

On behalf of the **City of West Lake Hills**.

December 16, 2025

Attn: Trey Fletcher
4010 Bee Cave Rd
West Lake Hills, TX 78746

Re: 3311 Gentry Road – Preliminary Wastewater (WW) Preliminary Capacity Review – Revision 2

The following information regarding existing and proposed site conditions and development has been provided by the City of West Lake Hills (City) through email correspondence. This preliminary capacity review is intended to guide the City in determining whether to approve, deny, or conditionally approve the proposed connection to the City's wastewater collection system.

The proposed residential development is located at 3311 Gentry Road, within the Redbud service area. The previously issued letter (Revision 1, dated November 18, 2025) for this capacity review addressed both 3311 Gentry Road and the adjacent Sugar Creek lot, as requested by the permit applicant. Given the existing Travis County WCID No. 10 decommissioned water supply and distribution system infrastructure on the Sugar Creek lot, the applicant has requested a revised capacity review for 3311 Gentry Road lot only. Should a future replat of both lots still be intended, the property owner shall provide all applicable documentation outlined in Revision 1.

As identified by the property owner via email, portion of the existing decommissioned water ground storage tank is currently located within the boundaries of the 3311 Gentry Rd lot. The abandonment/plugging of infrastructure must be completed and documented in accordance with local ordinances and regulating entities.

Per the City of West Lake Hills & City of Austin 2005 Wastewater Agreement Revision, the Redbud service area was limited to a peak wastewater discharge flow of 600 gallons per minute (gpm). Per the 2013 Agreement Revision, flows were allocated to other service areas, thus Redbud's capacity was rectified to a peak wastewater discharge flow of 570 gallons per minute (gpm). Portion of this service area flows are collected at The Westbank Lift Station (LS), which then discharges into Austin Water's wastewater collection system. Recent LS data analysis from a July 2025 monitoring event identified an existing current LS pumping capacity of 130gpm. The identified LS capacity is limited by existing downstream infrastructure, sized to accommodate peak rates of up to 170gpm during wet weather and flooding events.

Following issuance of Revision 1 letter, the City provided additional collection system record drawings for HR Green's review. Prior collection-system shapefiles (prepared by others) identified an existing gravity main along Sugar Creek Drive. However, the 2002 West Lake Hills Phase 1 drawings (developed by PBS&J) propose construction of a low-pressure sewer main where the gravity main had been previously indicated as existing. To the City's best knowledge and based on records available to date, connections along Gentry Road and Sugar Creek Drive tie into a low-pressure main. In contrast to the recommendations provided as part of Revision 1, the service connection should be made along Gentry Road. The property owner's surveying documents shall confirm the proposed service connection tie-in location. Given the disparity in available records, the City will defer grinder-system application fees until the point of connection is confirmed and proposed.



The proposed conversion from a vacant lot to a single-family residential house would add an estimated 0.7 gpm of additional discharge at The Westbank LS (refer to Sections 2 through 4 for calculations). The calculated impact to the overall service area and existing Westbank LS peak wet weather flows is minimal (less than 1%).

The City of West Lake Hills appreciates and supports development and is looking for opportunities to accommodate connection requests while complying with the current agreement with Austin Water. Ongoing efforts to develop a hydraulic model of the City's collection system will further provide analysis of daily average and peak impacts and validate the performed desktop analysis of infrastructure limits. Communication with Austin Water aims to plan for increased peak discharge limits where existing infrastructure allows, as well as planned infrastructure improvements by both West Lake Hills and Austin Water in the future.

Given these existing conditions, the recommendation currently is for the City to **conditionally approve** the development request and **issue a wastewater permit** to the existing property owner, such that the property may be advertised for sale. The conditional approval is pending the new property owner submitting the following items prior to any construction activities:

- i) Proper documentation of septic tank abandonment;
- ii) Confirmation of proposed land use, including conditioned living floor area and any outdoor water-using amenities (e.g., pool, sauna);
- iii) Surveying shall confirm the proposed service connection tie-in;
- iv) Use of high-efficiency/low-flow plumbing fixtures; and
- v) Coordination with Travis County WCID No. 10 for documentation of inspection and abandonment of the on-site decommissioned infrastructure, as follows:
 - a. **Abandonment of associated facilities:** Evidence that onsite water pipes, valves, tanks, and appurtenances were abandoned per City of Austin Utilities Criteria Manual (UCM) [§2.8 – Abandonment Of Facilities](#) (cut/cap/grout details and inspector sign-off).
 - b. **Before and after photo/as-built evidence of tank abandonment.**

All available information pertinent to this request has been summarized below.



