, or other material events affecting the tax status of the Loan or the Note; (7) modifications to rights of holders of the Note, if material; (8) bankruptcy, insolvency, receivership, or similar event of the City or the Corporation, which shall occur as described below; (9) the consummation of a merger, consolidation, or acquisition involving the City or the Corporation or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and (10) appointment of a successor or additional Fiscal Agent or the change of name of a Fiscal Agent, if material.

For these purposes, any event described in the immediately preceding paragraph, item (8) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation or the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation or the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation or the City.

(b) Whenever a Listed Event with respect to the City or the Corporation occurs, the City or the Corporation, as applicable, shall promptly notify the Dissemination Agent in writing and the City or the Corporation, as applicable, shall direct the Dissemination Agent to file a notice of such occurrence with the Lender. The Dissemination Agent shall file such notice within ten (10) Business Days of the occurrence of such Listed Event; provided that the Dissemination Agent shall not be liable for the filing of notice of any Listed Event more than ten (10) Business Days after the occurrence of such Listed Event if notice of such Listed Event is received from the City or the Corporation, as applicable, more than ten (10) Business Days after the occurrence of such Listed Event or with insufficient time to file such information within ten (10) Business Days after the occurrence of such Listed Event, it being understood that any information received on a day other than a Business Day or after noon C.S.T. on any Business Day is not required to be posted on the date of receipt.

(c) Any notice under the preceding paragraph shall be accompanied with the text of the disclosure that the City or Corporation desires to make, the written authorization of the City or the Corporation for the Dissemination Agent to disseminate such information as provided herein, and the date the City or the Corporation desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

(d) In all cases, the City or the Corporation, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of such party's respective disclosures as provided under this Disclosure Agreement. In addition, the City or the Corporation shall have the sole responsibility to ensure that any notice required to be filed by the City or the Corporation respectively under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(e) If the Dissemination Agent has been instructed by the City or the Corporation to report the occurrence of a Listed Event, the Dissemination Agent shall promptly file a notice of such occurrence with the Lender (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event provided that the Dissemination Agent has received the written direction to file a notice of such occurrence in a timely manner.

SECTION 6. Reporting of Failure to File.

(a) The City shall, or shall cause the Dissemination Agent to, notify the Lender, in a timely manner, of any failure by the City to provide the Annual City Report as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice of Failure To File." The Dissemination Agent shall file such Notice of Failure to File within one Business Day of its receipt thereof from the City together with instructions to file such with the Lender.

(b) If the City does not provide the Annual City Report by five (5) Business Days prior to the Business Day on which the annual audited financial statements or the Annual Financial Information is due to the Lender, the Dissemination Agent shall notify the Disclosure Representative and the Administrator of such failure. In the event that the City, the Disclosure Representative or the Administrator does not provide the Dissemination Agent with the Annual City Report or written notice that it has filed the Annual City Report with the Lender by 10 AM C.S.T. on the Business Day such information is to be filed with the Lender, the Dissemination Agent shall file a Notice of Failure to File in the form set forth in Exhibit A hereto. In no event shall the Dissemination Agent be liable in damages or in tort to the City or the Lender as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

SECTION 7. Termination of Reporting Obligations. The obligations of the City, the Corporation and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the payment of the full Purchase Price under the Interlocal Agreement (as such term is defined therein) or (ii) the final payment of all Special Assessments securing the Purchase Price under the Interlocal Agreement. The City or the Corporation shall provide the Dissemination Agent with written notice at such time that the payment of the full Purchase Price under the Interlocal Agreement has occurred or that the final payment of all Special Assessments securing the Purchase Price under the Interlocal Agreement has occurred (each, a "Termination Notice"). If the Dissemination Agent has been provided with a Termination Notice or the opinion of bond counsel described herein this Disclosure Agreement shall be deemed to be terminated and the Dissemination Agent shall provide notice of such termination to the Lender within ten (10) Business Days of its receipt of a Termination Notice or such opinion thereof.

SECTION 8. Dissemination Agent. The City or the Corporation may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out

the City and the Corporation's obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent, provided that in the event that the City and the Corporation discharge the Dissemination Agent without appointing a successor Dissemination Agent, the Fiscal Agent shall serve as the Dissemination Agent until a successor Dissemination Agent has been appointed and has been appointed. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, the City, the Corporation, the Administrator, the Lender and the Dissemination Agent may jointly amend this Disclosure Agreement (and the Dissemination Agent shall not unreasonably withhold its consent to any amendment so requested by the City, the Corporation, the Lender or Administrator) and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the City or the Corporation, or the type of business conducted;

(b) The amendment or waiver does not, in the opinion of Loan Counsel, materially impair the interests of the Lender or Holders.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next related Annual City Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a notice of failure to file under Section 6, and (ii) the Annual City Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

SECTION 10. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the City or the Corporation from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including, in the case of the City, any other information in any Annual City Report, in addition to that which is required by this Disclosure Agreement. If the City or Corporation chooses to report any such additional information, the City and the Corporation shall have no obligation under this Disclosure Agreement to update such information or include it in any future filings pursuant to this Disclosure Agreement.

SECTION 11. Delivery of Information.

(a) All notices, reports or information to be provided to the Dissemination Agent pursuant to this Disclosure Agreement shall be provided to the following address or e-mail address:

Jose Gaytan
UMB Bank
6034 W Courtyard Dr., Ste. 370
Austin, TX 78730
512-582-5851 (Office)
512-582-5855 (Fax)
E-Mail: Jose.gaytan@umb.com

(b) All notices, reports or information to be provided to the Lender pursuant to this Disclosure Agreement shall be provided to the following address or e-mail address:

Preston Hollow Capital, LLC
1717 Main Street, Suite 3900
Dallas, Texas 75201
E-Mail: jdinan@phcllc.com
Attention: John Dinan

SECTION 12. Default. In the event of a failure of the City or the Corporation to comply with any provision of this Disclosure Agreement, the Lender may take such actions as may be necessary and appropriate to cause the, take such actions as may be necessary and appropriate to cause the City or the Corporation, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Loan Agreement, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Corporation to comply with this Disclosure Agreement shall be an action to mandamus or specific performance. A default under this Disclosure Agreement by the City or the Corporation shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of the Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the City or the Corporation.

SECTION 13. Duties, Immunities and Liabilities of Dissemination Agent and the Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the City agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Special Assessments collected from the property owners of the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing

herein shall be construed to require the City to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Loan. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the City, the Corporation or any person with whom the City or the Corporation contracts, apart from the relationship created by this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. Nothing in this Disclosure Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information made public. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the City for response. To the extent the Dissemination Agent is provided with information required to be disclosed under the terms of this Disclosure Agreement together with written instructions to deliver such information the Dissemination Agent shall provide such information to the Lender as soon as practicable after receipt. It being understood that any information received on a day other than a Business Day or after noon C.D.T. on any Business Day is not required to be provided on the date of receipt. The Dissemination Agent shall not be responsible for the City's failure to submit a complete Annual Report or Semi-Annual Report to the Lender. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the City and the Corporation.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any responsibility for the timeliness and accuracy of any information provided by third parties for the disclosures made pursuant to the terms thereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the City agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from the Special Assessments collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the City to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the City under this Section shall survive resignation or removal of the Administrator and payment in full of the Loan. The Administrator is not acting in a fiduciary capacity in connection with the

performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE CORPORATION OR THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CORPORATION, THE CITY, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION. FOR THE AVOIDANCE OF DOUBT, THE PROVISIONS OF THIS SECTION DO NOT APPLY TO ANY LIABILITY OF THE CITY OR THE CORPORATION PURSUANT TO RULE 10b-5 OF THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER ACTION AGAINST THE CITY OR THE CORPORATION OR LIABILITY RESULTING THEREFROM RELATED TO A MATERIAL MISSTATEMENT OR OMISSION OF INFORMATION DELIVERED PURSUANT TO THIS DISCLOSURE AGREEMENT.

SECTION 14. No Personal Liability. No covenant, stipulation, obligation or agreement of the City or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the City or Dissemination Agent in other than that person's official capacity.

SECTION 15. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof

shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 16. Sovereign Immunity. The City, the Corporation, the Lender, the Administrator and the Dissemination Agent agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the City's sovereign or governmental immunities regarding liability or suit.

SECTION 17. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the parties hereto, and shall create no rights in any other person or entity.

SECTION 18. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The City shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from Special Assessments collected from the property owners in the District, for their fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 19. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 20. Anti-Boycott Verification. The Dissemination Agent and the Administrator each individually and severally verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent and the Administrator understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent and the Administrator, respectively, and exists to make a profit.

SECTION 21. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator represent, individually and severally, that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the

United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent and the Administrator understand "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent and the Administrator, respectively, and exists to make a profit.

SECTION 22. Securitization Bonds. The parties hereto acknowledge and agree that the Arizona Industrial Development Authority (the "Authority"), a nonprofit corporation designated a political subdivision of the State of Arizona, has established the AZIDA Land Secured Bond Pooling Program (the "Program"), pursuant to which the Authority issues, from time to time, bonds, notes or other evidences of indebtedness ("Securitization Bonds"), the proceeds of which are used to purchase or otherwise acquire land secured obligations such as this Loan Agreement and the Note. The parties hereto understand and acknowledge that the Lender has reserved the right to and may sell, transfer and assign its right, title and interest in and to the Loan Agreement and the Note to the Authority, or to a commercial bank acting as trustee for the Bonds (the "Trustee"), and that the amounts payable under the Loan Agreement and the Note will be pledged to the payment of and as security for the Securitization Bonds. The parties hereto agree that prior to or in connection with the issuance of the Securitization Bonds, the City, the Corporation, the Administrator and the Dissemination Agent shall enter into a continuing disclosure agreement containing terms substantially the same as the form attached hereto as Exhibit B (the "Securitization Bond CDA") for the benefit of the owners from time to time (the "Bondholders") of such Securitization Bonds. Notwithstanding anything contained herein, the upon the execution of the Securitization Bond CDA and the issuance of the Securitization Bonds, this Disclosure Agreement shall terminate.

SECTION 23. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

[Signatures to follow]

CITY OF HUTTO, TEXAS

By: _____
City Manager

**RIVER CREEK DEVELOPMENT
CORPORATION**

By: _____
President

**DEVELOPMENT PLANNING &
FINANCING GROUP, INC.,**
as Administrator

By: _____
Authorized Officer

UMB BANK, N.A.,
as Dissemination Agent

By: _____
Authorized Signatory

PRESTON HOLLOW CAPITAL, LLC,
as Lender

By: _____
Authorized Officer

EXHIBIT A
NOTICE OF FAILURE TO FILE
ANNUAL CITY REPORT

Name of Obligation: \$_____ Loan to River Creek Development Corporation (the
 “Borrower”) made to the Borrower pursuant to that Loan Agreement
 dated as of August 22, 2019 by and between the Borrower and
 Preston Hollow Capital, LLC

Date of Closing: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Hutto, Texas, has not provided [an Annual
City Report][annual audited financial statements] as required by the Continuing Disclosure
Agreement dated August 22, 2019, entered into in connection with the above-captioned
obligation. The City anticipates that [the Annual City Report][annual audited financial
statements] will be filed by _____.

Dated: _____

UMB Bank, N.A.
on behalf of the City of Hutto, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Hutto, Texas

EXHIBIT B

FORM OF SECURITIZATION BOND CONTINUING DISCLOSURE AGREEMENT

B-1

**ARIZONA INDUSTRIAL DEVELOPMENT AUTHORITY
LAND SECURED POOLING BOND PROGRAM, SERIES _____**

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement dated as of [DOCUMENT DATE], 2019 (this “Disclosure Agreement”) is executed and delivered by and among the City of Hutto, Texas (the “City”), River Creek Development Corporation (the “Corporation”), Development Planning & Financing Group, Inc. (the “Administrator”) and UMB Bank, N.A. (the “Dissemination Agent”) with respect to the Arizona Industrial Development Authority [BOND NAME] (the “Bonds”). The Parties agree as follows:

SECTION 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered for the benefit of the Owners (defined below) and beneficial owners of the Bonds and in order to assist the Underwriter in complying with the Rule. Unless and until a different filing location is designated by the MSRB (defined below) or the SEC (defined below), all filings made by the Dissemination Agent pursuant to this Agreement shall be filed with the MSRB through EMMA (defined below).

SECTION 2. Definitions. In addition to the definitions set forth above and in the Indenture of Trust dated as of [DOCUMENT DATE], 2019, relating to the Bonds (the “Indenture”), which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Administrative Expenses” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Administrator” shall mean the employee or designee of the City, identified in the District’s Service and Assessment Plan, or any other agreement or document approved by the City related to the duties and responsibilities of the administration of the District.

“Annual Financial Information” shall mean annual financial information as such term is specified in Section 4(a) of this Disclosure Agreement.

“Annual Installment(s)” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Annual City Report” shall mean any Annual City Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“Business Day” shall mean any day other than a Saturday, Sunday or legal holiday in the State of Texas observed as such by the City.

“Construction Contract” shall mean the Construction Contract between the Corporation and the Developer dated as of August 22, 2019.

“Developer” shall mean Hutto1660, LP, a Texas limited partnership, and its successors and assigns.

“Disclosure Agreement of the Developer” shall mean the Continuing Disclosure Agreement of the Developer relating to the Bonds dated as of [DOCUMENT DATE], 2019 executed and delivered by the Developer, the Administrator and the Dissemination Agent.

“Disclosure Representative” shall mean the City Manager of the City or his or her designee, or such other officer or employee as the City, may designate in writing to the Dissemination Agent from time to time.

“Dissemination Agent” shall mean UMB Bank, N.A. or any successor Dissemination Agent designated in writing by the City and which has filed with the Fiscal Agent a written acceptance of such designation.

“District” shall mean Mustang Creek Public Improvement District.

“EMMA” shall mean the Electronic Municipal Market Access System available on the internet at <http://emma.msrb.org>.

“Fiscal Agent” shall mean UMB Bank, N.A. or any successor Fiscal Agent serving in such capacity pursuant to the Fiscal Agent Agreement.

“Fiscal Agent Agreement” shall mean the Fiscal Agent Agreement, dated August 22, 2019, by and among the Corporation, the Lender and the Fiscal Agent.

“Fiscal Year” shall mean the fiscal year of the City, which is the period from October 1 through September 30.

“Interlocal Agreement” shall have the meaning assigned to such term in the Loan Agreement.

“Issuer” shall mean the Arizona Industrial Development Authority.

“Lender” shall mean Preston Hollow Capital, LLC and its successors and assigns.

“Loan Agreement” shall mean the Loan Agreement, dated August 22, 2019, by and between the Corporation and the Lender.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the SEC to receive reports pursuant to the Rule.

“Owner” shall mean the registered owner of any Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

“Service and Assessment Plan” means the Service and Assessment Plan adopted for the District, as amended or updated from time to time, including any annual updates thereto.

“Special Assessments” shall have the meaning assigned to such term in the Service and Assessment Plan.

“Trustee” shall mean [] or any successor trustee pursuant to the Indenture.

“Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated.

SECTION 3. Provision of Annual City Reports.

(a) The Corporation hereby directs the City to provide the information specified in Sections 3 and 4 of this Disclosure Agreement for the benefit of the owners and beneficial owners of the Bonds. The City, on behalf of the Corporation, provide or cause to be provided to the MSRB, in the electronic or other form required by the MSRB, commencing with the Fiscal Year ending September 30, 2019, an Annual City Report provided to the Dissemination Agent which is consistent with the requirements of and within the time periods specified in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City, when available, may be submitted separately from the Annual City Report, and later than the date required in this paragraph for the filing of the Annual City Report if audited financial statements are not available by that date; provided further, however, that the Annual Financial Information must be submitted not later than six months after the end of the City’s Fiscal Year, commencing with the Fiscal Year ending September 30, 2019. Upon receipt of the Annual City Report together with written instructions to file such report with the Lender, the Dissemination Agent shall provide such Annual City Report to the MSRB. The Dissemination Agent has no duty or obligation to confirm that any Annual City Report provided to it under this Section 3(a) contains the required information as described in Section 4. In each case, the Annual City Report may be submitted as a single document or as separate documents comprising a package and may include by reference other information as provided in Section 4 of this Disclosure Agreement. If the City’s Fiscal Year changes, it shall give notice of such change to the MSRB and the Dissemination Agent not less than ten (10) Business Days after the occurrence of such change.

(b) The City shall or shall direct the Dissemination Agent to:

(i) determine the filing address or other filing location of the MSRB each year prior to filing the Annual City Report on the date required in subsection (a);

(ii) file the Annual City Report (excluding the audited financial statements of the City, which shall be filed by the City or the Dissemination Agent upon receipt from the City) containing or incorporating by reference the information set forth in Section 4 hereof;

(iii) if the City has provided the Dissemination Agent with the Annual City Report and the Dissemination Agent has filed such Annual City Report with the MSRB, then the Dissemination Agent shall file a report with the City certifying that the Annual City Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB; and

(iv) if the City has filed the completed Annual City Report with the MSRB, then the City shall provide the Dissemination Agent with a certification that the Annual City Report has been provided pursuant to this Disclosure Agreement, stating the date it was provided and that it was filed with the MSRB.

