

UTILITY SERVICE AGREEMENT

STATE OF TEXAS §
 §
COUNTY OF BEXAR §

This Utility Service Agreement (“Agreement”) is entered into by and between the San Antonio Water System Board of Trustees, through Resolution Number _____, acting by and through its President/Chief Executive Officer (“SAWS”) and Lennar Homes of Texas, Inc (“Developer”) together the Parties (“Parties”).

Recitals

Whereas, Developer has requested that SAWS provide Water and Wastewater service (the “Services”) to an approximate 1160-acre tract of land, (the “Guajolote Ranch Tract” or “Tract”), which is located inside SAWS water CCN, outside SAWS wastewater CCN, and does require SAWS’ financial participation in the development of infrastructure through oversizing or impact fee credits, therefore, Board action is required; and

Whereas, the Tract is located over the Edwards Aquifer Recharge or Contributing Zone, which is located partially within the 5-mile Awareness Zone of Camp Bullis, such Tract being more particularly described in Attachment VI hereto, as accepted by SAWS; and

Whereas, SAWS desires to provide the Services to the Developer pursuant to this Agreement, the SAWS Utility Service Regulations, and all applicable local, state, and federal regulations, as amended.

Now Therefore, The Parties Hereto Agree To The Following Terms and Conditions:

1.00 Interpretation of Agreement.

1.01 The Parties acknowledge that the Services contemplated by this Agreement shall be provided in accordance with the SAWS Utility Service Regulations, Design Criteria, Schedules, Attachments and Instruments thereto, as amended (together “USR”). In the event the specific terms of this Agreement are in conflict with the USR, the specific terms of this Agreement shall apply. The above notwithstanding, for the specific conflicting terms to prevail, the conflict must be expressly noted in the Agreement. The Parties further acknowledge that this Agreement is subject to future acts of the City Council of the City of San Antonio with respect to the adoption or amendment of impact fee ordinances/resolutions.

1.02 The Parties agree that the purpose of this Agreement is the reservation of the designated water supply and /or wastewater discharge capacity for the Tract. Any rights that the Developer claims arise under Chapter 245, Texas Local Government Code, that are related to this Agreement shall comply with the Unified Development Code Article IV, Division 1, Chapter 35-410 and applicable requirements in Article VII, Division 2 *Vested Rights*. If Developer intends to rely on this USA as its application for the purposes of vested rights under Chapter 245, then please contact

Development Services Department, Land Entitlement team at 210-207-1111 or 1901 S. Alamo, San Antonio, TX. 78204. In no event shall the Utility Service Regulations replace or conflict with the City's Unified Development Code, Article IV, Division 1, Chapter 35-410 and applicable requirements in Article VII, Division 2 *Vested Rights*.

2.00 Obligation Conditioned.

The obligation of SAWS to provide the Services is conditioned upon present rules, regulations and statutes of the United States of America and the State of Texas and any court order that directly affects the SAWS' Regional Water Production and Distribution System and/or Regional Wastewater Transportation and Treatment System and/or the utility infrastructure directly servicing the Tract. Developer acknowledges that if the rules, regulations and statutes of the United States of America and/or the State of Texas that are in effect upon the execution date of this Agreement are repealed, revised or amended to such an extent that SAWS becomes incapable of, or prevented from, providing the Services, then no liability of any nature is to be imposed upon SAWS as a result of SAWS' compliance with such legal or regulatory mandates. SAWS agrees that it will use its best efforts to prevent the enactment of such legal or regulatory mandates.

3.00 Term.

3.01 The term of this Agreement shall be seven (7) years from the Effective Date if the Developer complies with the requirements set out in G.C. 19.00 (attached) within the time period therein stated. This Agreement shall automatically expire if Developer fails to comply with the requirements of G.C. 19.00 within the time period therein provided. The term of this Agreement may be extended to fifteen (15) years from the Effective Date, if Developer complies with the requirements to extend the term set forth in G.C. 19.00 within the time period therein stated. Certain obligations of SAWS (described in Section 3.03 below) may survive the expiration of the term of this Agreement, to the extent that Developer has (i) paid all applicable impact fees for the Services at the then-current rate, and (ii) complied with all On-Site and Off-Site utility infrastructure requirements of this Agreement (described in the Special Conditions), including over-sizing requirements.