1. Site Information

- a. Address 3311 Gentry Road
- b. Service Area Redbud
- c. Outfall Point
 - a) Redbud Ridgewood G23-M54
 - b) Redbud Ridgewood G23-69
- d. Limiting Criteria
 - a) Westbank LS Capacity (170gpm)
 - b) Redbud Service Area Agreement (570gpm combined)

2. Existing Lots

- a. Development Type Single Family
- b. Property Status Vacant
- c. Existing Floor Area 2443 sf *Estimated ADF not calculated. Lot was vacant at time of capacity analysis*
- d. Existing Winter Dry ADF N/A gpd

3. Proposed Development

- a. Development Type Single Family
- b. Proposed Floor Area N/A sf
- c. Projected LUEs 1 *Estimated LUE is subject to change, pending development plans*
- d. Projected Winter Dry ADF 275 gpd *City of West Lake Hills estimated 275gpd/LUE for residential properties*
- e. Calc'd Projected Winter Dry ADF 248 gpd *Accounts for % of water consumption*
- f. Calc'd Projected Winter Peak WW 0.7 gpm *City of Austin Peak Factor of 4 (reference 2005 Agreement)*

4. System Impact Analysis

- a. Projected Additional WW Peak 0.7 gpm
- b. Lift Station Impact Analysis

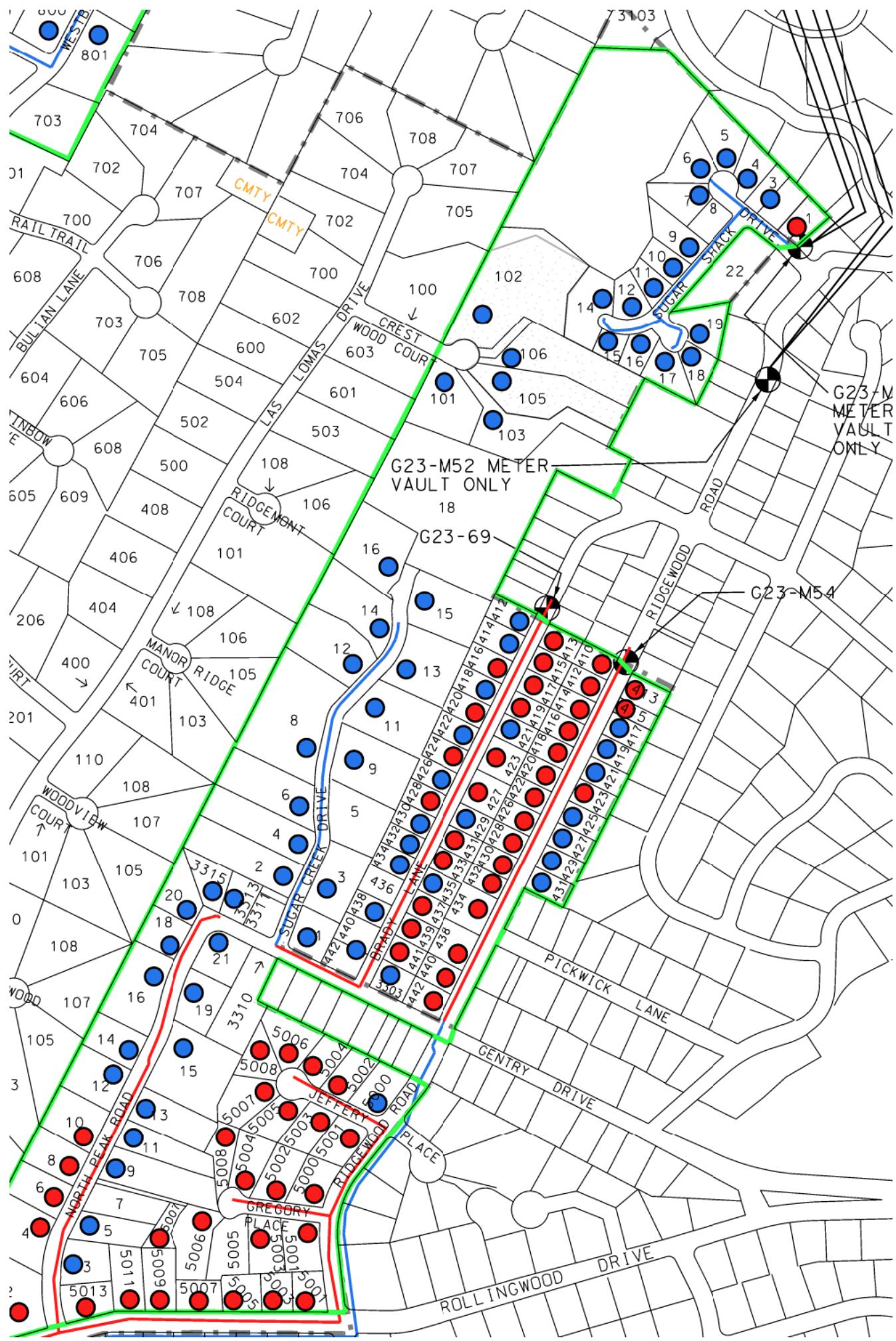
<i>Existing LS WW Peak Inflow</i>	96.8	gpm	<i>170gpm limit (LS & downstream infrastructure capacity). Includes active, paid, and conditionally approved permits/accounts.</i>
<i>Projected LS WW Peak Inflow</i>	97.5	gpm	
<i>Impact %</i>	0.7%		
- c. Service Area Impact Analysis