SECTION 4. Content and Timing of Annual City Reports. The Annual City Report for the Bonds shall contain or incorporate by reference, and the City agrees to provide or cause to be provided to the Dissemination Agent, the following (the “Annual Financial Information”):

(a) Within six months after the end of each Fiscal Year, commencing with the Fiscal Year ending September 30, 2019 (any or all of which may be unaudited):

(i) For the Interlocal Agreement, a statement of all payments made by the City to the Corporation under the Interlocal Agreement for the preceding Fiscal Year and the Unpaid Balance of the Purchase Price (as defined in the Interlocal Agreement);

(ii) Updates to the information in the Service and Assessment Plan as most recently amended or supplemented (a “SAP Update”), including any changes to the methodology for levying the Special Assessments in the District;

(iii) Until building permits have been issued for parcels or lots representing, in the aggregate, 95% of the total Special Assessments levied within the District, the number of new homes completed in the District during such Fiscal Year and the aggregate number of new homes completed within the District since the Fiscal Year ending September 30, 2019. Completion of a home shall be evidenced by the City’s issuance of a certificate of occupancy for any such home;

(iv) The individual and aggregate taxable assessed valuation for parcels or lots within the District based on the most recent certified tax roll available to the City;

(v) As of March 1 of the calendar year in which such Annual City Report is due, and in each case with respect to the most recent billing period (generally, October 1 of the preceding calendar year through January 31 of the current calendar year), the total amount of (A) Annual Installments invoiced in the preceding Fiscal Year, (B) the total amount of such Annual Installments collected (as reported by the County Tax Assessor Collector or the Administrator), (C) delinquent Annual Installments, (D) Foreclosure Proceeds collected, (E) the amount of prepaid Special Assessments collected in such Fiscal Year, and (F) number of Special Assessment payers in the District; and

(vi) A description of any amendment to this Disclosure Agreement and a copy of any restatements to the City’s audited financial statements during such Fiscal Year.

(b) If not provided with the information provided under Section 4(a) above, when available, the audited financial statements of the City for the most recently ended Fiscal Year, prepared in accordance with generally accepted accounting principles applicable from time to time to the City.

(c) The City has designated Development Planning & Financing Group, Inc. as the initial Administrator. The Administrator shall prepare and provide the Annual Financial Information to the

City for review no later than fifteen (15) Business Days prior to the day that is six months after the end of each Fiscal Year and, after such review, the City shall direct the Administrator to provide the Annual Financial Information to the Dissemination Agent on behalf of the City no later than five (5) Business Days prior to the day that is six months after the end of each Fiscal Year. If no Administrator has been designated, the City shall prepare and provide the Annual Financial Information required under Section 4(a) above to the Dissemination Agent no later than five (5) Business Days prior to the day that is six months after the end of each Fiscal Year.

(d) Any or all of the items listed above may be included by specific reference to other documents, including disclosure documents of debt issues of the City, which have been submitted to and are publicly accessible from the MSRB. If the document included by reference is a final offering document, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events

(a) The following shall be "Listed Events" for the purpose of this Disclosure Agreement:

(i) The occurrence and continuation of any Event of Default under the Construction Contract, the Loan Agreement, the Fiscal Agent Agreement or the Interlocal Agreement (as such term is defined under each of the foregoing agreements) which could lead to a termination of the applicable agreement; and

(ii) As measured on February 15 of each calendar year, any delinquency in the payment of Annual Installments of Special Assessments billed in the then current Fiscal Year which exceeds 20% of the Annual Installments of Special Assessments due and payable in the then current Fiscal Year;

(iii) The following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the City or the Corporation, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the City or the Corporation or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or Fiscal Agent or the change of name of a trustee or Fiscal Agent, if material; (15) Incurrence of a financial obligation of the City or the Corporation, if material, or agreements to covenants, events of default, remedies, priority rights, or other

similar terms of a financial obligation of the City or the Corporation, any of which affect security holders, if material, and (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the City or the Corporation, any of which reflect financial difficulties.

For these purposes, “financial obligation” means (i) a debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

For these purposes, any event described in the immediately preceding paragraph, item (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Corporation or the City in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Corporation or the City, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Corporation or the City.

(b) Whenever a Listed Event with respect to the City or the Corporation occurs, the City or the Corporation, as applicable, shall promptly notify the Dissemination Agent in writing and the City or the Corporation, as applicable, shall direct the Dissemination Agent to file a notice of such occurrence with the Lender. The Dissemination Agent shall file such notice within ten (10) Business Days of the occurrence of such Listed Event; provided that the Dissemination Agent shall not be liable for the filing of notice of any Listed Event more than ten (10) Business Days after the occurrence of such Listed Event if notice of such Listed Event is received from the City or the Corporation, as applicable, more than ten (10) Business Days after the occurrence of such Listed Event or with insufficient time to file such information within ten (10) Business Days after the occurrence of such Listed Event, it being understood that any information received on a day other than a Business Day or after noon C.S.T. on any Business Day is not required to be posted on the date of receipt.

(c) Any notice under the preceding paragraph shall be accompanied with the text of the disclosure that the City or Corporation desires to make, the written authorization of the City or the Corporation for the Dissemination Agent to disseminate such information as provided herein, and the date the City or the Corporation desires for the Dissemination Agent to disseminate the information (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event or failure to file).

(d) In all cases, the City or the Corporation, as applicable, shall have the sole responsibility for the content, design and other elements comprising substantive contents of all of such party’s respective disclosures as provided under this Disclosure Agreement. In addition, the City or the Corporation shall have the sole responsibility to ensure that any notice required to be filed by the City

or the Corporation respectively under this Section 5 is filed within ten (10) Business Days of the occurrence of the Listed Event.

(e) If the Dissemination Agent has been instructed by the City or the Corporation to report the occurrence of a Listed Event, the Dissemination Agent shall promptly file a notice of such occurrence with the MSRB (which date shall not be more than ten (10) Business Days after the occurrence of the Listed Event provided that the Dissemination Agent has received the written direction to file a notice of such occurrence in a timely manner.

SECTION 6. Reporting of Failure to File.

(a) The City shall, or shall cause the Dissemination Agent to, notify the MSRB, in a timely manner, of any failure by the City to provide annual audited financial statements or Annual Financial Information as required under this Disclosure Agreement. See Exhibit A hereto for a form for submitting "Notice of Failure To File." The Dissemination Agent shall file such Notice of Failure to File within one Business Day of its receipt thereof from the City together with instructions to file such with the MSRB.

(b) If the City does not provide the Annual City Report by five (5) Business Days prior to the Business Day on which the Annual City Report is due to the MSRB, the Dissemination Agent shall notify the Disclosure Representative and the Administrator of such failure. In the event that the City, the Disclosure Representative or the Administrator does not provide the Dissemination Agent with the Annual City Report or written notice that it has filed the Annual City Report with the MSRB by 10 AM C.S.T. on the Business Day such information is to be filed with the MSRB, the Dissemination Agent shall file a Notice of Failure to File in the form set forth in Exhibit A hereto. In no event shall the Dissemination Agent be liable in damages or in tort to the City or any Owner or beneficial owner of any interests in the Bonds as a result of its failure to give the foregoing notice or to give such notice in a timely fashion.

SECTION 7. Termination of Reporting Obligations. The obligations of the City, the Corporation and the Dissemination Agent under this Disclosure Agreement shall terminate upon the earlier of (i) the payment of the full Purchase Price under the Interlocal Agreement (as such term is defined therein) or (ii) the final payment of all Special Assessments securing the Purchase Price under the Interlocal Agreement. The City or the Corporation shall provide the Dissemination Agent with written notice at such time that the payment of the full Purchase Price under the Interlocal Agreement has occurred or that the final payment of all Special Assessments securing the Purchase Price under the Interlocal Agreement has occurred (each, a "Termination Notice"). If the Dissemination Agent has been provided with a Termination Notice or the opinion of bond counsel described herein this Disclosure Agreement shall be deemed to be terminated and the Dissemination Agent shall provide notice of such termination to the MSRB within ten (10) Business Days of its receipt of a Termination Notice or such opinion thereof.

SECTION 8. Dissemination Agent. The City or the Corporation may, from time to time, appoint or engage a Dissemination Agent or successor Dissemination Agent to assist it in carrying out the City and the Corporation's obligations under this Disclosure Agreement, and may discharge such Dissemination Agent, with or without appointing a successor Dissemination Agent, provided that in the event that the City and the Corporation discharge the Dissemination Agent without appointing a

successor Dissemination Agent, the Fiscal Agent shall serve as the Dissemination Agent until a successor Dissemination Agent has been appointed and has been appointed. The initial Dissemination Agent appointed hereunder shall be UMB Bank, N.A.

SECTION 9. Amendment; Waiver. Notwithstanding any other provisions of this Disclosure Agreement, this Disclosure Agreement may be amended at the request of the City or the Corporation and upon consent of the Dissemination Agent (and such party shall not unreasonably withhold consent to any amendment so requested by the City or the Corporation), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 4, or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel selected by the City, materially impair the interests of the Owners or beneficial owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the City shall describe such amendment in the next related Annual City Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a notice of failure to file under Section 6, and (ii) the Annual City Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. No amendment which adversely affects the Dissemination Agent may be made without its prior written consent (which consent will not be unreasonably withheld or delayed).

(d) The Parties hereto acknowledge that the City and the Corporation are entering into this Disclosure Agreement for the benefit of the Underwriter and the Owners and beneficial owners of the Bonds.

SECTION 10. Identifying Information to be Included; Additional Information.

(a) All documents provided to the MSRB pursuant to this Disclosure Agreement shall be accompanied by identifying information as prescribed by the MSRB.

(b) Nothing in this Disclosure Agreement shall be deemed to prevent the City or the Corporation from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including, in the case of the City, any other information in any Annual City Report, in addition to that which is required by this Disclosure Agreement. If the City or Corporation chooses to report any such additional information,

the City and the Corporation shall have no obligation under this Disclosure Agreement to update such information or include it in any future filings pursuant to this Disclosure Agreement.

SECTION 11. Default. In the event of a failure of the City or the Corporation to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the request of the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, upon being indemnified to its satisfaction as provided in the Indenture), or any Owner or beneficial owner of the Bonds may, take such actions as may be necessary and appropriate to cause the City or the Corporation, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture with respect to the Bonds, and the sole remedy under this Disclosure Agreement in the event of any failure of the City or the Corporation to comply with this Disclosure Agreement shall be an action for mandamus or specific performance. A default under this Disclosure Agreement by the City or the Corporation shall not be deemed a default under the Disclosure Agreement of Developer by the Developer, and a default under the Disclosure Agreement of the Developer by the Developer shall not be deemed a default under this Disclosure Agreement by the City or the Corporation.

SECTION 12. Duties, Immunities and Liabilities of Dissemination Agent and the Administrator.

(a) The Dissemination Agent shall not have any duty with respect to the content of any disclosures made pursuant to the terms hereof. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Dissemination Agent. To the extent permitted by law, the City agrees to hold harmless the Dissemination Agent, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from Special Assessments collected from the property owners of the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the City to indemnify the Dissemination Agent for losses, expenses or liabilities arising from information provided to the Dissemination Agent by the Developer or the failure of the Developer to provide information to the Dissemination Agent as and when required under the Disclosure Agreement of Developer. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Dissemination Agent is an "obligated person" under the Rule. The Dissemination Agent is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The fact that the Dissemination Agent may have a banking or other business relationship with the City, the Corporation or any person with whom the City or the Corporation contracts, apart from the relationship created by this Disclosure Agreement, shall not be construed to mean that the Dissemination Agent has actual knowledge of any event described in Section 5 above, except as may be provided by written notice to the Dissemination Agent pursuant to this Disclosure Agreement. Nothing in this Disclosure Agreement shall be construed to require the Dissemination Agent to interpret or provide an opinion concerning any information made public. If the Dissemination Agent receives a request for an interpretation or opinion, the Dissemination Agent may refer such request to the City for response. To the extent the Dissemination Agent is provided with information required to be disclosed under the

terms of this Disclosure Agreement together with written instructions to deliver such information to the MSRB the Dissemination Agent shall provide such information to the MSRB as soon as practicable after receipt. It being understood that any information received on a day other than a Business Day or after noon C.D.T. on any Business Day is not required to be provided on the date of receipt. The Dissemination Agent may resign as dissemination agent hereunder at any time upon 30 days prior written notice to the City and the Corporation.

The Dissemination Agent may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Dissemination Agent shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(b) The Administrator shall not have any responsibility for the timeliness and accuracy of any information provided by third parties for the disclosures made pursuant to the terms thereof. The Administrator shall have only such duties as are specifically set forth in this Disclosure Agreement, and no implied covenants shall be read into this Disclosure Agreement with respect to the Administrator. To the extent permitted by law, the City agrees to hold harmless the Administrator, its officers, directors, employees and agents, but only with funds to be provided by the Developer or from the Special Assessments collected from the property owners in the District, against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Administrator's negligence or willful misconduct; provided, however, that nothing herein shall be construed to require the City to indemnify the Administrator for losses, expenses or liabilities arising from information provided to the Administrator by third parties, or the failure of any third party to provide information to the Administrator as and when required under this Agreement, or the failure of the Developer to provide information to the Administrator as and when required under the Disclosure Agreement of Developer. The obligations of the City under this Section shall survive resignation or removal of the Administrator and payment in full of the Bonds. Nothing in this Disclosure Agreement shall be construed to mean or to imply that the Administrator is an "obligated person" under the Rule. The Administrator is not acting in a fiduciary capacity in connection with the performance of its respective obligations hereunder. The Administrator shall not in any event incur any liability with respect to (i) any action taken or omitted to be taken in good faith upon advice of legal counsel given with respect to any question relating to duties and responsibilities of the Administrator hereunder, or (ii) any action taken or omitted to be taken in reliance upon any document delivered to the Administrator and believed to be genuine and to have been signed or presented by the proper party or parties.

The Administrator may, from time to time, consult with legal counsel of its own choosing in the event of any disagreement or controversy, or question or doubt as to the construction of any of the provisions hereof or their respective duties hereunder, and the Administrator shall not incur any liability and shall be fully protected in acting in good faith upon the advice of such legal counsel.

(c) UNDER NO CIRCUMSTANCES SHALL THE DISSEMINATION AGENT, THE ADMINISTRATOR, THE CORPORATION OR THE CITY BE LIABLE TO THE OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE

CORPORATION, THE CITY, THE ADMINISTRATOR, OR THE DISSEMINATION AGENT, RESPECTIVELY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS DISCLOSURE AGREEMENT, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE. THE DISSEMINATION AGENT OR THE ADMINISTRATOR IS UNDER NO OBLIGATION NOR IS IT REQUIRED TO BRING SUCH AN ACTION. FOR THE AVOIDANCE OF DOUBT, THE PROVISIONS OF THIS SECTION DO NOT APPLY TO ANY LIABILITY OF THE CITY OR THE CORPORATION PURSUANT TO RULE 10b-5 OF THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER ACTION AGAINST THE CITY OR THE CORPORATION OR LIABILITY RESULTING THEREFROM RELATED TO A MATERIAL MISSTATEMENT OR OMISSION OF INFORMATION DELIVERED PURSUANT TO THIS DISCLOSURE AGREEMENT.

SECTION 13. No Personal Liability. No covenant, stipulation, obligation or agreement of the City or Dissemination Agent contained in this Disclosure Agreement shall be deemed to be a covenant, stipulation, obligation or agreement of any present or future council members, officer, agent or employee of the City or Dissemination Agent in other than that person's official capacity.

SECTION 14. Severability. In case any section or provision of this Disclosure Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder or any application thereof, is for any reasons held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into, or taken thereunder (except to the extent that such remainder or section or provision or other covenant, stipulation, obligation, agreement, act or action, or part thereof is wholly dependent for its operation on the provision determined to be invalid), which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

SECTION 15. Sovereign Immunity. The City, the Corporation, the Administrator and the Dissemination Agent agree that nothing in this Disclosure Agreement shall constitute or be construed as a waiver of the City's sovereign or governmental immunities regarding liability or suit.

SECTION 16. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the Dissemination Agent, the Administrator and the Owners and the beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity. Nothing in this Disclosure Agreement is intended or shall act to disclaim, waive or otherwise limit the duties of the City or the Corporation under federal and state securities laws.

SECTION 17. Dissemination Agent and Administrator Compensation. The fees and expenses incurred by the Dissemination Agent and the Administrator for their services rendered in accordance with this Disclosure Agreement constitute Administrative Expenses and will be included in the Annual Installments as provided in the annual updates to the Service and Assessment Plan. The

City shall pay or reimburse the Dissemination Agent and the Administrator, but only with funds to be provided from Special Assessments collected from the property owners in the District, for their fees and expenses for their respective services rendered in accordance with this Disclosure Agreement.

SECTION 18. Governing Law. This Disclosure Agreement shall be governed by the laws of the State of Texas.

SECTION 19. Anti-Boycott Verification. The Dissemination Agent and the Administrator each individually and severally verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Disclosure Agreement is a contract for goods or services, will not boycott Israel during the term of this Disclosure Agreement. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Dissemination Agent and the Administrator understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Dissemination Agent and the Administrator, respectively, and exists to make a profit.

SECTION 20. Iran, Sudan and Foreign Terrorist Organizations. The Dissemination Agent and the Administrator represent, individually and severally, that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website: <https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>, <https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or <https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>. The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes the Dissemination Agent and the Administrator and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Dissemination Agent and the Administrator understand "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Dissemination Agent and the Administrator, respectively, and exists to make a profit.

SECTION 21. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

CITY OF HUTTO, TEXAS

By: _____
City Manager

**RIVER CREEK DEVELOPMENT
CORPORATION**

By: _____
President

**DEVELOPMENT PLANNING &
FINANCING GROUP, INC.,**
as Administrator

By: _____
Authorized Officer

UMB Bank, N.A.,
as Dissemination Agent

By: _____
Authorized Signatory

EXHIBIT A
NOTICE TO FAILURE TO FILE
ANNUAL CITY REPORT

Name of Issuer: Arizona Industrial Development Authority
Name of Bond Issue: [BOND TITLE]
Date of Delivery: _____, 20__

NOTICE IS HEREBY GIVEN that the City of Hutto, Texas, has not provided [an Annual City Report][annual audited financial statements] with respect to the above-named bonds as required by the Continuing Disclosure Agreement dated [DOCUMENT DATE], 2019, by the City in connection with the above-captioned Bonds issued by the Arizona Industrial Development Authority. The City anticipates that [the Annual City Report][annual audited financial statements] will be filed by _____.