3.02 To the extent that SAWS' obligations do not survive the expiration of this Agreement, Developer understands and agrees that a new Utility Service Agreement must be entered into with SAWS to receive the Services for the development project that is the subject of this Agreement.

3.03 To the extent that Developer timely pays all applicable impact fees and complies with all On-Site and Off-Site utility infrastructure requirements prior to the expiration of this Agreement, the following obligations will survive expiration of this Agreement:

- (i) SAWS' recognition of the EDUs referenced as the subject of this agreement as Guaranteed Capacity.
- (ii) SAWS' continued recognition of impact fee credits previously earned by the Developer pursuant to Sections 15.8 and 15.9 of the USR.

- (iii) SAWS' continued provision of the Services to retail customers located in the Tract, so long as such customers pay for the services and comply with the regulations applicable to individual customers.

4.00 Entire Agreement.

The following documents attached hereto and incorporated herein are as fully a part of this Agreement as if herein repeated in full, together with this Agreement, comprise the Agreement in its entirety:

Attachment I:	General Conditions
Attachment II:	Special Conditions
Attachment III:	Description of Proposed Water and/or Wastewater Infrastructure
Attachment IV:	Board Summary & Recommendation and Resolution (if necessary)
Attachment V:	Developer Water and/or Wastewater Master Plan (if necessary)
Attachment VI:	Engineering Study Including Description of the Tract
Attachment VII:	Lift Station & Force Main Supplemental Agreement (if necessary)
Attachment VIII:	Water Recycling and Conservation Plan (if necessary)

Any of the above attachments that are created and submitted by the Developer as an attachment to this USA shall be limited to providing relevant engineering, planning or managing information for the purposes of setting aside or reserving water and/or wastewater service capacity as specified in the body of this USA, the General Conditions and the Special Conditions. Developer agrees that it will not attempt to rely on, and SAWS does not authorize, any of the contents of any attachments created and submitted by the Developer as a basis for claiming rights under Chapter 245 of the Texas Local Government Code, except as specifically required by Section 1.02 of this USA.

Developer understands that this Agreement, including, its General Conditions, Special Conditions and Attachments, is subject to the Texas Public Information Act; and, therefore, agrees that it will not claim that any of the information contained herein is subject to any third party exception under that Act.

5.00 Developer's Obligations.

The Developer acknowledges and agrees that the capacity provided by this Agreement runs with the land and shall be an appurtenance to the Tract. The Developer acknowledges that recordation of this Agreement in the Real Property Records of the County in which the Tract is located within three (3) years of the Effective Date of this Agreement is required; otherwise, this Agreement will automatically terminate. Developer shall record the Agreement and the delivery of a recorded copy to the Director within three (3) years of the Effective date of this Agreement or before any transfer of property or EDUs as specified in G.C. 20.00, whichever is sooner, is required. The Developer shall maintain records of EDUs remaining on the Tract pursuant to the approved Developer Master Plan. Developer shall provide SAWS with such records upon SAWS written request.

6.00 Indemnity.

TO THE EXTENT ALLOWED BY LAW AND TEXAS CONSTITUTION, THE DEVELOPER FURTHER AGREES TO DEFEND, INDEMNIFY AND HOLD HARMLESS SAWS AND ITS SUCCESSOR AND ASSIGNS FROM THE CLAIMS OF THIRD PARTIES ARISING OUT OF SAWS' RECOGNITION OF THE TRANSFER OF CAPACITY UNDER THIS AGREEMENT TO DEVELOPER'S SUBSEQUENT PURCHASERS, SUCCESSORS AND ASSIGNS.