<i>Existing SA WW Peak Inflow</i>	522.1	gpm	<i>570gpm limit (City of Austin Agreement, 2013 Revision). Includes active, paid, and conditionally approved permits/accounts.</i>
<i>Projected SA WW Peak Inflow</i>	522.8	gpm	
<i>Impact %</i>	0.1%		

Prepared By:

HR GREEN, INC

Leigh Thomas, PE
Regional Manager - Water Operations



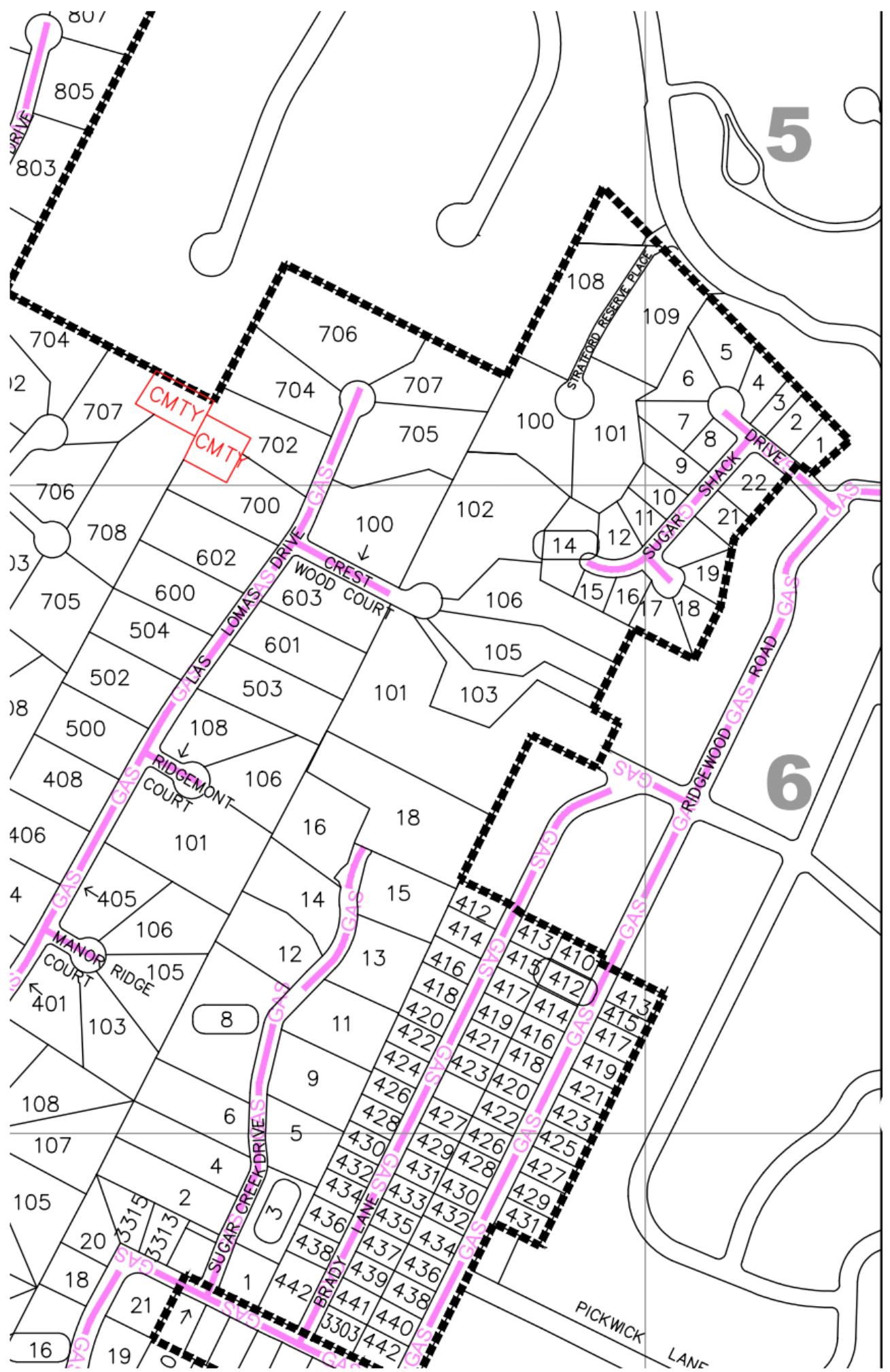
CITY OF WEST LAKE HILLS
(512) 327-3628

REC#: 00089573 1/06/2026 2:02 PM
OPER: MLITT TERM: 008
REF#: 0000097275

TRAN: 201.0000 WASTEWATER CON FEES
3311 GENTRY LUE WW CONN FEE
MARELENE CICCARELLI
02 -20700
WASTEWATER ESCROW D 7,661.00CR

TENDERED: 7,661.00 CHECK
APPLIED: 7,661.00-

CHANGE: 0.00



**TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10****AMENDED AND RESTATED INFORMATION FORM**

STATE OF TEXAS §

§

COUNTY OF TRAVIS §

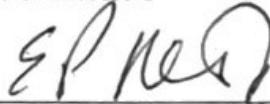
The undersigned, a majority of the members of the Board of Directors of Travis County Water Control & Improvement District No. 10, make and execute this Amended and Restated Information Form in compliance with Section 49.455 of the Texas Water Code. We certify the following is true and correct:

1. The name of the District is Travis County Water Control & Improvement District No. 10.
2. The District consists of 4,996.85 acres, more or less, more particularly described by the metes and bounds description in the Order of Annexation filed September 1, 2022, recorded as Document No. 2022147628 in the Travis County Official Public Records.
3. The most recent rate of District-wide taxes on property located in the District for operation and maintenance purposes is \$0.0220 on each \$100 of assessed valuation.
4. The most recent rate of District-wide taxes on property located in the District for debt service is \$0.0394 on each \$100 of assessed valuation.
5. The total amount of bonds that the voters in the District have approved and that the District has issued is \$45,970,000.