Dated: _____

UMB Bank, N.A..
on behalf of the City of Hutto, Texas
(as Dissemination Agent)

By: _____

Title: _____

cc: City of Hutto, Texas

REPRESENTATION, WARRANTY, AND INDEMNIFICATION AGREEMENT

This Representation, Warranty and Indemnification Agreement dated as of August 22, 2019 (this “Agreement”) is executed and delivered by and among the River Creek Development Corporation (the “Corporation”), Hutto1660, LP (the “Developer”), Preston Hollow Capital, LLC (the “Lender”) and Stifel, Nicolaus & Company Incorporated (the “Loan Placement Agent”) with respect to that certain loan (the “Loan”) made to the Corporation by the Lender, which Loan is expected to finance the construction of certain Public Improvements for which the Developer will serve as Construction Manager. The parties hereto hereby agree as follows:

1. Terms. Terms used but not defined herein shall have the meanings ascribed to them in the Loan Agreement.

2. The Parties hereto acknowledge and agree that: (i) the transaction contemplated by this Agreement is an arm’s length, commercial transaction between the Corporation and the Lender and the Loan Placement Agent in which the Loan Placement Agent is not acting as a municipal advisor, financial advisor or fiduciary to the Corporation or the Developer; (ii) the Loan Placement Agent has not assumed any advisory or fiduciary responsibility to the Corporation or the Developer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Loan Placement Agent has provided other services or is currently providing other services to the Corporation or Developer on other matters); (iii) the only obligations the Loan Placement Agent has to the Corporation or the Developer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; (iv) the Corporation and the Developer have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent they have deemed appropriate; and (v) the use of the term “Solicitor” or “Agent” with reference to this Agreement and the role of the Loan Placement Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such terms are used merely as a matter of market custom and intended to create or reflect only an independent contractor relationship between contracting parties and the Loan Placement Agent exercises its own independent judgment in connection with its rights and duties under this Agreement.

3. Developer Representations, Warranties and Covenants. In order to induce the Lender to make the Loan to the Corporation and for the Corporation to enter into the Construction Contract with the Developer, and as consideration for, among other things, the solicitation of the Loan from the Lender by the Loan Placement Agent and the execution and delivery of the Loan Agreement by the Corporation, the Developer represents, warrants and covenants to the Loan Placement Agent and the Corporation that:

(a) Due Organization, Existence and Authority of the Developer. The Developer is duly formed and validly existing as a limited partnership under the laws of the State of Texas, with full rights, power and authority to execute, deliver and perform its obligations under:

(i) this Agreement;

(ii) the Continuing Disclosure Agreement of Developer, executed and delivered by the Developer, Development Planning and Financing Group, Inc., as Administrator, and UMB Bank, N.A., as Dissemination Agent, effective as of August 22, 2019 (the “Developer Continuing Disclosure Agreement”);

(iii) the Construction Contract;

(iv) the Landowner Agreement between the Developer and the City of Hutto, Texas dated as of August 22, 2019 (the “Landowner Agreement”);

(v) any other documents and certificates of the Developer described in any of the foregoing (i) through (iv) above (collectively, the “Developer Documents”).

(b) Organizational Documents. The copies of the organizational documents of the Developer, delivered on the Closing Date (the “Developer Organizational Documents”), are fully executed, true, correct and complete copies of such documents and such documents have not been amended or supplemented and are in full force and effect as of the date hereof.

(c) Due Authorization and Approval. By all necessary action, the Developer has duly authorized and approved its execution and delivery of the Developer Documents and the performance by the Developer of its obligations contained in the Developer Documents as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded.

(d) No Breach or Default. To the best of the Developer’s knowledge, the execution and delivery of the Developer Documents by the Developer and compliance by the Developer with the provisions thereof under the circumstances described therein do not and will not in any material respect conflict with or constitute on the part of the Developer a breach or default under (i) any order, writ, judgment, injunction, decree, determination or award of any governmental authority against or with respect to the Developer, or (ii) any agreement or instrument to which the Developer is a party or by which it is bound, and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would, in any material respect, constitute a default or an event of default by the Developer under the Developer Documents.

(e) No Litigation. There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer:

(i) (A) in any way questioning the due formation and valid existence of the Developer; (B) in any way challenging the titles of the Developer’s officers or members executing the Developer Documents, (C) in any way contesting or affecting the validity or enforceability or the execution and delivery by the Developer of the Developer Documents or the consummation of the transactions

described therein; or (D) in any way questioning or contesting the construction and development of the Public Improvements.

(ii) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its managing member, or would (A) affect the creation, organization, existence, or powers of the Developer or the Developer's managing member, (B) in any way question or affect this Agreement, the Developer Documents or the transactions described in this Agreement or the Developer Documents or (C) adversely affect (1) the transactions contemplated by, or the validity or enforceability of, the Loan, the Loan Agreement, the Interlocal Agreement, the Service and Assessment Plan, this Agreement, (2) the tax-exempt status of interest on the Loan, or (3) the financial condition of the Developer or the Developer's ability to complete the Public Improvements.

(f) Information. The information prepared and submitted by the Developer to the Corporation or the Lender in connection with Loan, including all information contained in the Project Summary Memorandum relating to the Borrower, the Loan and the Public Improvements, was, and is, as of this date, true and correct in all material respects.

(g) Agreement. The Developer covenants that, while the Loan and any Securitization Bonds (as defined herein) are outstanding, the Developer will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the Mustang Creek Public Improvement District (the "District"), the validity of the Developer Documents, the levy or collection of the Assessments or the validity of the Loan or the proceedings relating to their issuance.

(h) Permits, Licenses, Etc. The Developer has obtained and there are currently in force and effect, or the Developer is not aware of any fact that will prevent the Developer from receiving at or prior to the Closing Date or by the date required or necessary therefor, all consents, permits, licenses, certificates and other approvals (governmental or otherwise) required of it that:

(i) are necessary to conduct the Developer's business as it is currently being conducted;

(ii) would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance of its obligations under this Agreement, the Developer Documents and any other material agreement or instrument to which they are a party and which is to be used or contemplated for use in the consummation of the transactions described herein or by the Loan Agreement or the Construction Contract relating to the financing and construction of the Public Improvements; or

(iii) are necessary for the acquisition, construction and operation of the Public Improvements.

(i) Events of Default. To the best of the Developer's knowledge, no "Event of Default" or "event of default" by the Developer under any of the Developer Documents, any documents to which Developer or is a party, or under any Documents relating to the financing and construction of the Public Improvements to which the Developer is a party, or event that, with the passage of time or the giving of notice or both, would constitute such "Event of Default" or "event of default," by the Developer has occurred and is continuing.

(j) Financing. Other than the Assessments, no debt will be issued nor will any additional liens be placed on the property within the District in order to complete the construction of the Public Improvements unless such debt or additional liens are subordinate to the liens created by the levy of the Assessments, and the Developer provides written notice of such subordination to the lender of such subordinate debt and the City.

(k) Taxes and Assessments. All ad valorem taxes and assessments are current on the property which the Developer owns within the District.

(l) Intentional Actions Regarding Representations and Warranties. The Developer covenants that between the date hereof and the Closing it will not intentionally take actions which will cause the representations and warranties made in this Section to be untrue as of the Closing.

4. Closing Conditions. The closing of the Loan with the Lender shall be subject to the following additional conditions:

(a) Bring-Down Representations of the Developer. The representations and covenants of the Developer contained in this Agreement shall be true and correct in all material respects as of the date hereof and at the time of the Closing, as if made on the Closing Date.

(b) No Default. At the time of the Closing, no default shall have occurred or be existing and no circumstances or occurrences that, with the passage of time or giving of notice, shall constitute an event of default under this Agreement, the Developer Documents, or other documents relating to the financing and construction of the Project, and the Developer shall not be in default in the payment of principal or interest on any of its indebtedness which default shall materially adversely impact the ability of such Developer to complete the Public Improvements.

(c) Developer Certificate. Delivery of a certificate or certificates of the Developer, dated the Closing Date, to the effect that:

(i) the representations and warranties of the Developer contained herein and in the Developer Documents are true and correct in all material respects on and as of the Closing Date as if made on the date thereof;

(ii) the Developer Documents have been properly executed by the Developer, have not been amended or rescinded, and the delivery and due performance thereof by the Developer have been authorized by the Developer;

(iii) to the best of the Developer's knowledge after due inquiry, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, regulatory body, public board or body pending, or, to the best knowledge of the Developer, threatened against or affecting the Developer:

(1) (A) in any way questioning the due formation and valid existence of the Developer; (B) in any way challenging the titles of the Developer's officers or members executing the Developer Documents, (C) in any way contesting or affecting the validity or enforceability or the execution and delivery by the Developer of the Developer Documents or the consummation of the transactions described therein; or (D) in any way questioning or contesting the construction and development of the Public Improvements; and

(2) wherein an unfavorable decision, ruling or finding would have a material adverse effect on the financial condition or operations of the Developer or its managing member, or would (A) affect the creation, organization, existence, or powers of the Developer or the Developer's managing member, (B) in any way question or affect this Agreement, the Developer Documents or the transactions described in this Agreement or the Developer Documents or (C) adversely affect (i) the transactions contemplated by, or the validity or enforceability of, the Construction Contract, the Service and Assessment Plan, the Loan Agreement, the Interlocal Agreement, or this Agreement, (ii) the tax-exempt status of interest on the Loan, or (iii) the financial condition of the Developer or the Developer's ability to complete the Public Improvements;

(iv) the Developer has complied in all material respects with all of the Developer's agreements and covenants and satisfied all conditions required to be complied with or satisfied by the Developer hereunder or prior to the Closing; and

(v) the information set forth in the Project Summary Memorandum relating to the Developer and the Public Improvements is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as of the date thereof.

(d) Organizational Documents and Good Standing. The Developer shall have delivered fully executed copies of the Developer Organizational Documents and (i) a Certificate of Fact from the Texas Secretary of State and (ii) verification of franchise tax account status from the Texas Comptroller of Public Accounts for the Developer.

(e) Developer Documents. The Developer Documents shall have been executed and delivered by the parties thereto.

(f) Evidence of Filing of Creation Resolution, Landowner Agreement and Assessment Ordinance. Delivery of evidence to the Lender and the Loan Placement Agent that (i) the resolution creating the District, including legal description of the District by metes and bounds, the Landowner Agreement and (ii) the ordinance levying the Assessments, including the assessment rolls and a statement indicating the contact for and address of where a copy of the Service and Assessment Plan, and any updates thereto may be obtained or viewed, have been filed of record in the real property records of Williamson County, Texas.

(g) Evidence of Ownership of Property. Delivery of evidence that on the date that the Assessment Ordinance was adopted all of the Assessed Parcels were owned by the Developer, other development entities, or such landowners that are not entities that may claim a homestead right under Texas law.

(h) Executed Agreements and Performance Thereunder. At the time of the Closing (a) the Developer Documents shall be in full force and effect, and shall not have been amended, modified, or supplemented; (b) there shall be in full force and effect such other resolutions or actions of the Developer as, in the opinion of Metcalfe Wolff Stuart & Williams, LLP, counsel to the Developer (“Developer’s Counsel”), shall be necessary on or prior to the Closing Date in connection with the transactions on the part of the Developer described in this Agreement, the Developer Documents; and (c) the Developer shall perform or have performed its obligations required or specified in the Developer Documents to be performed at or prior to Closing.

(i) Opinion of Developer’s Counsel. Delivery of an opinion of Developer’s Counsel dated the Closing Date and addressed to the Lender, Loan Placement Agent and Loan Placement Agent’s Counsel, with respect to matters relating to the Developer.

5. Securitization Bonds.

The Developer and the Corporation understand and agree that the Lender may take steps to securitize the revenues to be received under the Loan through the issuance of pooled municipal bonds (the “Securitization Bonds”) and that the Securitization Bonds shall be sold to purchasers by an underwriter or placement agent for such Securitization Bonds (the “Securitization Bond Underwriter”), which Securitization Bond Underwriter may be the Loan Placement Agent. If Securitization Bonds are issued, the Developer agrees as follows:

(a) Offering Document. The Developer will cooperate and provide information relating to the Developer (and any relevant affiliates), the Public Improvements, and the development in which the Public Improvements will be installed, and any financing for such Public Improvements (collectively, the “Developer Information”) as requested by the Securitization Bond Underwriter as necessary in connection with the preparation of any offering materials (including any amendments or

supplements to such offering materials) to be utilized by the Securitization Bond Underwriter in the marketing of the Securitization Bonds (the "Offering Document") such that the Developer Information does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated in the Offering Document or necessary to make the statements in the Offering Document, in light of the circumstances under which they were made, not misleading. Notwithstanding the foregoing, it is hereby acknowledged and agreed that Developer shall not be responsible for any costs of issuance or other expenses associated with the Securitization Bonds (including without limitation underwriters discount, bond counsel fees, underwriter counsel, financial advisor fees, appraisals, market studies, etc.). Further, none of the funds contained in the Construction Account of the Project Fund held under the Fiscal Agent Agreement shall be used to pay costs of issuance or any other costs related to the Securitization Bonds.

(b) Bring Down Certificate: The Developer shall deliver to the Bond Securitization Underwriter a certificate or certificates of the Developer, dated the delivery date of the Securitization Bonds, to the effect that:

(i) the Developer Information set forth in the Offering Document is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, as of the date thereof;

(ii) although the Developer has not verified and does not assume any responsibility for the accuracy, completeness, or fairness of the information contained in the Offering Document other than the Developer Information, and without independent verification, no facts came to the Developer's attention to lead it to believe that the Offering Document, as of its date or as of the date of Closing (except for financial, forecast, technical and statistical statements and data therein and the information regarding The Depository Trust Company and its book-entry only system, in each case as to which it is not called upon to comment) contained or contains any untrue statement of a material fact, or omitted or omits to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(c) Assignment and Assumption of Developer Obligations. In the event that the Developer (i) sells the land in the District to a third party which is expected to be responsible for development of the land in the District (the "Developer Assignee"), the Developer covenants and agrees to assign its rights and obligations under the Developer Documents or any other document of the Developer relating to the Loan to the Developer Assignee, and require such Developer Assignee to assume the same, to the extent that such assignment and assumption is required in connection with the Securitization Bonds and (ii) covenants and agrees to require such Developer Assignee to assume the obligations of the Developer under this Section 5. The Lender and the Corporation hereby consent to such assignment provided that the Developer Assignee has assumed all

rights and obligations of the Developer in accordance with the provisions of the Construction Contract and the Loan Agreement.

(d) Indemnification relating to Securitization Bonds. If Securitization Bonds are issued and the Loan Placement Agent serves as underwriter or placement agent for such Securitization Bonds, the Developer will indemnify and hold harmless the Loan Placement Agent, and its officers, directors, employees and agents against any losses, claims, damages or liabilities to which any of them may become subject, under the Securities Act or otherwise, to the extent, but only to the extent, as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained or incorporated by reference in any Offering Document or any amendment or supplement to any Offering Document amending or supplementing solely with respect to claims arising out of the Developer Information, or arise out of or are based upon the omission or alleged untrue statement or omission to state therein a material fact necessary to make the statements under the aforementioned captions (as qualified above) not misleading under the circumstances under which they were made and will reimburse any indemnified party for any reasonable legal or other expenses reasonably incurred by them in connection with investigating or defending any such action or claim as such expenses are incurred.

The obligations of the Developer described in subparagraphs 5(a) and 5(b) of this Section 5 shall survive the Closing of the Loan and shall terminate on the delivery date for the Securitization Bonds. The obligations of the Developer contained in subparagraphs 5(c) and 5(d) above shall survive any termination of this Agreement.

6. Notice.

Any notice or other communication to be given to the Corporation under this Agreement may be given by delivering the same in writing to:

River Creek Development Corporation
Attention: Chair
500 W. Live Oak Street
Hutto, Texas 78634
E-mail: odis.jones@huttotx.gov
bbingham@mcginnislaw.com

Any notice or other communication to be given under this Agreement to the Developer may be given by delivering the same in writing to:

Hutto1660, LP
12306 Technology Blvd.
Austin, Texas 78727
Phone: 512-250-5888; Fax: 512-219-0414
E-mail: scott@packsaddlepartners.com

With a copy to: Metcalfe Wolff Stuart & Williams, LLP
Attention: Steve Metcalfe
221 W. 6th, Suite 1300
Austin, Texas 78701
E-Mail: SMetcalfe@mwswtexas.com

Any notice or other communication to be given to the Loan Placement Agent under this Agreement may be given by delivering the same in writing to:

Stifel, Nicolaus & Company Incorporated
501 N. Broadway
St. Louis, MO 63102
Phone: (314) 342-2153,
Attention: Laura Radcliff
E-Mail: laura.radcliff@stifel.com

Any notice or other communication to be given to the Lender under this Agreement may be given by delivering the same in writing to:

Preston Hollow Capital, LLC
1717 Main Street, Suite 3900
Dallas, Texas 75201
E-Mail: jdinan@phcllc.com
Attention: John Dinan

7. Entire Agreement. This Agreement is made solely for the benefit of the Corporation, the Developer, Lender and the Loan Placement Agent (including their respective successors and assigns), and no other person shall acquire or have any right hereunder or by virtue hereof. All of the Developer's representations, warranties, and agreements contained in this Agreement shall remain operative and in full force and effect regardless of: (i) any investigations made by or on behalf of the Lender or the Loan Placement Agent; or (ii) delivery of any Loan Funds pursuant to this Agreement. The agreements contained in this Section shall survive any termination of this Agreement.

8. Survival of Representations and Warranties. All representations and warranties of the parties made in, pursuant to or in connection with this Agreement shall survive the execution and delivery of this Agreement, notwithstanding any investigation by the parties. All statements contained in any certificate, instrument, or other writing delivered by a party to this Agreement or in connection with the transactions described in by this Agreement constitute representations and warranties by such party under this Agreement to the extent such statement is set forth as a representation and warranty in the instrument in question.