7.00 Notices.

Any notice, request, demand, report, certificate or other instrument which may be required or permitted to be furnished to or served upon the parties shall be deemed sufficiently given or furnished or served if in writing and deposited in the United States mail, registered or certified, return receipt requested, addressed to such party at the address set forth below:

IF TO SAN ANTONIO WATER SYSTEM:

**SAN ANTONIO WATER SYSTEM
POST OFFICE BOX 2449
SAN ANTONIO, TEXAS 78298-2449
ATTN: TRACEY B. LEHMANN, P.E., DIRECTOR, DEVELOPMENT ENGINEERING**

IF TO DEVELOPER:

**Lennar Homes of Texas, Inc
1922 Dry Creek Way, Suite 101
San Antonio, TX 78259
Attn: Richard Mott**

8.00 Severability.

If for any reason any one or more paragraph of this Agreement are held legally invalid, such judgment shall not prejudice, affect impair or invalidate the remaining paragraphs of the Agreement as a whole, but shall be confined to the specific sections, clauses, or paragraphs of this contract held legally invalid.

9.00 Effective Date.

The Effective Date of this Agreement shall be the date signed by the authorized representative of the San Antonio Water System.

10.00 Ownership.

By signing this Agreement the Developer represents and warrants that it is the owner of the Tract or has the authority of the Tract owner to develop the area. Any misrepresentation of authority or ownership by Developer shall make this Agreement voidable by SAWS. If the Developer does not own the Tract, then the Developer must provide documentation from the owner of the Tract to show that Developer has the proper authority to develop the Tract.

ACCEPTED AND AGREED TO IN ALL THINGS:

San Antonio Water System

Developer

Signature: _____

Signature: _____

Print Name: Robert R. Puente

Print Name: _____

Title: President/Chief Executive Officer

Title: _____

Date: _____

Date: _____

ACKNOWLEDGEMENTS

STATE OF TEXAS, COUNTY OF BEXAR

§

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and that he has executed the same as _____ for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2022.

(seal)

Notary Public

STATE OF TEXAS, COUNTY OF BEXAR

§

BEFORE ME, the undersigned Notary Public, on this day personally appeared _____ known to me to be the person whose name is subscribed to the foregoing instrument and that he has executed the same as _____ for the purposes and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this ____ day of _____, 2022.

(seal)

Notary Public

GENERAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

G.C.1.00 Definitions.

G.C.1.01 Developer.

Owner of the tract, his subsequent purchasers, successors, and/or assigns.

G.C.1.02 Director of Development Engineering.

The Director of Development Engineering of the San Antonio Water System or his/her designated representative.

G.C. 1.03 Definition of Terms.

Unless defined in the Utility Service Agreement (the "Agreement"), the terms used in this General Conditions of the Utility Service Agreement (the "General Conditions") shall have the same definitions and meaning as those set out in Chapter 2, Definitions, of the Utility Service Regulations ("USR"). In the event a term is specifically defined in the General Conditions, and the definition is in conflict with that found in the USR, and such conflict is acknowledged in the General Conditions, the definition set out in the General Conditions shall apply.

G.C.2.00 Required Submittals.

If determined to be necessary by the Director of Development Engineering ("Director"), the Developer hereby agrees to submit the following documents prior to the execution of the Agreement: Developer Master Plan, Developer Utility Layout, Water Recycling and Conservation Plan, and Engineering Report. The Parties agree that such documents are included instruments to the Agreement. The submittal of such documents is a condition precedent to plat recordation and initiation of Services. Developer shall modify such documents as may be reasonably required by the Director. Such documents shall be updated as required by the Director and the USR.

G.C.3.00 Dedication to SAWS.

The Developer agrees to dedicate, grant, and convey to SAWS all rights, title and interest of Developer in both the Off-Site and On-Site utility infrastructure that the Developer is required to construct under the Special Conditions of the Utility Service Agreement (the "Special Conditions"), and to dedicate, grant, and convey to SAWS easements for such utility infrastructure. Upon written acceptance of Off-Site and On-Site utility infrastructure by SAWS, the infrastructure shall be owned, operated and maintained by SAWS.

G.C.4.00 Design and Construction Requirements.

The design and construction of all Off-Site and On-Site utility infrastructure shall, at a minimum, comply with the requirements established by SAWS, including the USR, the City of San Antonio, the County of Bexar, the State of Texas, and any agency thereof with jurisdiction, including but not limited to the Texas Commission on Environmental Quality and the Texas Department of Health. Off-Site and On-Site utility infrastructure shall be constructed under the inspection of SAWS. Provision of the Services to the Tract shall not commence until the Director has accepted and approved Off-Site and On-Site utility infrastructure in writing.