6. The aggregate initial principal amount of all District-wide bonds of the District payable in whole or in part from taxes, which the District has previously issued and remain outstanding, is \$35,655,000.
7. The District does not currently impose a standby fee.
8. The date on which the election to confirm the creation of the District was held on September 29, 1956.
9. The functions performed or to be performed by the District are to provide water utility services.
10. The particular form of Notice to Purchasers required by Sec. 49.452 of the Texas Water Code to be furnished by a seller to a purchaser of real property in the District, completed by the District with all information required to be furnished by the District, is attached hereto as Exhibit "A."

This Information Form supersedes the prior Information Form filed in the Travis County Official Public Records.

SIGNED this 11th day of September 2024.

Jon Lucci, President
Board of Directors



Buster McCall, Vice-President
Board of Directors

Greg Reynolds, Secretary-Treasurer
Board of Directors

Pam Reed, Assistant Secretary
Board of Directors

Davin Fillpot, Assistant Secretary
Board of Directors

(SEAL)

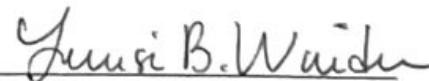
Acknowledgment

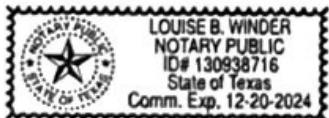
STATE OF TEXAS §

COUNTY OF TRAVIS §

This instrument was acknowledged before me on September 11, 2024 by ~~Jon Lucci~~, Pam Reed, Davin Fillpot, Buster McCall and Greg Reynolds of Travis County Water Control & Improvement District No. 10.

(SEAL)


Notary Public, State of Texas



STATE OF TEXAS §

COUNTY OF TRAVIS

We hereby certify that the above and foregoing information is true and correct.

Jon Lucc President
Board of Directors

**Buster McCall, Vice-President
Board of Directors**

~~Greg Reynolds, Secretary-Treasurer
Board of Directors~~

Pam Reed, Assistant Secretary
Board of Directors

Davin Fillpot, Assistant Secretary
Board of Directors

Sworn and subscribed to before me, the undersigned authority, on this 11th day of September 2024.