9. Counterparts. This Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

10. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof.

11. State Law Governs. The validity, interpretation, and performance of this Agreement shall be governed by the laws of the State of Texas.

12. No Assignment. The rights and obligations created by this Agreement shall not be subject to assignment by any party hereto without the prior written consent of the other parties hereto.

13. No Personal Liability. None of the members of the Board of Directors, nor any officer, representative, agent, or employee of the Corporation, shall be charged personally by the Loan Placement Agent or the Developer with any liability, or be held liable to the Loan Placement Agent or the Developer under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement.

[Remainder of Page Intentionally Left Blank; Signatures to Follow]

IN WITNESS WHEREOF, the parties have caused this Developer Representation Agreement to be executed as of the date first set forth above.

**STIFEL, NICOLAUS & COMPANY
INCORPORATED,**
as Loan Placement Agent

By: _____
Name: _____
Title: _____

**HUTTO 1660, LP,
a Texas Limited Partnership**

By: Packsaddle Real Estate Partners, LLC
Its: General Partner

By: _____
Name: Scott Rempe
Title: Managing Member

**RIVER CREEK DEVELOPMENT
CORPORATION**

By: _____
Name: _____
Title: _____

PRESTON HOLLOW CAPITAL, LLC,
as Lender

By: _____
Name: _____
Title: _____

Regular City Council
**AGENDA ITEM
REPORT**



To: City Council
Subject: Consideration and possible action on the first reading of an ordinance amending the Code of Ordinances (2014 Edition), Chapter 16, Article 16.02 Unified Development Code (UDC) Chapter 10 Section 10.202.2: Definitions, Section 10.605.3 and 10.605.10 General Provisions. (Ashley Lumpkin)
Meeting: Regular City Council - 22 Aug 2019
Department: Development Services
Staff Contact: Ashley Lumpkin,

BACKGROUND INFORMATION:

The following is a City initiated amendment of the Code of Ordinances (2018 edition), Chapter 16, Article 6.02 Unified Development Code (UDC), Chapter 2, Section 10.202.2, Definitions, Chapter 10, Section 10.605.3, Phasing Plan Requirements and Section 10.605.10, Street Projections.

These are amendments to the Definitions and Subdivision Standards sections of the UDC. The proposed amendment for Chapter 2, Section 10.202.2 adds a definition to the UDC for a Public Way.

The proposed code change for Chapter 10, Section 10.605.3, Phasing Plan Requirements, allows for lots in the Extraterritorial jurisdiction to be a minimum of one (1) acre in size and for lots in the Extraterritorial Jurisdiction established for special purposes such as common area, open space, parkland, floodplain, drainage, utilities, or similar facilities shall be uniquely named and are not required to meet the minimum lot size.

The proposed code change for Chapter 10, Section 10.605.10, Street Projections, requires that when a public street is provided internal to the platting property and adjoining areas are not platted, the platting subdivision shall provide street projections to such areas by projecting a public street at intervals no fewer than the maximum block length along the perimeter boundary of the subdivision. Where abutting properties are landlocked, a street connection or street frontage shall be provided through the platting property. In lieu of a public street, a Public Way may satisfy a required street projection when the Public Way is projected to future non-residential or multi-family development and can be continued through that development to a public street.

FINANCIAL IMPACT:

There is no financial impact.

RECOMMENDATION:

Staff recommends that the Council approve the ordinance. The Council may dispense with the second reading of the ordinance.

ATTACHMENTS:

[UDCAmend\(20\)Ord\(Complete\)](#)

Regular City Council
AGENDA ITEM
9.A.



To: City Council

Subject: An Ordinance of the City Council of the City of Hutto, Texas accepting and approving a Service and Assessment Plan and assessment roll for Mustang Creek Public Improvement District; making a finding of special benefit to the property in the district; levying special assessments against property within the district and establishing a lien on such property; providing for the method of assessment and the payment of the special assessments in accordance with Chapter 372, Texas Local Government Code, as amended, providing penalties and interest on delinquent assessments, providing for severability, and providing an effective date.

Meeting: Regular City Council - 22 Aug 2019

Department: Economic Development

Staff Contact: Jessica Bullock,

BACKGROUND INFORMATION:

A Public Improvement District for the Mustang Creek project was created in June 2018. The boundary for the District has been modified and this item proposes to update the Service and Assessment Plan to reflect those changes.

FINANCIAL IMPACT:

This is a non-recourse bond that will finance the development of the project.

ORDINANCE NO. O-_____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS ACCEPTING AND APPROVING A SERVICE AND ASSESSMENT PLAN AND ASSESSMENT ROLL FOR MUSTANG CREEK PUBLIC IMPROVEMENT DISTRICT; MAKING A FINDING OF SPECIAL BENEFIT TO THE PROPERTY IN THE DISTRICT; LEVYING SPECIAL ASSESSMENTS AGAINST PROPERTY WITHIN THE DISTRICT AND ESTABLISHING A LIEN ON SUCH PROPERTY; PROVIDING FOR THE METHOD OF ASSESSMENT AND THE PAYMENT OF THE SPECIAL ASSESSMENTS IN ACCORDANCE WITH CHAPTER 372, TEXAS LOCAL GOVERNMENT CODE, AS AMENDED, PROVIDING PENALTIES AND INTEREST ON DELINQUENT ASSESSMENTS, PROVIDING FOR SEVERABILITY, AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, a petition for the creation of a Public Improvement District was submitted and filed with the City Secretary (the "City Secretary") of the City of Hutto, Texas (the "City") pursuant to the Public Improvement District Assessment Act, Chapter 372, Texas Local Government Code, as amended (the "PID Act"), requesting the creation of a public improvement district in the corporate limits of the City; and

WHEREAS, the petition contained the signatures of the owners of taxable property representing more than fifty percent of the appraised value of taxable real property liable for assessment within the District, as determined by the then current ad valorem tax rolls of Williamson Central Appraisal District and the signatures of the property owners who own taxable real property that constitutes more than fifty percent of the area of all taxable property within the District that is liable for assessment; and

WHEREAS, on June 7, 2018, after due notice, the City Council of the City (the "City Council") held a public hearing in the manner required by law on the advisability of the public improvements and services described in the petition as required by Section 372.009 of the PID Act and on June 7, 2018 made the findings required by Section 372.009(b) of the PID Act and, by Resolution No. R-18-06-07-9C (the "Authorization Resolution") adopted by a majority of the members of the City Council, authorized and created the Mustang Creek Public Improvement District (the "District") in accordance with its finding as to the advisability of the Authorized Improvements; and

WHEREAS, the City published the Authorization Resolution as required by law; and

WHEREAS, no written protests regarding the creation of the District from any owners of record of property within the District were filed with the City Secretary; and

WHEREAS, on June 20, 2019, the City Council adopted Resolution No. R-19-06-20-__ (the "Amending Resolution"), which amended the Authorization Resolution to correct the property description of the District, and

WHEREAS, the City will publish Amending Resolution as required by law; and

WHEREAS, on _____, 2019, the City Secretary filed the Assessment Roll (defined below) and made the same available for public inspection; and

WHEREAS, the City Secretary, pursuant to Section 372.016(b) of the PID Act, published notice of the Levy and Assessment Hearing in a newspaper of general circulation in the City; and

WHEREAS, the City Secretary, pursuant to Section 372.016(c) of the PID Act, mailed the notice of the Levy and Assessment Hearing to the last known address of the owners of the property liable for the Special Assessments; and

WHEREAS, the City Council convened the Levy and Assessment Hearing on June 20, 2019 at which all persons

who appeared, or requested to appear, in person or by their attorney, were given the opportunity to contend for or contest the Assessment Roll, and the proposed Special Assessments, and to offer testimony pertinent to any issue presented on the amount of the Special Assessments, the allocation of the costs of the Authorized Improvements to be undertaken for the benefit of all property to be assessed within the District, the purposes of the Special Assessments, the special benefits of the Special Assessments, and the penalties and interest on annual installments and on delinquent annual installments of the Special Assessments; and

WHEREAS, the City Council finds and determines that the Assessment Roll and the Mustang Creek Public Improvement District Service and Assessment Plan, dated June 20, 2019, in a form substantially similar to Exhibit A attached hereto (the “Service and Assessment Plan”), shall be approved by the City Manager and the City’s attorney prior to execution, and which is incorporated herein for all purposes, should be approved and that the Special Assessments should be levied as provided in this Ordinance, the Service and Assessment Plan, and the Assessment Roll attached thereto as Appendix A (the “Assessment Roll”); and

WHEREAS, the City Council further finds that there were no written objections or evidence submitted to the City Secretary in opposition to the Service and Assessment Plan, the allocation of the costs of the Authorized Improvements as described in the Service and Assessment Plan, the Assessment Roll, and the levy of the Special Assessments; and

WHEREAS, in connection with the levy the Special Assessments, the owners (the “Landowners” or the “Assessed Parties”), or their representatives, of the majority of the privately-owned and taxable property located within the District, and who are the persons to be assessed pursuant to this Ordinance, appeared at the public hearing and accepted the Service and Assessment Plan, approved the Assessment Roll, approved this Ordinance, approved the levy of the Special Assessments against their property located within District, agreed to pay the Special Assessments when due and payable, and requested that the City file the Service and Assessment Plan and/or the assessment roll with the real property records of Williamson County; and

WHEREAS, the City Council closed the hearing, and, after considering all written and documentary evidence presented at the hearing, including all written comments and statements filed with the City, determined to proceed with the adoption of this Ordinance in conformity with the requirements of the PID Act.

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

Section 1. Terms.

Terms not otherwise defined herein are defined in the Service and Assessment Plan.

Section 2. Findings.

The findings and determinations set forth in the preambles hereof are hereby incorporated by reference and made a part of this Ordinance for all purposes as if the same were restated in full in this Section. The City Council hereby finds, determines, and ordains, as follows:

- (a) The apportionment of the costs of the Authorized Improvements (as reflected in the Service and Assessment Plan, and the Administrative Expenses pursuant to the Service and Assessment Plan) is fair and reasonable, reflects an accurate presentation of the special benefit each Assessed Property will receive from the construction of the Authorized Improvements identified in the Service and Assessment Plan, and is hereby approved;
- (b) The Service and Assessment Plan covers a period of at least five years and defines the annual indebtedness and projected costs for the Authorized Improvements;

- (c) The Service and Assessment Plan apportions the costs of Authorized Improvements to be assessed against the property in the District and such apportionment is made on the basis of special benefits accruing to the property because of the Authorized Improvements;
- (d) All of the real property in the District which is being assessed in the amounts shown in the Assessment Roll will be benefited by the Authorized Improvements proposed to be constructed as described in the Service and Assessment Plan, and each Assessed Property will receive special benefits in each year equal to or greater than each annual Special Assessment and will receive special benefits during the term of the Special Assessments equal to or greater than the total amount assessed;
- (e) The method of apportionment of the costs of the Authorized Improvements, including the allocation of the costs thereof to the District, and the Administrative Expenses set forth in the Service and Assessment Plan, results in imposing equal shares of the costs of the Authorized Improvements and Administrative Expenses on property similarly benefited, and results in a reasonable classification and formula for the apportionment of such costs;
- (f) The Service and Assessment Plan should be approved as the service plan and assessment plan for the District as described in Sections 372.013 and 372.014 of the PID Act;
- (g) The Assessment Roll should be approved as the Assessment Roll for the District;
- (h) The provisions of the Service and Assessment Plan relating to due and delinquency dates for the Special Assessments, interest on Annual Installments, interest and penalties on delinquent Special Assessments and delinquent Annual Installments, and procedures in connection with the imposition and collection of Special Assessments should be approved and will expedite collection of the Special Assessments in a timely manner in order to provide the services and improvements needed and required for the District; and
- (i) A written notice of the date, hour, place, and subject of this meeting of the City Council was posted at a place convenient to the public for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Ordinance and the subject matter hereof has been discussed, considered, and formally acted upon.

Section 3. Service and Assessment Plan.

The Service and Assessment Plan is hereby accepted and approved pursuant to Sections 372.013 and 372.014 of the PID Act as the service plan and the assessment plan for the District.

Section 4. Assessment Roll.

The Assessment Roll is hereby accepted and approved pursuant to Section 372.016 of the PID Act as the Assessment Roll of the District.

Section 5. Levy and Payment of Special Assessments for Costs of the Authorized Improvements.

- (a) The City hereby levies an assessment on each Parcel of property (excluding Non-Benefitted Property) located within the District, as shown and described in the Service and Assessment Plan and the Assessment Roll, in the respective amounts shown on the Assessment Roll as a special assessment on the properties set forth in the Assessment Roll.

- (b) The levy of the Special Assessments shall be effective on the date of execution of this Ordinance levying Special Assessments and strictly in accordance with the terms of the Service and Assessment Plan and the PID Act.
- (c) The collection of the Special Assessments shall be as described in the Service and Assessment Plan and the PID Act.
- (d) Each Special Assessment may be paid in a lump sum at any time or may be paid in Annual Installments pursuant to the terms of the Service and Assessment Plan.
- (e) Each Special Assessment shall bear interest at the rate or rates specified in the Service and Assessment Plan.
- (f) Each Annual Installment shall be collected each year in the manner set forth in the Service and Assessment Plan.
- (g) The Administrative Expenses for Assessed Property shall be calculated pursuant to the terms of the Service and Assessment Plan.

Section 6. Method of Assessment.

The method of apportioning the costs of the Authorized Improvements and the allocation of such costs to the District and the Administrative Expenses are set forth in the Service and Assessment Plan.

Section 7. Penalties and Interest on Delinquent Special Assessments.

Delinquent Special Assessments shall be subject to the penalties, interest, procedures, and foreclosure sales set forth in the Service and Assessment Plan and as allowed by law.

Section 8. Prepayments of Special Assessments.

As provided in the Service and Assessment Plan, the owner of any Assessed Property may prepay the Special Assessments levied by this Ordinance.

Section 9. Lien Priority.

The City Council and the Landowners intend for the obligations, covenants, and burdens on the landowners of Assessed Property, including without limitation such Landowner's obligations related to payment of the Special Assessments and the Annual Installments thereof, to constitute covenants that shall run with the land. The Special Assessments and the Annual Installments thereof that are levied hereby shall be binding upon the Assessed Parties, as the owners of Assessed Property, and their respective transferees, legal representatives, heirs, devisees, successors, and assigns in the same manner and for the same period as such parties would be personally liable for the payment of ad valorem taxes under applicable law. Special Assessments shall have lien priority as specified in the Service and Assessment Plan and the PID Act.

Section 10. Appointment of Administrator and Collector of Assessments.

- (a) Appointment of Administrator.
The City will appoint and designate an initial Administrator of the Service and Assessment Plan and of Special Assessments levied by this Ordinance. The Administrator shall perform the duties of the

Administrator described in the Service and Assessment Plan and in this Ordinance. The Administrator's and City related staff time, fees, charges, and expenses for providing such service shall constitute an Administrative Expense.

(b) Appointment of Temporary Collector.

The City Administrator is hereby appointed and designated as the temporary collector of the Special Assessments (the "Collector"). The Collector shall serve in such capacity until such time as the City shall arrange for the Collector's duties to be performed by the Williamson County Tax Assessor and Collector, or another qualified collection agent selected by the City.

Section 11. Applicability of Tax Code.

To the extent not inconsistent with this Ordinance, and not inconsistent with the PID Act or the other laws governing public improvement districts, the provisions of the Texas Tax Code shall be applicable to the imposition and collection of Special Assessments by the City.

Section 12. Filing in Land Records.

The City Secretary is directed to cause a copy of this Ordinance, including the Service and Assessment Plan, to be recorded in the real property records of Williamson County. The City Secretary is further directed to similarly file each Annual Service Plan Update approved by the City.

Section 13. Severability.

If any provision, section, subsection, sentence, clause, or phrase of this Ordinance, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, or invalid, the validity of the remaining portions of this Ordinance or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City that no portion hereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, or invalidity of any other portion hereof, and all provisions of this ordinance are declared to be severable for that purpose.

Section 14. Effective Date.

This Ordinance shall take effect, and the levy of the Special Assessments, and the provisions and terms of the Service and Assessment Plan shall be and become effective upon passage and execution hereof.

Section 16. Publication.

This Ordinance or the caption shall be published on two days and become effective in accordance with the laws of the State of Texas on the date of the last publication.

READ, CONSIDERED, PASSED, AND ADOPTED on first reading by the City Council of the City of Hutto at a regular meeting on the 20th day of June, 2019, at which a quorum was present and for which due notice was given pursuant to Section 551.00, et seq., of the Texas Government Code.

READ, CONSIDERED, PASSED, AND ADOPTED on second and final reading by the City Council of the City of Hutto at a regular meeting on the ____ day of _____, 2019, at which a quorum was present and for which due notice was given pursuant to Section 551.001, et seq., of the Texas Government Code.