G.C.5.00 Joint Venture Agreements.

In the event the Developer enters into a Joint Venture Agreement covering the costs for supplying the Services to the Tract, the Developer shall send a copy of such agreement to the attention of the Director.

G.C.6.00 Assignment.

This Agreement may not be assigned in whole or in part; however, Developer may assign, convey or transfer EDU capacity ("EDU capacity transfer") to buyers of portions of the Tract in accordance with the terms in G.C. 20.00.

G.C.7.00 Event of Foreclosure.

In the event Developer's interest in the Tract described in Attachment VI are extinguished by an act of foreclosure, and the foreclosing party has supplied sufficient evidence to SAWS that they are the successor in interest to the Tract as a result of such foreclosure, and that there are no lawsuits pending concerning the Tract, SAWS shall consider the foreclosing party a successor in interest if the foreclosing party executes a utility service agreement with SAWS after the Director determines that the execution of such an agreement will not be adverse to SAWS' interest.

G.C.8.00 Payment for Provision of Utility Service.

In the event payment for the Services provided to a subdivision plat within the Tract is not billed by SAWS, the amount of the monthly fees for the provision of the Services will be those charged to the various customer classifications as set by City Ordinances, with the billing and collection thereof on behalf of SAWS, being the responsibility of the billing utility purveyor. To facilitate this arrangement, Developer is to insert into any utility agreement with whatever utility purveyor is to bill for utility services to a subdivision plat within the Tract, a provision requiring said purveyor to enter into a Contract with SAWS to bill and collect SAWS' monthly utility services fees and transmit said fees to SAWS. The billing utility purveyor shall advise customers that delinquent non-payment of any of SAWS' fees will result in interruption and/or termination of the Services provided by SAWS, in accordance with applicable interruption and termination policies and procedures, as amended. SAWS shall not be obligated to provide the Services to any plat within the Tract unless and until the utility purveyor has executed a contract with SAWS to provide for the billing and collection of the Services provided by SAWS.

G.C.9.00 Enforcement of Industrial Waste Ordinance if Required by SAWS.

The Developer shall cause to be recorded in the Deed and Plat Records of the counties in which the Tract is located, a restrictive covenant covering the entire Tract. This restrictive covenant shall run with the land in the Tract described in Attachment VI. Such covenant shall contain language expressly granting to SAWS the right, should SAWS so elect, to enforce and or otherwise pursue to the extent provided at law or in equity, the provisions of the City's Industrial Waste Ordinance No. 57214, as amended or as may be amended (codified as Chapter 34, Article V, Division 3 of the City Code). SAWS' right shall include, to the extent provided at law or in equity, the right to inspection, sampling and monitoring of the collection system to assure ordinance compliance.

Recordation of the Covenant shall be a condition precedent for SAWS' provision of the Services to any portion of said Tract.

G.C.10.00 Oversizing.

Developer must pay for all mains and other utility facilities needed to serve the Tract. SAWS may require the installation of oversized water mains and wastewater mains and related facilities. SAWS' requirements for oversizing, if any, are set forth in the Special Conditions. SAWS will execute a trilateral contract with Developer and a contractor for the construction of oversized facilities. Contracts for the construction of oversized facilities must be competitively bid as required by law. All oversizing shall be done in accordance with the USR.

G.C.11.00 Off-Site /On-Site Facilities.

Developer shall construct and install all required Off-Site and On-Site utility infrastructure in accordance with the USR and Special Conditions, at no cost to SAWS. Any specific requirements related to the facilities are set forth in the Special Conditions.

G.C.12.00 Impact Fee Payment.

Developer agrees that the Agreement does not constitute an assessment of impact fees. Developer agrees to pay all applicable impact fees at the time and in the amount prescribed by ordinance or resolution of the City Council of the City of San Antonio and the USR, as amended. An estimate of the impact fees for the development Tract is provided in the Special Conditions. The estimate does not constitute an assessment of impact fees, and the amount of impact fees is subject to change by the City Council of the City of San Antonio as provided by law.

G.C.13.00 SAWS' Obligation to Supply Service.