June B. Wren
Notary Public, State of Texas

(SEAL)

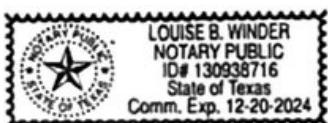


Exhibit A
NOTICE TO PURCHASERS
IN TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10
(Pursuant to Texas Water Code, Section 49.452)

The real property, described below, that you are about to purchase is located in TRAVIS COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 10 (the "District"). The District has taxing authority separate from any other taxing authority and may, subject to voter approval, issue an unlimited amount of bonds and levy an unlimited rate of tax in payment of such bonds. As of this date, the rate of taxes levied by the District on real property located in the District is \$0.0614 on each \$100 of assessed valuation. If the District has not yet levied taxes, the most recent projected rate of tax, as of this date, is \$0.0614 on each \$100 of assessed valuation. The total amount of bonds, excluding refunding bonds and any bonds or any portion of bonds issued that are payable solely from revenues received or expected to be received under a contract with a governmental entity, approved by the voters and which have been or may, at this date, be issued is \$45,970,000, and the aggregate initial principal amounts of all bonds issued for one or more of the specified facilities of the District and payable in whole or in part from property taxes is \$45,970,000.

The District is located in part within the corporate boundaries or extraterritorial jurisdiction of the City of Austin (a home rule municipality) and in part within the corporate boundaries or extraterritorial jurisdiction of the City of Westlake Hills. (a general-law municipality). The taxpayers of the District are subject to the taxes imposed by one of these municipalities depending on the location of the property and by the District until the District is dissolved. By law, a district located within the corporate boundaries of two or more municipalities may only be abolished by agreement among the District and all municipalities in which parts of the District are located.

The purpose of this District is to provide water services within the District through the issuance of bonds payable in whole or in part from property taxes. The cost of these utility facilities is not included in the purchase price of your property, and these utility facilities are owned or to be owned by the District. The legal description of the property you are acquiring is as follows:

Maureen Piccarelli
Signature of Seller

04/17/25
Date

NOTARY ACKNOWLEDGMENT FOR SELLER:

STATE OF TEXAS

COUNTY OF TRAVIS

The instrument was acknowledged before me on _____, 20____.
by _____

[Seal]

Notary Public, State of Texas
My commission expires: _____

PURCHASER IS ADVISED THAT THE INFORMATION SHOWN ON THIS FORM IS SUBJECT TO CHANGE BY THE DISTRICT AT ANY TIME. THE DISTRICT ROUTINELY ESTABLISHES TAX RATES DURING THE MONTHS OF AUGUST THROUGH DECEMBER OF EACH YEAR, EFFECTIVE FOR THE YEAR IN WHICH THE DISTRICT APPROVES THE TAX RATES. PURCHASER IS ADVISED TO CONTACT THE DISTRICT TO DETERMINE THE STATUS OF ANY CURRENT OR PROPOSED CHANGES TO THE INFORMATION SHOWN ON THIS FORM.

The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or prior to execution of a binding contract for the purchase of the real property described in such notice or at closing of purchase of the real property.

Signature of Purchaser

Date

NOTARY ACKNOWLEDGMENT FOR PURCHASER:

THE STATE OF TEXAS

COUNTY OF _____

This instrument was acknowledged before me on _____
20_____.
by _____.

[Seal]

Notary Public, State of Texas

My commission expires: _____

For Further Information Contact:
Travis County WCID No. 10
5324 Bee Cave Rd.
Austin, Texas 78746
512-327-2230

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS



Dyana Limon-Mercado
Dyana Limon-Mercado, County Clerk
Travis County, Texas

2024102949

Sep 17, 2024 10:31 AM

Page 5 of 5

Fee: \$41.00 JOHNSOK11

5.03.2013

TO: THE HOMEOWNERS & RESIDENTS OF RIDGEWOOD VILLAGE
FROM: Clif Drummond, Water District #10, Board of Directors, President

I understand that interest remains high within Ridgewood to know where things stand with respect to the proposed Capital Improvements plans and subsequent construction start. And also, that there are concerns/questions that some of the improvements may not be constructed, as well as a concern about the length of time that has already been spent. So, my report to you is below. If any of you have questions, please don't hesitate to contact me. Our next Board Meeting is Wednesday, May 15th. You are, of course, welcome.