THE CITY OF HUTTO, TEXAS

Doug Gaul, Mayor

Attest:

Lacie Hale, City Secretary

(SEAL)

EXHIBIT A

Service and Assessment Plan



Mustang Creek Public Improvement District

Service and Assessment Plan

August 22, 2019

TABLE OF CONTENTS

TABLE OF CONTENTS	
LIST OF TABLES	4
Section I PLAN DESCRIPTION AND DEFINED TERMS	5
A. Introduction.....	5
B. Definitions.....	5
Section II PROPERTY INCLUDED IN THE PID	9
A. Property Included in the PID	9
Section III DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS	10
A. Authorized Improvement Overview	10
B. Descriptions and Estimated Costs of Improvements	11
Section IV ASSESSMENT PLAN.....	13
A. Introduction.....	13
B. Special Benefit.....	13
C. Allocation of Authorized Improvements Costs	14
D. Special Assessment Methodology	14
E. Special Assessment and Annual Installments.....	15
F. Administrative Expenses	15
Section V SERVICE PLAN	16
Section VI TERMS OF THE SPECIAL ASSESSMENTS.....	18
A. Amount of Special Assessments and Annual Installments for Parcels.....	18
B. Reallocation of Special Assessments for Parcels.....	18
C. Mandatory Prepayment of Assessments	19
D. Reduction of Special Assessments.....	20
E. Payment of Special Assessments.....	20
F. Collection of Annual Installments	22
Section VII THE ASSESSMENT ROLL.....	24
A. Assessment Roll.....	24
B. Annual Assessment Roll Updates	24
Section VIII MISCELLANEOUS PROVISIONS	25
A. Administrative Review	25
B. Termination of Assessments.....	25
C. Amendments	25
D. Administration and Interpretation of Provisions.....	26

TABLE OF CONTENTS

E. Severability	26
Appendix A Assessment Roll	27
Appendix A-1 Annual Installments	28
Appendix B Legal Description	31
Appendix C Parcel Map	33

LIST OF TABLES

LIST OF TABLES

Table II:	
Public Improvement District Boundaries	9
Table III:	
Authorized Improvements.....	12
Table IV-A:	
Allocation of Authorized Improvements to Assessed Property.....	14
Table IV-B:	
Special Assessment Allocation.....	15
Table V-A:	
Sources and Uses of Funds	16
Table V-B:	
Projected Annual Installments.....	17
Table VII:	
Special Benefit Summary.....	23

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

SECTION I

PLAN DESCRIPTION AND DEFINED TERMS

A. Introduction

On June 7th, 2018 (the “**Creation Date**”), the City Council of the City of Hutto (“the City Council”) approved a Resolution which authorized the creation of the Mustang Creek Public Improvement District (the “**PID**”) to purchase the Authorized Improvements Costs (as defined below) for the benefit of certain property in the PID, all of which is located within the City of Hutto, Texas (the “**City**”).

Chapter 372 of the Texas Local Government Code (as amended, the “**PID Act**”) governs the creation of public improvement districts within cities and counties within the State of Texas. This Service and Assessment Plan (the “**SAP**”) was prepared pursuant to the PID Act. The PID Act requires that a service plan “cover a period of at least five years and ... define the annual indebtedness and the projected costs for improvements.” It also requires the plan “be reviewed and updated annually for the purpose of determining the annual budget for improvements.” The service plan for the PID is described in more detail in **Section V** herein.

The Assessment Roll for the PID is attached hereto as **Appendix A**, and is addressed in **Section IV** of this SAP. The Special Assessments as shown on the Assessment Roll are based on the method for establishing and levying the Special Assessment described in **Sections IV** and **VI** of this SAP.

B. Definitions

Capitalized terms shall have the meanings ascribed to them as follows:

“**Administrative Expenses**” means the administrative, organization, maintenance and operation costs and expenses associated with, or incident to, the administration, organization, maintenance and operation of the PID, including, but not limited to, the costs of (i) legal counsel, the Trustee, engineers, accountants, financial advisors, investment bankers or other consultants and advisors, (ii) creating and organizing the PID and preparing the Assessment Roll, (iii) computing, levying, collecting and transmitting the Special Assessments or the installments thereof, (iv) maintaining the record of installments, payments and reallocations and/or cancellations of the Special Assessments, (v) investing or depositing the Special Assessments or other monies, and (vi) administering the construction of the Authorized Improvements.

“**Administrator**” means an employee of the City or third party designee of the City who shall have the responsibilities provided for herein or in any other agreement approved by the City Council. The City has initially retained DPFG, Inc. to be the Administrator.

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

“Annual Installments” means, with respect to each Assessed Property, each annual payment of: (i) the Special Assessment (including the principal of and interest on), as shown on the Assessment Roll attached hereto as **Appendix A**, as applicable, or in an Annual Service Plan Update, and calculated as provided in **Section VI** of this SAP and (ii) Administrative Expenses.

“Annual Service Plan Update” has the meaning set forth in **Section V** of this SAP.

“Assessed Property” means property on which Special Assessments have been levied as shown on the Assessment Roll (as the same may be updated each year by the Annual Service Plan Update) and which includes any and all Parcels within the PID other than Non-Benefited Property.

“Assessment Order” means each order adopted by the City Council approving this SAP (or amendments or supplements to the SAP) and levying the Special Assessments.

“Assessment Roll” means, as applicable, the Assessment Roll included in this SAP as **Appendix A**, which may be updated, or modified or amended from time to time in accordance with the procedures set forth herein and in the PID Act, including updates prepared in connection with any Annual Service Plan Update.

“Authorized Improvements” means those improvements authorized under Section 372.003 of the PID Act.

“Authorized Improvements Cost” means the actual costs of design, engineering, construction, acquisition, and inspection of the Authorized Improvements and all costs related in any manner to the Authorized Improvements including (i) the costs of creating the PID, (ii) the costs incurred for the design, planning, financing, administration/ management, acquisition, installation, construction and/or implementation of such Authorized Improvement, (iii) the costs incurred in preparing the construction plans for such Authorized Improvement, (iv) the fees paid for obtaining permits, licenses or other governmental approvals for such Authorized Improvement, (v) the project management costs, (vi) the costs incurred for external professional costs, such as engineering, geotechnical, surveying, land planning, architectural landscapers, appraisals, legal, accounting and similar professional services related to the Authorized Improvement, (vii) the costs of all labor, bonds and materials, including equipment and fixtures, incurred by contractors, builders and materialmen in connection with the acquisition, construction or implementation of the Authorized Improvement, (viii) the costs of all permitting, zoning and authorized approval expenses, architectural, engineering, legal and consulting fees, financing charges, taxes, governmental fees and charges, insurance premiums, and miscellaneous expenses related to the Authorized Improvement, but excluding oversizing costs.

“Budgeted Cost” means with respect to any given Authorized Improvement, the estimated cost of such Authorized Improvement as set forth in **Section III** herein.

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

“City” means the City of Hutto, Texas.

“City Council” means the City Council of Hutto, Texas.

“City and Corporation Interlocal Agreement” means the interlocal agreement between the City and the LGC to administer the PID and providing for the installment purchase by the City from the LGC of the Authorized Improvements to be funded by the Special Assessment Revenues.

“County” means Williamson County, Texas.

“Delinquent Collection Costs” mean interest, penalties, and expenses incurred or imposed with respect to any delinquent installment of a Special Assessment, or an Annual Installment thereof, in accordance with the PID Act, including the costs related to pursuing collection of such delinquent Special Assessment, or an Annual Installment thereof, and the costs related to foreclosing the lien against the Assessed Property, including attorney’s fees.

“Developer” means Hutto 1660, LP, their successors and assignees.

“LGC” means the local government corporation created by the City pursuant to Chapter 431, Texas Transportation Code, as amended, for the purpose of administering the PID and to provide for the installment purchase of the Authorized Improvements, among other purposes.

“Lot” means (i) for any portion of the Property for which a subdivision plat has been recorded in the official public records of the County, a tract of land described as a “lot” in such subdivision plat, and (ii) for any portion of the Property for which a subdivision plat has not been recorded in the official public records of the County, a tract of land anticipated to be described as a “lot” in a final recorded subdivision plat.

“Lot Type” means a classification of final building Lots with similar characteristics (e.g. commercial, light industrial, multi-family, single family residential, etc.), as determined by the Administrator and confirmed by the City Council.

“Lot Type 1” means a Lot marketed by the Developer as 50’ lots.

“Mandatory Prepayment” has the meaning set forth in **Section VI.C** of this SAP.

“Non-Benefited Property” means Parcels within the boundaries of the PID that accrue no special benefit from the Authorized Improvements, including Owner Association Property, Public Property, and easements that create an exclusive use for a public utility provider. Property may be identified as Non-Benefited Property at the time the Special Assessments (i) are levied or (ii) are reallocated pursuant to a subdivision of a Parcel. Assessed Property converted to Non-Benefited Property, if the Special Assessments may not be reallocated pursuant to **Section VI.B**, remains subject to the Special Assessments and requires the Special Assessments to be prepaid as provided for in **Section VI.C**.

SECTION I – PLAN DESCRIPTION AND DEFINED TERMS

“Owner’s Association” means a homeowner’s association or property owner’s association.

“Owner’s Association Property” means property within the boundaries of the PID that is owned by or irrevocably offered for dedication to, whether in fee simple or through an exclusive use easement, an Owner’s Association established for the benefit of a group of homeowners or property owners within the PID.

“Parcel” means a property identified by either a tax map identification number assigned by the Williamson Central Appraisal District for real property tax purposes, by metes and bounds description, by lot and block number in a final subdivision plat recorded in the official public records of the County, or by any other means determined by the County.

“PID” means the Mustang Creek Public Improvement District created by the City pursuant to a Resolution approved June 7th, 2018.

“PID Act” means Chapter 372 of the Texas Local Government Code, as amended.

“Property” means the approximately 153.34 acres of property depicted and described by metes and bounds on Exhibit A to Resolution as adopted by the City June 7th, 2018.

“Public Property” means property, real property, right of way, and easements located within the boundaries of the PID that is owned by or irrevocably offered for dedication to the federal government, the State of Texas, the City, a county, a school district, a public utility provider, or any other political subdivision or public agency, whether in fee simple, through an exclusive use easement, plat, or a public utility easement.

“Service and Assessment Plan” or **“SAP”** or **“Assessment Plan”** means this Mustang Creek Public Improvement District Service and Assessment Plan (as such plan is amended and updated from time to time) adopted by the City in the first Assessment Order.

“Special Assessment” means the assessment(s) levied against a Parcel or Lot imposed pursuant to the Assessment Order and the provisions herein, as shown on the Assessment Roll, subject to reallocation upon the subdivision of such Parcel or Lot created by such subdivision or reduction according to the provisions hereof and the PID Act.

Section II

PROPERTY INCLUDED IN THE PID

The PID comprises the entire Property. The PID is located entirely within the City. It contains approximately 153.34 acres planned for residential development including the associated rights of way, landscaping, and infrastructure necessary to provide roadways and water and wastewater utilities to the Property. A map of the property within the PID is shown in **Table II**. Legal descriptions for the Property within the PID are included in **Appendix B**.



SECTION III –DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

Section III

DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

A. Authorized Improvement Overview

Section 372.003 of the PID Act identifies the authorized improvements that the City may choose to purchase and finance with the establishment of a PID. The Authorized Improvements identified in the PID Act include:

- (i) landscaping;
- (ii) erection of fountains, distinctive lighting, and signs;
- (iii) acquiring, constructing, improving, widening, narrowing, closing, or rerouting of sidewalks or of streets, any other roadways, or their rights-of way;
- (iv) construction or improvement of pedestrian mall;
- (v) acquisition and installment of pieces of art;
- (vi) acquisition, construction or improvement of libraries;
- (vii) acquisition, construction or improvement of off-street parking facilities;
- (viii) acquisition, construction, improvement or rerouting of mass transportation facilities;
- (ix) acquisition, construction or improvement of water, wastewater, or drainage facilities or improvements;
- (x) the establishment or improvement of parks;
- (xi) projects similar to those listed in Subdivisions (i)-(x)
- (xii) acquisition, by purchase or otherwise, of real property in connection with an authorized improvement;
- (xiii) special supplemental services for improvement and promotion of the district, including services relating to advertising, promotion, health and sanitation, water and wastewater, public safety, security, business recruitment, development, recreation and cultural enhancement;
- (xiv) the development, rehabilitation, or expansion of affordable housing; and,
- (xv) the payment of expenses incurred in the establishment, administration and operation of the district.

The City has determined that of the improvements authorized under the PID Act, it will purchase only those Authorized Improvements more particularly described in **Section III.B.** Any change to the list of Authorized Improvements will require the approval of the City.

SECTION III –DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

B. Descriptions and Estimated Costs of Improvements

The Authorized Improvements are described below and the costs of such improvements are shown in **Table III**. The Budgeted Cost of the Authorized Improvements is \$9,455,000. The Special Assessments will only be used to purchase Authorized Improvements that benefit the Assessed Property. The costs shown in **Table III** may be revised through Annual Service Plan Updates.

The Authorized Improvements Costs of the Authorized Improvements are to be funded from the Special Assessment reimbursements as described herein.

A description of the Authorized Improvements follows:

- **Site Work, Site Grading, and Drainage:** Extensive grading and site balancing along with in-line detention designs will be implemented to reclaim considerable amounts of land inside the development. Due to the soil conditions in the area, the residential pad sites will also be moisture conditioned to provide increased stabilization and improved compaction conditions for residence foundations. The site also contains over 6,500' linear feet of underground storm drain ranging from 18" to 48" in diameter. The combined drainage system allows the subdivision to maximize the land usage within the development and provide an oversized stormwater system to efficiently, effectively and safely remove the storm water from the subdivision all while maintaining the current storm water levels required as the water exits the site.
- **Neighborhood Streets:** 18,129 linear feet of residential local (30' width) and collector streets (44' width) utilizing a total of 23.18 acres will be created throughout the subdivision to provide improved access within the subdivision as well as to FM1660 and future CR118 roadways.
- **Wastewater:** A new wastewater lift station will be constructed on .27 acres in the southeastern corner of the property and will serve the entire subdivision. The system includes the associated dedicated land along with 7,000 linear feet of force mains, over 17,000 linear feet of gravity lines and new easement dedications for future expansions.
- **Erosion and Sedimentation Control:** The erosion and sediment improvements consist of silt barriers and other methods to best stabilize the improvements being constructed.
- **Engineering and Planning Costs:** Engineering fees and other expenses associated with the Authorized Improvements described above.

SECTION III –DESCRIPTION OF THE AUTHORIZED IMPROVEMENTS

- **Parks and Open Space:** A large open space (approximately 49 acres) of riparian zone natural area, meadows, and play field to be dedicated to the City to provide run and play areas and walkable access to future school, church and commercial developments on the north end of the subdivision. An additional .29-acre amenity center lot will be near the entry of the subdivision and enhanced with playground equipment for neighborhood use.

Table III Authorized Improvements	
Description	Costs
<i>Authorized Improvements</i>	
Site Work, Site Grading, and Drainage	\$ 1,389,227
Neighborhood Streets	1,614,035
Wastewater	1,931,906
Erosion and Sedimentation Control	33,251
Engineering and Planning Costs	1,904,268
Parks and Open Space	2,582,313
Total Authorized Improvements	\$ 9,455,000
Source: Developer	
Note: The figures shown in Table III and the Budgeted Costs for the Authorized Improvements may be revised in Annual Service Plan Updates, and may be reallocated between line items so long as the Authorized Improvements total does not change.	

SECTION IV- ASSESSMENT PLAN

Section IV

ASSESSMENT PLAN

A. Introduction

The PID Act requires the City Council to apportion the cost of the Authorized Improvements based on the special benefits conferred to each lot or parcel by the Authorized Improvements. The PID Act provides that the Special Assessments and the costs of the Authorized Improvements may be allocated: (i) equally per front foot or square foot; (ii) according to the value of the property as determined by the governing body, with or without regard to improvements on the property; or (iii) in any other manner that results in imposing equal shares of the cost on property similarly benefited. The PID Act further provides that the City Council may establish the methods of assessing the special benefits for various classes of improvements. **Table IV-A** details the estimated allocation of costs of the Authorized Improvements between the Assessed Property and Non-Benefited Property.

This section of this SAP is intended to describe the special benefit conferred to each Parcel within the PID as a result of the Authorized Improvements, to provide the basis and justification for the determination that this special benefit exceeds the amount of the Special Assessments, and to explain the methodologies by which the City Council allocates and reallocates the special benefit for Authorized Improvements to Parcels and Lots so that there is an equal share of the cost of the Authorized Improvements and Special Assessments being apportioned to Parcels and Lots similarly benefited. The determination by the City Council of the assessment methodology set forth below is the result of the discretionary exercise by the City Council of its legislative authority and governmental powers and is conclusive and binding on the Developer and all future owners of any Assessed Property.

B. Special Benefit

The Assessed Property must receive a direct and special benefit from the Authorized Improvements, which must be equal to or greater than the amount of the Special Assessments. The Authorized Improvements are provided for the benefit of the Assessed Property.

When the City Council approved this SAP, the Developer owned 100% of the Assessed Property. The Developer has acknowledged that the Authorized Improvements confer a special benefit on the Assessed Property and consented to the imposition of the Special Assessments to pay for the Authorized Improvements Cost associated therewith. The Developer has ratified, confirmed, accepted, agreed to and approved: (i) the determinations and findings by the City Council as to the special benefits described herein and the Assessment Order; (ii) the SAP and the Assessment Order, and (iii) the levying of Special Assessments on the Assessed Property.

SECTION IV- ASSESSMENT PLAN

The City Council determined that funding the Authorized Improvements Cost for the Authorized Improvements through the PID is beneficial to the City. Accordingly, these Authorized Improvements confer a special benefit to the Assessed Property, and such special benefit exceeds the amount of the Special Assessment levied on the Assessed Property. This conclusion is supported by the evidence, information, and testimony provided to the City.

C. Allocation of Authorized Improvements Costs

The Authorized Improvements will provide a special benefit only to the Assessed Property. The Budgeted Cost of the Authorized Improvements is, therefore, allocated entirely to Assessed Property, as shown in **Table IV-A**. The Budgeted Costs detailed in **Table IV-A** for the Authorized Improvements are subject to revision through the Annual Service Plan Updates, but may not result in increased Special Assessments except as authorized under this SAP or the PID Act.

Allocation of Authorized Improvements to Assessed Property		
Authorized Improvements	Total Cost	% Allocation [a]
Site Work, Site Grading, and Drainage	\$ 1,389,227	100%
Neighborhood Streets	1,614,035	100%
Wastewater	1,931,906	100%
Erosion and Sedimentation Control	33,251	100%
Engineering and Planning Costs	1,904,268	100%
Parks and Open Space	2,582,313	100%
Total Authorized Improvements	\$ 9,455,000	100%
[a] 100% of the Budgeted Costs for the Authorized Improvements are being allocated to Assessed Property.		