To the extent that Developer pays all applicable impact fees and complies with all Off-Site and On-Site utility infrastructure requirements, Developer shall be entitled to the permanent use and benefit of the Services and is entitled to receive immediate service from any existing facilities with actual capacity to serve the development for which impact fees were paid, subject to compliance with other valid regulations. If, after collecting the impact fees, there is no actual capacity in existing facilities to provide the Services, SAWS will provide the Services within a reasonable period of time not to exceed five (5) years, as prescribed by Chapter 395 of the Local Government Code, as amended. In the event Services are required by Developer earlier than the five (5) year period, Developer and SAWS may agree that Developer may construct or finance the capital improvements or facility expansions required to provide Services, and the costs incurred or funds advanced will be credited against impact fees otherwise due from the new development or reimbursed to Developer from impact fees paid from other new developments that will use such capital improvements or facility expansions, which fees shall be collected and reimbursed to Developer at the time the other new development records its plat.

G.C.14.00 Facility Design and Construction.

The Developer shall design and construct all On-Site and Off-Site utility infrastructure described in the Special Conditions, including any oversizing, in accordance with the USR and all applicable local, state and federal requirements. Developer further recognizes that SAWS' approval in all respects as to facility right-of-way adequacy, location, size, grade and invert elevation is a condition precedent to any further obligation of SAWS. Specific design and construction requirements are set forth in the Special Conditions.

G.C.15.00 Use of Capacity by SAWS.

Developer understands that capacity in Off-Site and On-Site utility infrastructure resulting from the Agreement for the Tract may be utilized by SAWS for other tracts requesting service from SAWS. SAWS shall keep accurate records of the capacity provided to the Tract under the Agreement, whether Set-Aside or Guaranteed Capacity, and in no event will Developer be denied capacity as a result of SAWS' utilization of such capacity for another tract. Set-Aside capacity shall not survive the expiration of the Agreement.

G.C.16.00 Utility Master Plan Requirements.

The Developer will prepare a utility master plan, which details the water and/or wastewater systems for the Tract pursuant to the USR, as amended.

G.C.17.00 Phased Utility Master Plans.

If the Developer's water and/or wastewater systems are to be installed in phases or units, the Developer shall submit overall utility master plans to SAWS for review and approval. The overall utility master plan(s) shall be submitted before the first construction phase is submitted for plat approval. The overall utility master plan(s) shall show the development phases or units including the sequence and a timetable for build-out. The Developer shall also provide SAWS with a digital version of the proposed recorded plat, as submitted for plat recordation in a format acceptable to SAWS, for each phase or unit of the development project.

G.C.18.00 Conformance of Plans to Utility Master Plan.

All water and wastewater system facilities to serve the Tract shall be designed and constructed in conformance with the approved utility master plan. Changes in the water and wastewater system design shall be resubmitted to SAWS for written approval.

G.C.19.00 Timing Requirements for Submission of Plans.

Developer shall have three (3) years from the Effective Date of the Agreement to complete and submit the required utility master plan and to start construction of the Off-Site and On-Site utility infrastructure described in the Special Conditions. Developer agrees that the Agreement for the provision of Services shall automatically expire if Developer

has not submitted a utility master plan and started construction of required Off-Site and On-Site utility infrastructure within three (3) years of the Effective Date of the Agreement, and a new request for the Services must be submitted to SAWS, which SAWS will grant based on then existing policies and regulations. In the event Developer meets the above-mentioned requirements within the three (3) year period provided, the Agreement shall remain in effect for seven (7) years from the Effective Date. If Developer submits a revised Utility Master Plan in accordance with the USR prior to the expiration of the seven (7) year period, the Agreement for the provision of Services may be extended to a maximum term of fifteen (15) years from the Effective Date.

G.C. 20.00 EDU Transfers.