Reasons for Annexation

- **City of West Lake Hills** asked Travis County Water District #10 to take over water service to Ridgewood Village if possible because the homeowners had asked the Mayor for help;
- **Substandard Fire Flows:** The Ridgewood Village Water Supply System (WSC) did not meet the current fire code & State of Texas minimum fire flow requirements for any part of their service area. The water-well system of the Ridgewood Village WSC could only deliver 165 gallons per minute (gpm). Their system storage capacity was minimal and would have been exhausted in minutes in the event of a major fire.
- **Barton Springs/Edwards Aquifer Conservation District** (BSEACD) had heavily fined the owners of the then existing private water supply corporation for exceeding withdrawal limits from the aquifer;
- **City of Austin** and BSEACD both wanted Water District #10 to take over the system;
- **State minimum requirements** are 250 gpm for 2 hours @ 20 psi. Fire Code minimum (for homes smaller than 3,600 s.f.) is 1000 gpm for 1 hour @ 20 psi., and much higher for homes larger than 3,600 s.f.;
- **Substandard Water Pressures & Lack of Storage:** Water pressures in the previous system were often erratic and often low;
- **New water service from Water District #10:** from the moment we connected Ridgewood Village to our system, the pressures have been steady and between 50-75 psi, depending on elevation within the subdivision. Since Feb. 2012, fire flows have been raised significantly, but are still limited by some smaller existing pipe sizes.

Annexation Date:

2.15.2012

In the FAQ by the Water District of April 2011, the Annexation Closing Date was estimated to occur by late Summer or Early Fall of 2011.

** Approx. 6 month delay due to longer-than-anticipated time required for:

- CoA City Council (City of Austin) approval of annexation;

- TCEQ review of our formal request for State to approve of the transfer of the CCN (certificate of convenience and necessity) to the Water District;
- TCEQ review & approval of the sale of Ridgewood Village Water Supply Corp. to Water District, and Water District to be responsible for water service to all existing customers;
- However, a protest of the Sale was filed at TCEQ by one homeowner (out of the total of 96 homeowners). The hearings and final decision took ~3 months;
- Detailed Engineering Design of new inter-connect to Water District's system in Crestwood Court. Interconnect included new underground vault, large pressure reducing valve, and safety by-pass. These plans had to be reviewed and approved by CoA AWU (Austin Water Utility);
- Construction of new interconnect & vault.;
- Water from Water District #10 turned on 2.16.2012 @ 11a.m. From that moment, Water District #10 became officially responsible for supplying water to Ridgewood Village.

Activities by District from Annexation (2.15.2012) to Bid Process (5.01.2013):

→ Bid Process originally estimated to occur in "...early 2012..." and is now underway approx. 15 months later, 6 months of which were from the above described delays in the Annexation Closing Date. Originally, it was estimated the development of the construction plans would take about 5 months, but which actually took about 9 months.

- We have developed detailed engineering construction plans for serving the Ridgewood Village area. These plans are now being analyzed by 8 potential contractors who have picked up copies of the plans;
- During this period, the Water District analyzed a total of 14 alternatives and the associated costs of each;
- There has been significant and helpful feedback from residents, several of whom have technical competencies, including engineers, architects, and business leaders who live in Ridgewood Village. This involvement has added measurably to the system design. The homeowners are very conscience of costs, and asked that the project be kept as small as practical, but that fire flows and domestic flow demands be greatly improved. The alternative selected is the basis for the design of the improvements.
- The construction plans are currently in the bid process, and 8 potential contractors picked up bid packages;
- The construction plans include capital improvements that will raise the expected fire flows from 165 gpm to 1400 gpm.
- ESD #9 has reviewed the construction plans and approved those plans, but has cautioned that this approval of the anticipated 1400 gpm will not be adequate if greatly increased home sizes are constructed in the future. ESD #9's adopted International Fire Code-2012 (that regulates all their area except within the corporate limits of the City of West Lake Hills) includes a provision for new homes

larger than 3,600 s.f. that include an approved sprinkler system can obtain a 50% reduction in required fire flows.

Estimated Costs of Capital Improvements:

→ The original 'order of magnitude' cost estimate for the whole capital improvement program back at the time Ridgewood residents were considering whether to seek annexation was \$2,500,000.

- The Construction Plans being analyzed now by potential contractors are estimated to cost between \$1,000,000 and \$1,300,000.
- Larger pipes, new fire hydrants, new water meters at every connection, and new pressure reducing valves at all system interconnects – and, when combined with the Water District's robust storage capacity (5 times higher than State requirements) and robust pumping capacity (3 times higher than State requirements) – will provide the residents of Ridgewood with 1400 gpm fire flows. The domestic demand inside homes (average day, peak day, peak hour) can easily be met, and the pressures will be stable.