D. Special Assessment Methodology

The City Council may assess all or a portion of the Budgeted Cost of the Authorized Improvements against the Assessed Property so long as the special benefit conferred upon the Assessed Property by the Authorized Improvements equals or exceeds the amount of the Special Assessments. All or a portion of the Budgeted Cost of the Authorized Improvements may be assessed using any methodology that results in the imposition of equal shares of costs on Assessed Property similarly benefited.

SECTION IV- ASSESSMENT PLAN

For purpose of the Assessment Plan, the City Council has determined that the Budgeted Costs associated with the Authorized Improvements shall be allocated on the basis of estimated buildout value. The Budgeted Costs associated with the Authorized Improvements shall be allocated to the Assessed Property by spreading the entire Special Assessment across all benefitting Parcels and Lots within the PID based on the ratio of the estimated buildout value of such Parcel or Lot to the estimated buildout value for all Assessed Property within the PID. The results of this allocation methodology are presented in **Table IV-B**.

Based on the Budgeted Costs for the Authorized Improvements, the City Council has determined that the benefit to the Assessed Property from the Authorized Improvements is at least equal to the Special Assessments levied on the Assessed Property as subdivided into individual Parcels or Lots.

Table IV-B Special Assessment Allocation								
Lot Type	Units/ SF	% Allocation of Total Special Assessment	Buildout Value at Completion	Total Special Assessment	Average Annual Installment	Special Assessment Per Unit	Average Annual Installment Per Unit	Equivalent Tax Rate (per \$100/AV)
1	505	100.00%	\$ 133,412,376	\$ 9,455,000	\$ 710,894	\$ 18,723	\$ 1,408	\$ 0.53
Total	505	100.00%	\$ 133,412,376	\$ 9,455,000	\$ 710,894	\$ 18,723	\$ 1,408	\$ 0.53
Note: Although the actual unit counts and buildout value may vary from the allocations shown above, the initial assessment allocation for each Unit will not change unless modified in a Service Plan Update approved by the City Council, subject to the terms of this SAP, the PID Act, the City and Corporation Interlocal Agreement and any other documents associated with the creation of the PID. The above estimate assumes a 5.5975% interest rate, a 35 year term for the PID, and initial Administrative Expenses of \$35,000.								

E. Special Assessment and Annual Installments

The Special Assessments for the PID will be levied on each Parcel and Lot according to the Assessment Roll. The Annual Installments for the PID will be collected on the dates and in the amounts shown on the Assessment Roll, subject to any revisions made during an Annual Service Plan Update.

F. Administrative Expenses

The cost of administering the PID and collecting the Annual Installments shall be paid for on a pro rata basis by each Lot based on the amount of outstanding assessment remaining on the Lot. The Administrative Expenses shall be collected as part of and in the same manner as the Annual Installments in the amounts shown on the Assessment Roll shown on Appendix A, which are subject to revision through Annual Service Plan Updates.

SECTION V SERVICE PLAN

Section V

SERVICE PLAN

The PID Act requires the SAP (i) cover a period of at least five years, and (ii) define the annual projected costs for the Authorized Improvements undertaken within the PID during the five year period. It is anticipated that it will take approximately 12 months for the Authorized Improvements to be constructed and purchased by the City.

The Budgeted Cost of the Authorized Improvements and payment of expenses incurred in the establishment, administration and operation of the PID is \$9,455,000 as shown in **Table V-A**. The SAP shall be reviewed and updated at least annually for purposes of determining the annual budget for Administrative Expenses, updating the Budgeted Costs of the Authorized Improvements, and updating the Assessment Roll shown on **Appendix A**. Any update to this SAP herein is referred to as an “**Annual Service Plan Update**.”

Table V-A summarizes the funds required to purchase the Authorized Improvements, and establish the PID. The funds shown in **Table V-A** shall be updated each year in the Annual Service Plan Update to reflect any revisions to the Budgeted Cost and/or Authorized Improvements Costs, if any.

Table V-A Sources and Uses of Funds	
Sources of Funds	
Special Assessment	\$ 9,455,000
Owner Contribution	0
	\$ 9,455,000
Uses of Funds	
Authorized Improvements (a)	\$ 9,455,000
(a) See Table III and Table IV-A for details.	

SECTION V SERVICE PLAN

The Annual Installments for the first five years after the approval of this SAP are presented in **Table V-B**. The Annual Installments are subject to revision and shall be updated in the Annual Service Plan Update to reflect any change expected for each year.

Table V-B					
Projected Annual Installments					
Year	Principal Payments	Interest Expense	Administrative Expenses	Annual PID Installments	
2020	\$ 50,000	\$ 631,723	\$ 35,000	\$ 716,723	
2021	100,000	577,220	35,700	712,920	
2022	105,000	571,122	36,414	712,536	
2023	110,000	564,720	37,142	711,862	
2024	115,000	558,013	37,885	710,898	
Total	\$ 480,000	\$ 2,902,798	\$ 182,141	\$ 3,564,939	
Note: The Projected Annual Installments are the expenditures associated with the formation of the PID, the costs of formation and repayment of the PID Special Assessments as well as the administration of the PID. The estimates are based on a 35 year term for the PID and as assumed interest rate of 5.5975%.					

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

Section VI

TERMS OF THE SPECIAL ASSESSMENTS

A. Amount of Special Assessments and Annual Installments for Parcels

The Special Assessments and Annual Installments for each Assessed Property are shown on the Assessment Roll in **Appendix A-1**. The Special Assessments and Annual Installments shall not be changed except as authorized under the terms of this SAP and the PID Act. The Annual Installments shall be collected in an amount sufficient to cover the Administrative Expenses.

B. Reallocation of Special Assessments for Parcels

1. *Upon Division Prior to Recording of Subdivision Plat*

Upon the division of any Assessed Property (without the recording of a subdivision plat), the Administrator shall reallocate the Special Assessment for the Assessed Property prior to the division among the newly divided Assessed Properties according to the following formula:

$$A = B \times (C / D)$$

“A” means the Special Assessment for a Parcel or Lot created by a subdivision plat.

“B” means the Special Assessment for the subdivided Parcel or Lot prior to division.

“C” means the Special Assessment for the Lot Type applicable to a Parcel or Lot created by a subdivision plat determined by reference to **Table IV-B**.

“D” means the sum of the Special Assessments for all Assessed Property created by a subdivision plat based on the Lot Type applicable to each Parcel or Lot.

If the resulting Special Assessment for a Parcel or Lot created by a subdivision plat exceeds the Special Assessment for the Lot Type applicable to such Parcel or Lot as shown in **Table IV-B**, the excess amount shall be prepaid as a Mandatory Prepayment as provided under **Section VI.C** herein.

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

The increase or reallocation of a Special Assessment for an Assessed Parcel that is a homestead under Texas law may not exceed the Special Assessment prior to the increase or reallocation. Any increase or reallocation pursuant to this section shall be reflected in a Service and Assessment Plan Update approved by the City. The division herein shall be considered an administrative action that will not require the City to issue notice and hold a public hearing.

2. *Upon Subdivision by a Recorded Subdivision Plat*

Once a Lot has a Special Assessment applied to it pursuant to **Section VI.B.1** above, and then proceeds to be subdivided again, the Special Assessments for each affected Lot will be allocated in accordance with the formula set forth in **Section VI.B.1** above. If the resulting Special Assessments for a Lot so subdivided exceeds the Special Assessment for the Lot Type applicable to such Lot as set forth in **Table IV-B**, the excess amount shall be prepaid as a Mandatory Prepayment as provided under **Section VI.C** herein.

Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an Annual Service Plan Update approved by the City Council. The reallocation of any Special Assessment as described herein shall be considered an administrative action and will not require any notice or public hearing by the City.

3. *Upon Consolidation*

Upon the consolidation of two or more Assessed Properties, the Special Assessment for the consolidated Assessed Property shall be the sum of the Special Assessments for the Assessed Properties prior to consolidation. The reallocation of a Special Assessment for an Assessed Property that is a homestead under Texas law may not exceed the Special Assessment prior to the reallocation. Any reallocation pursuant to this section shall be calculated by the Administrator and reflected in an update to this SAP approved by the City. The consolidation of any Assessed Property as described herein shall be considered an administrative action and will not require any notice or public hearing by the City.

C. Mandatory Prepayment of Assessments

If (i) Assessed Property or a portion thereof is transferred to a party that is exempt from the payment of the Special Assessment under applicable law, (ii) an owner causes a Parcel or Lot or portion thereof to become Non-Benefited Property, or (iii) a prepayment of a portion of a Special Assessment that has been reallocated as a result of a subdivision plat is required pursuant to **Section VI.B** above, the owner of such Parcel or Lot or portion thereof shall pay to the City, as applicable, the portion of the Special Assessment to be prepaid or the full amount of the Special Assessment for such Parcel or Lot or portion thereof prior to any such transfer or act (a "Mandatory Prepayment").

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

D. Reduction of Special Assessments

1. If, after all Authorized Improvements to be funded have been purchased, the Authorized Improvements Cost is less than the Budgeted Cost used to calculate the Special Assessments, then the City will reduce the Special Assessment securing each Assessed Property pro rata such that the sum of the resulting reduced Special Assessments for all Assessed Properties equals the reduced Authorized Improvements Cost.

E. Payment of Special Assessments

1. Payment in Full and Partial Pre-Payment

- The Special Assessment for any Parcel may be paid in full at any time in accordance with the PID Act.
- If an Annual Installment has been billed prior to payment in full of a Special Assessment, the Annual Installment shall be due and payable and shall be credited against the payment-in-full amount upon payment.
- Upon payment in full of a Special Assessment, the City shall deposit the payment in accordance with the City and Corporation Interlocal Agreement; whereupon, the Special Assessment for the Lot shall be reduced to zero, and the Lot owner's obligation to pay the Special Assessment and Annual Installments thereof shall automatically terminate. The City shall provide the owner of the affected Assessed Property a recordable "**Notice of PID Assessment Termination.**"
- At the option of a Lot owner, the Special Assessment on any Lot may be paid in part in an amount equal to the amount of prepaid Special Assessments, with respect thereto. Upon the payment of such amount for a Lot, the City shall deposit the payment in accordance with the City and Corporation Interlocal Agreement, the Special Assessment for the Lot shall be reduced by the amount of such partial payment, the Assessment Roll shall be updated to reflect such partial payment, and the obligation to pay the Annual Installment for such Lot shall be reduced to the extent the partial payment is made.

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

2. Payment of Annual Installments

- The PID Act provides that a Special Assessment for a Parcel may be paid in full at any time. If not paid in full, the PID Act authorizes the City to collect interest and collection costs on the outstanding Special Assessment. A Special Assessment for a Parcel that is not paid in full will be collected in Annual Installments each year in the amounts shown in the Assessment Roll, which includes interest on the outstanding Special Assessment and Administrative Expenses. Pursuant to Section 372.018 of the PID Act, an Assessment bears interest at the rate specified by the governing body of the municipality or City beginning at the time or times or on the occurrence of one or more events specified by the governing body. The City Council has determined that the Assessments shall be paid in Annual Installments over a thirty five (35) year period, as shown in the Assessment Roll, with an interest rate not to exceed five hundred basis points above the highest average index rate for tax-exempt bonds reported in a daily or weekly bond index approved by the City Council and reported in the month prior to the establishment of the Special Assessments and continuing for a period of five years from such date. Such rate shall then adjust and shall not exceed two hundred basis points above the bond index rate described above and shall continue until the Assessments are paid in full. The index approved by the City Council is the S&P Municipal BondHigh Yield Index for which the yield to maturity on August 15, 2019 was 4.81 percent (4.81%).
- The Annual Installments as listed on the Assessment Roll have been calculated assuming an interest rate of 5.5975%. The Annual Installments may not exceed the amounts shown on the Assessment Roll except pursuant to any amendment or update to this SAP.
- The Annual Installments shall be reduced to equal the actual Administrative Expenses (as provided for in the definition of such term), taking into consideration any other available funds for these costs, such as interest income on account balances.

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

F. Collection of Annual Installments

The Administrator shall, no less frequently than annually, prepare and submit to the City for its approval an Annual Service Plan Update to allow for the billing and collection of Annual Installments. Each Annual Service Plan Update shall include an updated Assessment Roll and a calculation of the Annual Installment for each Assessed Property. Administrative Expenses shall be allocated among Assessed Properties in proportion to the amount of the Annual Installments for the Assessed Property. Each Annual Installment shall be reduced by any credits applied. Annual Installments may be collected by the City (or such entity to whom the City directs) in the same manner and at the same time as ad valorem taxes. Annual Installments shall be subject to the penalties, procedures, and foreclosure sale in case of delinquencies as set forth in the PID Act. The City may provide for other means of collecting the Annual Installments to the extent permitted under the PID Act. The Assessments shall have lien priority as specified in the PID Act.

Any sale of Assessed Property for nonpayment of the delinquent Annual Installments shall be subject to the lien established for the remaining unpaid Annual Installments against such Assessed Property and such Assessed Property may again be sold at a judicial foreclosure sale if the purchaser thereof fails to make timely payment of the non-delinquent Annual Installments against such Assessed Property as they become due and payable.

Each Annual Installment, including the interest on the unpaid amount of a Special Assessment, shall be assessed annually. Each Annual Installment together with interest thereon shall be delinquent if not paid prior to February 1 of the following year. Delinquent installments of the Special Assessments shall incur interest, penalties, Administrative Expenses, and attorney's fees in the same manner as delinquent ad valorem taxes. The initial Annual Installments will be due when billed, and will be delinquent if not paid prior to February 1, 2020.

G. Summary of City Responsibilities

The City's responsibility under the SAP shall be as follows:

1. The City shall have no responsibility for administration, assessment, collection or payment of any amounts except as specifically provided in the SAP.
2. The City's sole obligations are to:
 - Review and approve the Annual Service Plan Update including the Annual Installments due for the upcoming year;
 - Contract with the Williamson County Appraisal District or other third party to collect the Assessments;
 - Establish the assessment account ("Assessment Account") to receive the funds collected from Assessments;

SECTION VI TERMS OF THE SPECIAL ASSESSMENTS

- Pay Administrative Expenses as provided herein;
- Direct the Administrator to take all reasonable efforts to collect Assessments including foreclosure of any lien securing delinquent Assessments;
- Deposit Assessments received, including funds received from foreclosure sales, into the Assessment Account; and,
- Pay funds out of the Assessment Account as provided herein and in the City and Corporation Interlocal Agreement.

SECTION VII THE ASSESSMENT ROLL

Section VII

THE ASSESSMENT ROLL

A. Assessment Roll

The City has evaluated each Lot (based on numerous factors such as the Public Property, the types of Authorized Improvements, and other development factors deemed relevant by the City) to determine the amount of Assessed Property within the PID.

The Assessed Property will be assessed for the special benefits conferred upon the property resulting from the Authorized Improvements. **Table VII** summarizes the \$9,455,000 in special benefit received by the Assessed Property from the Authorized Improvements and the costs of the PID formation. The expected amount of the planned Special Assessment is \$9,455,000, which is less than the benefit received by the Assessed Property. Accordingly, the total Special Assessment to be applied to all the Assessed Property is \$9,455,000 plus annual Administrative Expenses. The Special Assessment for each Assessed Property is calculated based on the allocation methodologies described in **Section IV-D**. The Assessment Roll is attached hereto as **Appendix A**.

Table VII	
Special Benefit Summary	
Special Benefit Summary	Total Cost
Total Public Improvements (a)	\$ 9,455,000
Total Special Benefit	\$ 9,455,000
<i>Special Benefit</i>	
Total Special Benefit	\$ 9,455,000
Projected PID Special Assessment	\$ 9,455,000
Excess Benefit	\$ 0
(a) See Table III for details.	

B. Annual Assessment Roll Updates

The Administrator shall prepare, and shall submit to the City for approval, updates to the Assessment Roll and the Annual Service Plan Update to reflect changes such as (i) the identification of each Parcel (ii) the Special Assessment for each Assessed Property, including any adjustments authorized by this Service and Assessment Plan or in the PID Act; (iii) the Annual Installment for the Assessed Property for the year (if the Special Assessment is payable in installments); and (iv) payments of the Special Assessment, if any, as provided by **Section VI.E**. of this Service and Assessment Plan.

SECTION VIII MISCELLANEOUS PROVISIONS

Section VIII

MISCELLANEOUS PROVISIONS

A. Administrative Review

The City may elect to designate a third party to serve as Administrator of the PID. The City shall notify the Developer in writing upon appointing a third party Administrator.

To the extent consistent with the PID Act, if an owner of the Assessed Property claims that a calculation error has been made in the Assessment Roll, including the calculation of the Annual Installment, that owner must send a written notice describing the error to the Administrator no later than thirty (30) days after the date the invoice or other bill for the Annual Installment is received. If the owner fails to give such notice, such owners shall be deemed to have accepted the calculation of the Assessment Roll (including the Annual Installments) and to have waived any objection to the calculation. The Administrator shall promptly review the notice, and, if necessary, meet with the Assessed Property owner, consider written and oral evidence regarding the alleged error and decide whether, in fact, such a calculation error occurred.

If the Administrator determines that a calculation error has been made and the Assessment Roll should be modified or changed in favor of the Assessed Property owner, such change or modification shall be presented to the City Manager for approval, to the extent permitted by the PID Act. A cash refund may not be made for any amount previously paid by the Assessed Property (except for the final year during which the Assessment shall be collected), but an adjustment may be made in the amount of the Annual Installment to be paid in the following year. The decision of the Administrator regarding a calculation error relating to the Assessment Roll may be appealed to City for determination. Any amendments made to the Assessment Roll pursuant to calculation errors shall be made pursuant to the PID Act.