\$\$ To-date:

- The expenses for annexation costs to-date are: \$189,000
 - These expenses include primarily legal costs to analyze methods of financing that would be acceptable to both Ridgewood and Water District #10.
- The expenses for Capital Outlays to-date are: \$418,000
 - This includes all engineering designs of the early analysis of the pre-existing system, the new interconnect to Water District #10 in Crestwood Ct., and the proposed Capital Improvements construction plans

Analyzing & Awarding the Construction Bid:

- These decisions are scheduled to be made at the next regular meeting of the Water District's Board of Directors on Wednesday, May 15th, 2013 at 6:00p. District Office is located at 5450 Bee Cave Road, #2A

From:

with best regards,

Clif

CLIF W DRUMMOND
PRESIDENT, BOARD OF DIRECTORS
TRAVIS COUNTY WATER DISTRICT #10

512.327.2230 (WD-10 Office)

clif.drummond@gmail.com

3311 GENTRY DRIVE

ANNEXATION PETITION
OF LAND
INTO

Ridgewood, Tex
Section 4
Travis County, TX
Book 20 pg. 2

TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT
NO. 10

THE STATE OF TEXAS §
 §
COUNTY OF TRAVIS §

TO THE BOARD OF DIRECTORS OF TRAVIS COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 10:

Pursuant to provisions of Sections 49.301 of the Texas Water Code, the undersigned property owner (hereinafter "**Petitioners**", whether one or more) currently obtaining water service from the Ridgewood Village Water System ("RVWS") pursuant to the Certificate of Convenience and Necessity No. 10303 (the "**Certificated Area**") located in Travis County, Texas, request that the tract(s) of land described on Exhibit A (the "**Land**") be annexed into the Travis County Water Control and Improvement District No. 10 (the "**District**") and acknowledge and agree to the following.

1. Description of the Land

The Land which Petitioners seek to have annexed into the District is described by metes and bounds, or by lot and block number of a recorded subdivision plat, in Exhibit A attached hereto. The Land is located in the Certificated Area and currently receives water services from the RVWS.

2. Land Ownership

Petitioners warrant that they are the record owners of the Land as of the date of this Petition, and bind Petitioners and Petitioners' heirs, executors, administrators, and successors to warrant and forever defend, all and singular, this warranty to the District and to the District's successors and assigns against every person whomsoever lawfully claiming or to claim that they were the record owners of the Land or any part of the Land as of the date of this Petition was filed with the District.

3. Annexation is Beneficial to the Land and the District

Petitioners submit that annexation of the Land into the District will be feasible, practicable, and to the advantage of the District. The District's system is, or will be, sufficient to supply the Land without injuring the land already in the District upon the District's completion of the Capital Improvements (defined below).

4. Assumption of Bond Obligations

Petitioners agree to assume their share of the outstanding bonds, notes or other obligations of the District and the voter-approved but unissued tax bonds of the District. Petitioners authorize the Board of the District to levy a tax on the Land in each year while any of the bonds, notes, or other obligations payable in whole or in part from taxation are outstanding to pay Petitioner's share of the indebtedness. Petitioners authorize the Board of the District to levy a voter-approved tax on the Land, at the same rate as levied on other taxable real property within the District, each year for operation and maintenance purposes.

5. Approval of Capital Improvement Costs

Petitioners agree that the District will be required to make substantial capital improvements to the water distribution system and related facilities, equipment and appurtenances currently serving the Certificated Area so the District can provide the quantity and quality of water service the District intends to supply to the Land and other properties located within the Certificated Area (the "**Capital Improvements**"). Petitioners acknowledge that the estimated costs of these Capital Improvements is **\$2,254,680**. The Petitioners acknowledge and agree that these costs are estimates and that the actual costs incurred by the District may be more or less than those estimated.