B. Termination of Assessments

Each Special Assessment shall terminate on the date the Special Assessment is paid in full, including payment of any unpaid Annual Installments and Delinquent Collection Costs, if any. After the termination of the Special Assessment, and the collection of any delinquent Annual Installments and Delinquent Collection Costs, the City shall provide the owner of the affected Assessed Property a recordable Notice of the PID Assessment Termination.

C. Amendments

Amendments to the Service and Assessment Plan can be made as permitted or required by the PID Act and under Texas law.

SECTION VIII MISCELLANEOUS PROVISIONS

D. Administration and Interpretation of Provisions

The City shall administer (or cause the administration of) the PID, this SAP, and all Annual Service Plan Updates consistent with the PID Act.

E. Severability

If any provision, section, subsection, sentence, clause or phrase of this SAP, or the application of same to an Assessed Property or any person or set of circumstances is for any reason held to be unconstitutional, void or invalid, the validity of the remaining portions of this Service and Assessment Plan or the application to other persons or sets of circumstances shall not be affected thereby, it being the intent of the City Council in adopting this Service and Assessment Plan that no part thereof, or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness or invalidity of any other part hereof, and all provisions of this Service and Assessment Plan are declared to be severable for that purpose.

If any provision of this SAP is determined by a court to be unenforceable, the unenforceable provision shall be deleted from this SAP and the unenforceable provision shall, to the extent possible, be rewritten to be enforceable and to give effect to the intent of the City.

APPENDIX A

Appendix A
Assessment Roll

Appendix A					
Special Assessment by Property Owner					
Parcel	Tax Parcel ID	Acres	Owner	Special Assessment	Equivalent Tax Rate
A	R020381	147.92	Hutto 1660 LP	\$ 9,120,801	\$ 0.53
B	R325413	4.42	Hutto 1660 LP	\$ 272,539	\$ 0.53
C	R020382	1.00	Hutto 1660 LP	\$ 61,660	\$ 0.53
		153.34		\$ 9,455,000	\$ 0.53
Preliminary and subject to change					

APPENDIX A

Appendix A-1 **Annual Installments**

APPENDIX A

Appendix A-1 Annual Installments					
Year Ending (a)	PID Reimbursement			Administrative Expenses (b)	Annual Installment (c)
	Principal	Interest	Net Debt Service		
2020	\$ 50,000	\$ 631,723	\$ 681,723	\$ 35,000	\$ 716,723
2021	\$ 100,000	\$ 577,220	\$ 677,220	\$ 35,700	\$ 712,920
2022	\$ 105,000	\$ 571,122	\$ 676,122	\$ 36,414	\$ 712,536
2023	\$ 110,000	\$ 564,720	\$ 674,720	\$ 37,142	\$ 711,862
2024	\$ 115,000	\$ 558,013	\$ 673,013	\$ 37,885	\$ 710,898
2025	\$ 120,000	\$ 551,001	\$ 671,001	\$ 38,643	\$ 709,643
2026	\$ 130,000	\$ 543,684	\$ 673,684	\$ 39,416	\$ 713,099
2027	\$ 135,000	\$ 535,757	\$ 670,757	\$ 40,204	\$ 710,961
2028	\$ 140,000	\$ 527,525	\$ 667,525	\$ 41,008	\$ 708,533
2029	\$ 150,000	\$ 518,989	\$ 668,989	\$ 41,828	\$ 710,817
2030	\$ 160,000	\$ 509,843	\$ 669,843	\$ 42,665	\$ 712,507
2031	\$ 165,000	\$ 500,087	\$ 665,087	\$ 43,518	\$ 708,605
2032	\$ 175,000	\$ 490,026	\$ 665,026	\$ 44,388	\$ 709,414
2033	\$ 185,000	\$ 479,355	\$ 664,355	\$ 45,276	\$ 709,631
2034	\$ 195,000	\$ 468,075	\$ 663,075	\$ 46,182	\$ 709,256
2035	\$ 210,000	\$ 456,185	\$ 666,185	\$ 47,105	\$ 713,290
2036	\$ 220,000	\$ 443,380	\$ 663,380	\$ 48,047	\$ 711,427
2037	\$ 230,000	\$ 429,965	\$ 659,965	\$ 49,008	\$ 708,974
2038	\$ 245,000	\$ 415,941	\$ 660,941	\$ 49,989	\$ 710,930
2039	\$ 260,000	\$ 401,002	\$ 661,002	\$ 50,988	\$ 711,991
2040	\$ 275,000	\$ 385,149	\$ 660,149	\$ 52,008	\$ 712,157
2041	\$ 290,000	\$ 368,381	\$ 658,381	\$ 53,048	\$ 711,429
2042	\$ 305,000	\$ 350,698	\$ 655,698	\$ 54,109	\$ 709,807
2043	\$ 325,000	\$ 332,100	\$ 657,100	\$ 55,191	\$ 712,292
2044	\$ 340,000	\$ 312,284	\$ 652,284	\$ 56,295	\$ 708,579
2045	\$ 360,000	\$ 291,552	\$ 651,552	\$ 57,421	\$ 708,973
2046	\$ 380,000	\$ 269,601	\$ 649,601	\$ 58,570	\$ 708,171
2047	\$ 405,000	\$ 246,431	\$ 651,431	\$ 59,741	\$ 711,172
2048	\$ 430,000	\$ 221,736	\$ 651,736	\$ 60,936	\$ 712,671
2049	\$ 455,000	\$ 195,516	\$ 650,516	\$ 62,155	\$ 712,671
2050	\$ 480,000	\$ 167,773	\$ 647,773	\$ 63,398	\$ 711,170
2051	\$ 505,000	\$ 138,505	\$ 643,505	\$ 64,666	\$ 708,170
2052	\$ 535,000	\$ 107,712	\$ 642,712	\$ 65,959	\$ 708,671
2053	\$ 570,000	\$ 75,091	\$ 645,091	\$ 67,278	\$ 712,369
2054	\$ 600,000	\$ 40,335	\$ 640,335	\$ 68,624	\$ 708,959
Totals	\$ 9,455,000	\$ 13,676,472	\$ 23,131,472	\$ 1,749,807	\$ 24,881,279

(a) The dates represent the fiscal year ending 12/31/xx for the PID.

(b) Preliminary Estimate. The Administrative Expenses will be revised in Annual Service Plan Updates based on actual costs.

(c) Annual Installments are calculated assuming a 5.5975% interest rate for the 35 year term of the PID plus Administrative Expenses.

APPENDIX A

Appendix A-2 Annual Installments- Lot Type 1 per Lot					
Year Ending (a)	PID Reimbursement			Administrative Expenses (b)	Annual Installment (c)
	Principal	Interest	Net Debt Service		
2020	\$ 99	\$ 1,251	\$ 1,350	\$ 69	\$ 1,419
2021	\$ 198	\$ 1,143	\$ 1,341	\$ 71	\$ 1,412
2022	\$ 208	\$ 1,131	\$ 1,339	\$ 72	\$ 1,411
2023	\$ 218	\$ 1,118	\$ 1,336	\$ 74	\$ 1,410
2024	\$ 228	\$ 1,105	\$ 1,333	\$ 75	\$ 1,408
2025	\$ 238	\$ 1,091	\$ 1,329	\$ 77	\$ 1,405
2026	\$ 257	\$ 1,077	\$ 1,334	\$ 78	\$ 1,412
2027	\$ 267	\$ 1,061	\$ 1,328	\$ 80	\$ 1,408
2028	\$ 277	\$ 1,045	\$ 1,322	\$ 81	\$ 1,403
2029	\$ 297	\$ 1,028	\$ 1,325	\$ 83	\$ 1,408
2030	\$ 317	\$ 1,010	\$ 1,326	\$ 84	\$ 1,411
2031	\$ 327	\$ 990	\$ 1,317	\$ 86	\$ 1,403
2032	\$ 347	\$ 970	\$ 1,317	\$ 88	\$ 1,405
2033	\$ 366	\$ 949	\$ 1,316	\$ 90	\$ 1,405
2034	\$ 386	\$ 927	\$ 1,313	\$ 91	\$ 1,404
2035	\$ 416	\$ 903	\$ 1,319	\$ 93	\$ 1,412
2036	\$ 436	\$ 878	\$ 1,314	\$ 95	\$ 1,409
2037	\$ 455	\$ 851	\$ 1,307	\$ 97	\$ 1,404
2038	\$ 485	\$ 824	\$ 1,309	\$ 99	\$ 1,408
2039	\$ 515	\$ 794	\$ 1,309	\$ 101	\$ 1,410
2040	\$ 545	\$ 763	\$ 1,307	\$ 103	\$ 1,410
2041	\$ 574	\$ 729	\$ 1,304	\$ 105	\$ 1,409
2042	\$ 604	\$ 694	\$ 1,298	\$ 107	\$ 1,406
2043	\$ 644	\$ 658	\$ 1,301	\$ 109	\$ 1,410
2044	\$ 673	\$ 618	\$ 1,292	\$ 111	\$ 1,403
2045	\$ 713	\$ 577	\$ 1,290	\$ 114	\$ 1,404
2046	\$ 752	\$ 534	\$ 1,286	\$ 116	\$ 1,402
2047	\$ 802	\$ 488	\$ 1,290	\$ 118	\$ 1,408
2048	\$ 851	\$ 439	\$ 1,291	\$ 121	\$ 1,411
2049	\$ 901	\$ 387	\$ 1,288	\$ 123	\$ 1,411
2050	\$ 950	\$ 332	\$ 1,283	\$ 126	\$ 1,408
2051	\$ 1,000	\$ 274	\$ 1,274	\$ 128	\$ 1,402
2052	\$ 1,059	\$ 213	\$ 1,273	\$ 131	\$ 1,403
2053	\$ 1,129	\$ 149	\$ 1,277	\$ 133	\$ 1,411
2054	\$ 1,188	\$ 80	\$ 1,268	\$ 136	\$ 1,404
Totals	\$ 18,723	\$ 27,082	\$ 45,805	\$ 3,465	\$ 49,270

(a) The dates represent the fiscal year ending 12/31/xx for the PID.

(b) Preliminary Estimate. The Administrative Expenses will be revised in Annual Service Plan Updates based on actual costs.

(c) Annual Installments are calculated assuming a 5.5975% interest rate for the 35 year term of the PID plus Administrative Expenses.

APPENDIX B

Appendix B

Legal Description

FIELD NOTES

FOR

A 153.340 ACRE, OR 6,679,481 SQUARE FOOT, TRACT OF LAND BEING A PORTION OF A CALLED 169.99 ACRE TRACT RECORDED IN DOCUMENT NO. 2019000072 OF THE OFFICIAL PUBLIC RECORDS OF WILLIAMSON COUNTY, TEXAS, SITUATED IN THE JOHN DYKES SURVEY, ABSTRACT NO. 186, AND IN THE CCD CO. SURVEY, SECTION NO. 204, ABSTRACT NO. 693, AND ALSO IN THE JOSIAS B. BEALLE SURVEY, ABSTRACT NO. 97, ALL IN WILLIAMSON COUNTY, TEXAS. SAID 153.340 ACRE TRACT BEING MORE FULLY DESCRIBED AS FOLLOWS, WITH BEARINGS BASED ON THE NORTH AMERICAN DATUM OF 1983 (NA 2011) EPOCH 2010.00, FROM THE TEXAS COORDINATE SYSTEM ESTABLISHED FOR THE CENTRAL ZONE;

BEGINNING at a ½" iron rod found on the northwest corner of a called 0.50 acre tract recorded in Document No. 2000040392 of the Official Public Records of Williamson County, Texas, same being a point in the east right-of-way line of F.M. 1660, an 80-foot right-of-way recorded in Volume 476, Page 593 of the Deed Records of Williamson County, Texas for the southeast corner and **POINT OF BEGINNING** hereof, from which a TXDOT Type I monument found bears, S 22°01'31" E, 688.30 feet;

THENCE with the east right-of-way line of said F.M. 1660, same being the west boundary line of said 169.99 acre tract the following two (2) courses and distances:

1. N 22°01'31" W, a distance of 935.01 feet to a TXDOT Type I monument found, and
2. N 21°04'51" W, a distance of 1071.21 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the west boundary line of said 169.99 acre tract, same being the east right-of-way line of said F.M. 1660 for the northwest corner hereof, from which a TXDOT Type I monument found bears N 21°04'51" W, 1001.02 feet;

THENCE, departing the east right-of-way line of said F. M. 1660, through the interior of said 169.99 acre tract, the following three (3) courses and distances:

1. N 68°33'50" E, a distance of 1312.44 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a north corner hereof,
2. S 51°25'33" E, a distance of 216.15 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a north corner hereof, and
3. N 21°26'10" E, a distance of 711.67 feet to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the north boundary line of said 169.99 acre tract, same being a point in the south boundary line of a called 65.00 acre tract recorded in Document No. 2009044814 of the Official Public Records of Williamson County, Texas for a north corner hereof;

APPENDIX B

153.340 Acre
Job No. 51048-00
Page 2 of 2

THENCE N 68°33'50" E, with the south boundary line of said 65.00 acre tract, same being the north boundary line of said 169.99 acre tract, a distance of **1189.71 feet** to a an iron rod with cap marked "Lenz & Assoc." found on the southeast corner of said 65.00 acre tract, same being a point in the west boundary line of a called 27.36 acre tract recorded in Volume 866, Page 661 of the Deed Records of Williamson County, Texas for the northeast corner hereof, from which an iron rod with cap marked "Lenz and Assoc." found on the northeast corner of said 65.00 acre tract bears, N 21°41'22" W, 1087.75 feet;

THENCE S 21°41'22" E, with the east boundary line of said 169.99 acre tract, same being in part the west boundary line of said 27.36 acre tract, also being in part the west boundary line of a remnant portion of called 107 acre tract recorded in Volume 309, Page 269 of the Deed Records of Williamson County, Texas and being in part the west boundary line of a called 10.00 acre tract recorded in Document No. 2008053240 of the Official Public Records of Williamson County, Texas, a distance of **3375.35 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set on a point in the north boundary line of Rivers Crossing Subdivision, Phase Three, a subdivision according to the plat recorded in Cabinet X, Slide 250 of the Plat Records of Williamson County, Texas for a southeast corner hereof, from which a ½" iron rod found on the northeast corner of said Rivers Crossing Subdivision, Phase Three bears, S 82°15'05" E, 522.64 feet;

THENCE with the north boundary line of said Rivers Crossing Subdivision, Phase Three, same being the south boundary line of said 169.99 acre tract the following four (4) courses and distances:

1. **N 82°15'05" W**, a distance of **656.59 feet** to a ½" iron rod found for a south corner hereof,
2. **N 83°17'18" W**, a distance of **456.80 feet** to a ½" iron rod with yellow cap marked "Pape-Dawson" set for a south corner hereof,
3. **S 79°27'12" W**, a distance of **893.10 feet** to a ½" iron rod found for a south corner hereof, and
4. **S 78°54'12" W**, at a distance of **772.40 feet** passing through a 2" iron pipe found in the south boundary line of the aforementioned 169.99 acre tract, continuing with the south boundary line of said 169.99 acre tract, same being the north boundary line of said 0.50 acre tract for a total distance of **781.81 feet** to the **POINT OF BEGINNING**, and containing 153.340 acres in Williamson County, Texas. Said tract being described in accordance with a survey map prepared by Pape-Dawson Engineers, Inc. under Job No. 51048-00.

PREPARED BY: Pape-Dawson Engineers, Inc.
DATE: February 18, 2019
JOB No.: 51048-00
DOC.ID.: H:\survey\CIVIL\51048-00 MUSTANG CREEK\Word\FN-51048-00_153.340Ac.docx
TBPE Firm Registration #470
TBPLS Firm Registration #100288-01

Parcel Map

Regular City Council
AGENDA ITEM
9.B.



To: City Council
Subject: Consideration and possible action on the second reading of an ordinance amending the Code of Ordinances (2014 Edition), Chapter 16, Article 16.02 Unified Development Code (UDC) Chapter 10 Section 10.202.2: Definitions, Section 10.605.3 and 10.605.10 General Provisions. (Ashley Lumpkin)
Meeting: Regular City Council - 22 Aug 2019
Department: Development Services
Staff Contact: Ashley Lumpkin,

BACKGROUND INFORMATION:

The following is a City initiated amendment of the Code of Ordinances (2018 edition), Chapter 16, Article 6.02 Unified Development Code (UDC), Chapter 2, Section 10.202.2, Definitions, Chapter 10, Section 10.605.3, Phasing Plan Requirements and Section 10.605.10, Street Projections.

These are amendments to the Definitions and Subdivision Standards sections of the UDC. The proposed amendment for Chapter 2, Section 10.202.2 adds a definition to the UDC for a Public Way.

The proposed code change for Chapter 10, Section 10.605.3, Phasing Plan Requirements, allows for lots in the Extraterritorial jurisdiction to be a minimum of one (1) acre in size and for lots in the Extraterritorial Jurisdiction established for special purposes such as common area, open space, parkland, floodplain, drainage, utilities, or similar facilities shall be uniquely named and are not required to meet the minimum lot size.

The proposed code change for Chapter 10, Section 10.605.10, Street Projections, requires that when a public street is provided internal to the platting property and adjoining areas are not platted, the platting subdivision shall provide street projections to such areas by projecting a public street at intervals no fewer than the maximum block length along the perimeter boundary of the subdivision. Where abutting properties are landlocked, a street connection or street frontage shall be provided through the platting property. In lieu of a public street, a Public Way may satisfy a required street projection when the Public Way is projected to future non-residential or multi-family development and can be continued through that development to a public street.

FINANCIAL IMPACT:

There is no financial impact.

RECOMMENDATION:

Staff recommends that the Council approve the ordinance. The Council may dispense with the second reading of the ordinance.

ATTACHMENTS:

[UDCAmend\(20\)Ord\(Complete\)](#)

ORDINANCE NO.