6. Annexation Fee or Surcharge to Reimburse the District for Capital Improvement Costs

Upon annexation of the Land by the District, the Petitioners agree to pay their share of the Annexation Costs (defined below) and the Capital Improvement Costs (defined below) by either (i) paying the Lump Sum Payment (defined below) within 20 days after the District has mailed written notice to the Petitioners that the District has annexed the Land, or (ii) if Petitioners have not paid the Lump Sum Payment within this 20-day period, then the Petitioners agree that the water service to the Land shall be subject to a monthly Surcharge (defined below) established by the Board of Directors of the District, to be included on the District's monthly water service bill. If Petitioners pay the Annexation Fee, the water service to the Land shall not include a Surcharge. If the Lump Sum Payment has not been paid, the Surcharge shall be collected as part of the District's monthly water service fees, which shall remain in effect until the Remaining Debt (defined below) is collected in full by the District. Petitioners acknowledge and agree that the District shall have the right to terminate water service to the Land if Petitioners or Petitioner's tenant or any successor to Petitioner's interest in the Land fails to pay the Surcharge, in addition to other remedies available at law. The Surcharge is not a personal obligation of Petitioners, and Petitioners shall be relieved of the payment obligation on transfer of title to the Land (with the exception of any payment in arrears, whether or not the Land was owner occupied or leased) understanding that the successor to Petitioner's interest in the Land shall be obligated to pay the Surcharge as a condition of receiving ongoing water service from the District.

“Annexation Costs” shall mean the costs incurred by the District in annexing the land within the Certificated Area.

“Capital Improvement Costs” shall mean all the costs of designing, planning, bidding constructing, and installing a water distribution system in the Certificated Area acceptable to the District.

“Lump Sum Payment” shall mean the sum of Annexation Costs plus the Capital Improvement Costs divided by the number of properties, including the Land, within the Certificated Area that are annexed into the District.

The **“Remaining Debt”** shall mean the Annexation Costs and the Capital Improvement Costs minus the aggregate of the Lump Sum Payments received from owners of properties within the Certificated Area that are annexed into the District.

The **“Surcharge”** shall mean the monthly amount derived from amortizing the Remaining Debt over a 20 year period assuming an interest factor of five and one-half percent (5-1/2%) per annum divided by the number of properties within the Certificated Area that (i) are annexed into the District, and (ii) the owners of which properties elect not to pay the Lump Sum Payment.

7. Notice to Purchasers

If Petitioners elected to repay the District via a Surcharge, the Petitioners acknowledge and agree that the **“Notice to Purchasers”** (required to be provided by the sellers of land in the District to pursuant to Section 49.452(c) of the Texas Water Code) shall notify any purchaser of the Land that the District’s water service rates include the Surcharge and the amount of the Surcharge. This notice of the Surcharge shall continue until the Remaining Debt is paid in full.

8. Adjustment in Lump Sum Payment and Duration of Surcharge based on Actual Annexation Costs and Capital Improvement Costs

Upon completion of the Capital Improvements, the District will determine the actual costs incurred for annexing the properties within the Certificated Area and the Capital Improvement Costs. If the actual costs exceed the estimated costs (**“Underestimate”**), the Lump Sum Payment shall be increased accordingly, and a Petitioner who elected to pay the Lump Sum Payment shall also pay their proportionate share of the Underestimate to the District within 30 days after written notice from the District. If a Petitioner fails to pay their share of the Underestimate, the District will adopt a surcharge to recover such Petitioner’s share of the Underestimate over a 12-month amortization period. If the actual costs are less than estimated (**“Overestimate”**), the District will refund to Petitioner such Petitioners prorata share of the Overestimate without interest. No adjustment will be made in the Surcharge for any Overestimate or Underestimate; except that, the amortization period for the payment of the Surcharge shall (i) be extended as appropriate for the District to recover an Underestimate and (ii) shall be reduced as appropriate to adjust for any reduction in the Remaining Debt for an Overestimate.

9. Adjustment in Lump Sum Payment and Surcharge upon Annexation of Undeveloped Properties in Certificated Area

If any of those currently undeveloped properties in the Certificated Area subsequently request annexation by the District, the District will require any such property to pay its prorata share of the Annexation Costs and Capital Improvement Costs as an annexation fee via the Lump Sum Payment, recalculated for this additional annexation. Upon annexation of such property and receipt of this fee, the District shall refund to Petitioner the reduction in the Lump Sum Payment as a result of this annexation. The District will not adjust the Surcharge in this event except to appropriately reduce the amortization period for the Remaining Debt.

WHEREFORE PREMISES CONSIDERED, Petitioners respectfully request that the Board of Directors enter an order granting this Petition and annexing the Land into the District.

Dated: February 17, 2011

PETITIONERS

Signature: *Malena Ciccarelli*

Printed Name: *Marlene Ciccarelli*

Signature:

Printed Name:

ACKNOWLEDGEMENT

STATE OF TEXAS §
COUNTY OF TRAVIS §

This instrument was acknowledged and sworn and subscribed before me on
February 17, 2011, by Marlene Ciccarelli and

Sixley McNeal
Notary Public, State of Texas