AN ORDINANCE OF THE CITY OF HUTTO, TEXAS AMENDING THE CODE OF ORDINANCES (2014 EDITION), CHAPTER 16, ARTICLE 16.02 UNIFIED DEVELOPMENT CODE (UDC) CHAPTER 10, SECTION 10.202.2: DEFINITIONS AND SECTIONS 10.605.3 AND 10.605.10 GENERAL PROVISIONS; REPEALING CONFLICTING ORDINANCES AND RESOLUTIONS, AND ESTABLISHING AN EFFECTIVE DATE.

WHEREAS, an amendment has been presented to the City Council of the City of Hutto, Texas to amend the Code of Ordinances (2014 Edition), Chapter 16, Article 16.02 Unified Development Code (UDC), incorporating amendments into Chapter 10, Section 10.202.2, 10.605.3 and 10.605.10, and;

WHEREAS, the Planning and Zoning Commission recommended approval of the proposed amendment on the 4th day of August 6, 2019, and;

WHEREAS, on the 15th day of August, 2019, after proper notification, the City Council held a public hearing on the proposed amendment, and;

WHEREAS, the City Council determines that the amendment provided for herein promotes the health, safety, morals and protects and preserves the general welfare of the community, and;

WHEREAS, each and every requirement set forth in Chapter 211, Sub-Chapter A., Texas Local Government Code concerning public notices, hearings, and other procedural matters has been fully complied with, Now therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF HUTTO, TEXAS:

SECTION I.

1.

That the Code of Ordinances (2014 Edition), Chapter 16, Article 16.02 Hutto Unified Development Code (UDC), Chapter 10, Section 10.202.2 is hereby amended to include the changes described in **Exhibit "A"** attached hereto and incorporated herein.

2.

That the Code of Ordinances (2014 Edition), Chapter 16, Article 16.02 Hutto Unified Development Code (UDC), Chapter 10, Section 10.605.3 is hereby amended to include the changes described in **Exhibit "A"** attached hereto and incorporated herein.

3.

That the Code of Ordinances (2014 Edition), Chapter 16, Article 16.02 Hutto Unified Development Code (UDC), Chapter 10, Section 10.605.10 is hereby amended to include the changes described in **Exhibit "A"** attached hereto and incorporated herein.

SECTION II. Publication Clause

The City Secretary of the City of Hutto is hereby authorized and directed to publish the caption of this ordinance in the manner and for the length of time prescribed by law.

SECTION III. Severability Clause

The provisions of this ordinance are severable, and if any sentence, section, or other parts of this ordinance should be found to be invalid, such invalidity shall not affect the remaining provisions, and the remaining provisions shall continue in full force and effect.

SECTION IV. Repealing Clause

All ordinances and resolutions and parts thereof in conflict herewith are hereby expressly repealed insofar as they conflict.

SECTION V. Open Meeting Clause

The City Council hereby finds and declares that written notice of the date, hour, place, and subject of the meeting at which this ordinance was adopted was posted and that such meeting was open to the public as required by law at all times during which this ordinance and the subject hereof were discussed, considered, and formerly acted upon, all as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended.

SECTION VI. Effective Date

This ordinance shall take effect and be in force from and after its passage.

READ and APPROVED on first reading on this the **22nd** day of **August, 2019** at a meeting of the Hutto, Texas City Council; there being a quorum present.

READ, PASSED and ADOPTED on second reading of ordinance this **22nd** day of **August, 2019** at a meeting of the Hutto, Texas City Council; there being a quorum present.

THE CITY OF HUTTO, TEXAS

Doug Gaul, Mayor

Attest:

Lacie Hale, City Secretary



Unified Development Code

City of Hutto Code of Ordinances

Chapter 16

(amended: 03-2018)

Public use: uses intended to be conducted in a facility or on land owned by and operated for public use by a public agency or by city, county, state or federal governments.

Public Way: the surface of, and the space above and below, a public street, road, highway, freeway, land, path, right-of-way or place, alley, court, boulevard, parkway, or other easement now or hereafter held by the City (including any street, as defined, which is acquired by eminent domain) for the purpose of public travel and shall include other easements or rights-of-way now or hereafter held by the City or in which the City has an interest (including any easements or rights-of-way acquired by eminent domain) which shall, with their proper use and meaning, entitle the City and a utility to use thereof for the purpose of installing facilities, and other property as may ordinarily be necessary and pertinent to a utility system.

Quoin: selected pieces of material marking the building corner. In stone, the quoins consist of blocks larger than those used in the rest of the building, and cut to dimension. In brickwork, quoins consist of groups or masses of brick laid together, and in a certain imitation of quoins of stone. With EIFS (Exterior Insulation Finish System), quoins are trim details with the appearance of corner stones.



Quoin

Rafter: parallel beams supporting a roof (similar to how joists support floors and ceilings).

Rearage road: minor street or access road next to an arterial route, at the rear of a parcel, intended to control access to an arterial route, connect contiguous parcels, and give access to parcels without curb cuts on the arterial route.

Rear Alley (RA): a vehicular way located to the rear of Lots providing access to service areas, parking, and Outbuildings and containing utility easements. Rear Alleys should be paved from building face to building face, with drainage by inverted crown at the center or with roll Curbs at the edges.

Rear Lane (RL): a vehicular way located to the rear of Lots providing access to service areas, parking, and Outbuildings and containing utility easements. Rear Lanes may be paved lightly to Driveway standards.

The streetscape consists of gravel or landscaped edges, has no raised Curb, and is drained by percolation.

Reconstruction: depicting, usually by new construction, the form, features and detailing of a nonsurviving site, landscape, building, structure, or object for replicating its appearance at a specific time and in its

- Each phase of a development needs to be “stand alone” for utilities, fire protection, streets and stormwater management. Phase lines must follow reasonable and logical boundaries, such as terminating at intersections or following topographical breaks.
- Phases should be created so each phase consists of at least 15% of the total number of lots in a development.
- Phases must be constructed in the approved manner to ensure orderly and planned development.
- Phases must be planned to ensure the efficient construction of adjacent future phases (phases immediately next to the subject phase, sharing a common boundary line), and to ensure that phased development is contiguous.
- Lot numbers shall not be duplicated in different phases of the same subdivision.
- Each proposed phase must, at a minimum, include the transportation, utility, and other public/private infrastructure shown on the proposed phasing plans, so each phase is independent of later phases.
- Right-of-way and/or easements for public infrastructure servicing the respective phase must be recorded with the first plat.
- Water and sewer extension permit applications for each individual phase of the project are required after plan approval.
- Lots located in the Extraterritorial Jurisdiction shall be a minimum of one (1) acre in size.
- Lots located in the Extraterritorial Jurisdiction established for special purposes such as common area, open space, parkland, floodplain, drainage, utilities, or other similar facilities shall be uniquely named and are not required to meet the minimum lot size.

10.605.4 Construction plans submission

10.605.4.1 Submittal

Subdivision improvement construction plans shall be submitted for review and approval by the City Engineer for all development for which public improvements are required.

10.605.4.2 Developer must retain engineer

The developer must retain the services of an engineer registered in the state of Texas, whose seal shall be placed on the subdivision improvement construction plans in accordance with the Texas Engineering Practice Act. The engineer shall be responsible for the services described in City Standards. The services performed by the engineer shall be as designated in the latest edition of the “Manual of Professional Practice – General Engineering Services,” published by the Texas Society of Professional Engineers, and shall include both design and inspection as defined in this code.

10.605.4.3 Submittal content

Except as provided in this code, after preliminary plat approval, subdivision improvement construction plans may be submitted to the City Engineer for approval. The subdivision improvement construction plans submittal shall include all of the information specified in the development application.

10.605.4.4 10.505.4.4 State review

All subdivision improvement construction plans must comply with the Texas Accessibility Standards administered by the Texas Department of Licensing and Regulation (TDLR) and the Americans with Disabilities Act of 1990, as amended. The developer shall submit applicable portions of the subdivision improvement construction plans to TDLR for review. Upon the completion of construction, the developer shall request inspection of all pedestrian facilities by the TDLR and pay all necessary fees. The City will not accept the public improvements until the developer provides evidence that the plans have been reviewed and approved by TDLR and that payment of the required inspection fees has been made.

10.605.4.5 Expiration of approval subdivision improvement construction plans

The subdivision improvement construction plans will expire 2 years from the date of approval by the City Engineer if construction has not commenced. Even after construction has commenced, the approved subdivision improvement construction plans will expire 3 years from the date of approval. If approved

The property owner or developer must install street lighting along proposed public and/or private streets, streets, and along existing streets adjoining the property. Development Services and Public works staffs approve street light location and design. Illumination must conform to lighting regulations in Section 10.409. The subdivider or developer is required to replace or repair lights that are damaged during construction.

10.605.10 Street Projections

When a public street is provided internal to the platting property and adjoining areas are not platted, the platting subdivision shall provide street projections to such areas by projecting a public street at intervals no fewer than the maximum block length along the perimeter boundary of the subdivision.

Where abutting properties are landlocked, a street connection or street frontage shall be provided through the platting property.

In lieu of a public street, a Public Way may satisfy a required street projection when the Public Way is projected to future non-residential or multi-family development and can be continued through that development to a public street.

10.606 Assurances for improvement completion

10.606.1 Applicability

This section applies in the following areas.

City of Hutto conventional zoned areas	City of Hutto FBC Form Based Code zoning district	City of Hutto OT Old Town zoning district	Hutto extraterritorial jurisdiction (ETJ)
Yes	Yes	Yes	Yes

10.606.2 Improvements or surety instrument before final plat recording

On approval of a final plat by City Council, but before recording, the applicant must:

- Construct all improvements as required by this chapter, and provide a surety instrument guaranteeing their maintenance as required in this code; or
- Provide a surety instrument in accordance with this UDC guaranteeing construction of all improvements required by this article and in this code and other applicable regulations.

10.606.3 Completion of improvements

Before the final plat is recorded, the developer must:

- Complete all improvements required by this article according to the approved construction plans and subject to the City Engineer's approval and the City's acceptance, except as otherwise provided.
- Construct all sidewalks in common areas and at street corners as shown on the approved final plat and according to the City's regulations or the City's standard details and specifications. Sidewalks must be constructed and approved for each lot before a certificate of occupancy is issued.

10.606.4 Fiscal security

A developer must post fiscal security with the City prior to a request for recordation of the final plat if the public improvements have not been accepted by the City and provided that the subdivision improvement construction plans have been approved by the City Engineer.

Regular City Council
AGENDA ITEM
10.A.



To:
Subject: Consideration and possible appointments to City Boards and Commissions. (Lacie Hale, City Secretary)
Meeting:
Department: City Secretary
Staff Contact: Lacie Hale, City Secretary

BACKGROUND INFORMATION:

On July 7, 2018, the City Council approved Ordinance O-18-07-05-8B that changed the terms of service of the boards, commissions and corporation members to be realigned to match those of the council places and terms. Beginning July 1, 2019, new terms will expire on June 30, of the corresponding Council Member term. All current board and commission members have been assigned Place numbers to coincide with existing council members.

FINANCIAL IMPACT:

Not applicable.

POLICY IMPLICATIONS:

Not applicable.

RECOMMENDATION:

Not applicable.

ATTACHMENTS:

[Boards and Commissions Realignment.MASTER.08.9.2019](#)

Boards and Commissions Master
Transition

Council Member Place 1	Scott Rose	May-20
Council Member Place 2	Tom Hines	May-21
Council Member Place 3	Mike Snyder	May-22
Council Member Place 4	Peter Gordon	May-20
Council Member Place5	Patti Turner	May-21
Council Member Place 6	Tanner Rose	May-22
Mayor (Place 7)	Doug Gaul	May-22

*All Boards and Commissions terms Realigned for appointment in June
Terms Run 7/1 to 6/30 unless otherwise indicated*

Last update: 8/19/2019

Planning & Zoning Commission							
Meets: 1st Tuesday @ 7:00pm of each month in the City Council Chamber							
2 yr Terms Per Charter							
Liaison - Ashley Lumpkin							
					Appointed	Term Ends	Phone
	Place 1	Davey	Robinson	Commissioner	September 20, 2018	June 20, 2020	
	Place 2	Randal	Clark	Commissioner	December 6, 2018	June 20, 2020	
	Place 3	Jessica	Romigh	Chair	July 3, 2019	June 30, 2021	
	Place 4	Tony	Wertz	Vice-Chair	July 3, 2019	June 30, 2021	
	Place 5	Richard	Hudson	Commissioner	August 2, 2018	June 20, 2020	
	Place 6	Kyle	Lovinggood	Commissioner	August 1, 2019	June 30, 2021	
	Place 7	Susanna	Boyer	Commissioner	August 1, 2019	June 30, 2021	
Parks Advisory Board							
Meets: 2nd Wednesday @ 7:00pm of each month in the City Council Chamber							
Liaison - Jeffrey White							
					Appointed	Term Ends	
	Place 1	Katie	Weiss	Member	September 20, 2018	June 30, 2020	
	Place 2	Michael	Orman	Member	September 20, 2018	June 30, 2021	
	Place 3	Patrick	Donathan	Member	July 3, 2019	June 30, 2022	
	Place 4	Liaga	Gasu	Member	June 20, 2019	June 30, 2020	
	Place 5	Dana	Lively	Member	July 3, 2019	June 30, 2021	
	Place 6	Rose	McMillin	Member	June 20, 2019	June 30, 2022	
	Place 7	Perry	Savard	Acting Chair	June 20, 2019	June 30, 2022	
Library Advisory Board							
Meets: Quarterly @ 6:00pm of each month in the City Council Chamber							
Liaison - Lisa Riggs							
					Appointed	Term Ends	
	Place 1	Christina	Garza	Member	May 16, 2019	June 30, 2020	
	Place 2	Dwight	Baker	Chair	September 20, 2018	June 30, 2021	
	Place 3	Tara	Chappell	Vice Chair	July 3, 2019	June 30, 2022	
	Place 4	Kathi	Shilling	Member	September 20, 2018	June 30, 2020	
	Place 5	Havala	Merit	Member	May 16, 2019	June 30, 2021	
	Place 6	Vacant		Member		June 30, 2022	
	Place 7	Vacant		Member		June 30, 2022	
Zoning Board of Adjustments							
Meets: 4th Wednesday @ 7:00pm of each month in the City Council Chamber							
Liaison - Ashby Grundman							
					Appointed	Term Ends	
	Place 1	Bryan	Dempsey	Member	January 17, 2019	June 30, 2020	
	Place 2	Thomas	McGowan	Member	September 20, 2018	June 30, 2021	
	Place 3	David	Meyer	Member	July 3, 2019	June 30, 2022	
	Place 4	Wendell	Teltow	Member	June 20, 2019	June 30, 2020	
	Place 5	Vacant		Member		June 30, 2021	
	Place 6	Maureen	Rooker	Member	June 20, 2019	June 30, 2022	
	Place 7	Vacant		Member		June 30, 2022	
Historic Preservation Commission							
Meets: 4th Tuesday @ 6:00pm of each month in the City Council Chamber							
Liaison - John Byrum							
					Appointed	Term Ends	
	Place 1	DeAnne	Worley	Commissioner	July 3, 2019	June 30, 2020	
	Place 2	Mary	Belton	Commissioner	August 2, 2018	June 30, 2021	
	Place 3	Curtis	Orton	Commissioner	September 20, 2018	June 30, 2022	
	Place 4	Robert	Lykins	Commissioner	September 20, 2018	June 30, 2020	
	Place 5	Vacant		Commissioner		June 30, 2021	
	Place 6	Travis	Allen	Commissioner	June 20, 2019	June 30, 2022	
	Place 7	Vacant		Commissioner		June 30, 2022	
Building and Standards Commission							
Meets: As Needed in the City Council Chamber							
Liaison - Tamera Baird							
					Appointed	Term Ends	
	Place 1	Troy	Manella	Commissioner	January 3, 2019	June 30, 2020	
	Place 2	Olinda	Ramirez	Commissioner	September 20, 2018	June 30, 2021	
	Place 3	Kendrick	Whittington	Commissioner	August 2, 2018	June 30, 2022	
	Place 4	Bryan	Dempsey	Commissioner	June 20, 2019	June 30, 2020	
	Place 5	Tom	Brown	Commissioner	September 20, 2018	June 30, 2021	
	Place 6	Maureen	Rooker	Commissioner	June 20, 2019	June 30, 2022	
	Place 7	Richard	Hudson	Commissioner	June 20, 2019	June 30, 2022	
Ethics Review Commission							
Meets: As Needed in the City Council Chamber (at least once a year)							
Liaison - Lacie Hale							
					Appointed	Term Ends	
	Place 1	Craig	Cargill	Member	September 20, 2018	June 30, 2020	
	Place 2	Lori	Brown-Duncan	Vice-Chair	September 20, 2018	June 30, 2021	
	Place 3	Bill	Kohl	Member	July 11, 2019	June 30, 2022	
	Place 4	Russell	Daniel	Chair	September 20, 2018	June 30, 2020	
	Place 5	Dana	Lively	Member	September 20, 2018	June 30, 2021	
	Place 6	April	Willis	Member	August 15, 2019	June 30, 2022	
	Place 7	Vacant		Member		June 30, 2022	
Economic Development Corporation							
Meets: 1st Monday @ 6:30pm of each month in the City Council Chamber							
Liaison - Tim Jordan							
					Appointed	Term Ends	
	Place 1	Nelson	Nagle	Treasurer	July 3, 2019	June 30, 2021	
	Place 2	James	Guzman	Member	June 20, 2019	June 30, 2021	
	Place 3	Dan	Thornton	Secretary	July 3, 2019	June 30, 2021	
	Place 4	Don	Carlson	Member	July 3, 2019	June 30, 2021	
	Place 5	Kevin	LaFrance	Member	July 3, 2019	June 30, 2021	
	Place 6	Henry	Gideon	Vice-Chair	June 20, 2019	June 30, 2021	
	Place 7	Steve	Harris	Chair	June 20, 2019	June 30, 2021	