The transfer of EDU capacity outside the original boundaries of this Utility Service Agreement will not be allowed. The San Antonio Water System considers this Agreement to run with the land; however, EDU capacity transfers to subdivided tracts within the Tract of this Agreement are the responsibility of the Developer and approval of such transfers is not required by the San Antonio Water System. The Developer shall maintain an accounting of the EDU capacity that is used by the Developer and/or transferred after the effective date of this Agreement to portions of the Tract. If the Developer sells a portion of the Tract and transfers part of the EDU capacity contained in this Agreement, then that EDU capacity transfer must be included in the deed, bill of sale or instrument conveying the land and the Developer must require the buyer of the land who receives the allocated EDUs to record the instrument effectuating the transfer. Developer may file a Master Development Plan or an EDU Plan, prepared by an engineer, that shows specific EDU capacity allocations within the Tract and shall ensure that the Master Development Plan or EDU Plan is attached to this Agreement and properly recorded. SAWS will recognize the capacity allocations within the Master Development Plan or EDU Plan so long as those allocations are within the parameters of this Agreement. For properties that have areas of unplanned use, the demand will be calculated at four (4) EDUs per acre unless the engineering report specifies otherwise or there is not enough EDU capacity remaining for the Tract to allocate four (4) EDUs per acre.

In no event will the System be responsible to 3rd parties for providing water supply or wastewater discharge capacity beyond the total EDU capacity identified in this Agreement for the Tract. Developer expressly disclaims, releases and holds harmless SAWS from any liability, damages, costs or fees, and agrees to indemnify SAWS for any liability, including, costs and attorney's fees, associated with any dispute related to the transfer of all or a portion of EDU capacity approved for the Tract in this Utility Services Agreement.

G.C. 21.00 Camp Bullis Awareness Zone.

In the event that the Tract is located within, or partially within, the Camp Bullis Awareness Zone, the Developer acknowledges that certain lighting regulations may apply within at least a 3-mile radius of Camp Bullis, commonly referred to as down-lighting or dark sky lighting, and Developer will comply with those regulations. Developer agrees to comply with any local, state or federal law, rule or regulation related to the protection of the environment or endangered species, including but not limited to, any site assessments or surveys and notice to the United States Fish & Wildlife when required by law, rule or regulation. Developer acknowledges that any required assessment, survey or notice shall be current or updated as may be required by law, rule or regulation.

G.C. 22.00 Written Project Information.

The project associated with this Utility Service Agreement is described in the forms submitted by the applicant including but not limited to 1) a cover sheet clearly stating "USA Request" and the project name; 2) the Engineering Report; and 3) a legal description, metes and bounds description, or Master Development Plan (MDP), subdivision plat, or similar document of the Tract.

SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

WATER SERVICE

S.C.1.00 Tract Location and Ultimate Demand.

Guajolote Ranch, a 1160-acre tract outside the City of San Antonio limits, is located on the western ROW of Scenic Loop Rd approximately 800 feet north of Babcock Rd, as shown in Attachment VI (the "Tract"). The Tract is located over the Edwards Aquifer Recharge or Contributing Zone and is located partially within the 5-mile Awareness Zone of Camp Bullis. The proposed Tract is located inside SAWS' water CCN, outside SAWS' wastewater CCN and does require SAWS' financial participation in the development of infrastructure through oversizing or impact fee credits, therefore, Board Action is required.

The ultimate demand from the proposed development, on SAWS' water infrastructure, shall not exceed 3000 equivalent dwelling units (EDUs) of water supply.

S.C.2.00 Infrastructure Requirements.

Water Supply to the Tract will be from Pressure Zone (PZ) 1725 & 1610. The flow capacity of a 16-inch main is required to supply water to the 1160-acre Tract, in conformance with SAWS' Utility Service Regulations (USR).

PZ 1725

SAWS has a current project to construct a future pump station to supply the PZ 1725 area. After the project has been completed, the Developer shall construct a PZ 1725 12-inch main from the future pump station, through the Tract to stub out to the Tract's northern boundary on Nina Rige as shown in Attachment III. The Developer shall then construct a series of looped 8-inch and 12-inch mains throughout the Tract with no less than two connections to the proposed 12-inch main traversing the Tract. The Developer shall then connect up to 450 EDUs to the proposed series of looped 8-inch and 12-inch mains throughout the Tract.

Note: All connections above an elevation of 1480 feet must be served by PZ 1725. All remaining connections shall be served by PZ 1610 as described below.

Note: No connections may be made above an elevation of 1595 feet, where the static pressure will theoretically be less than 56 psi.

Note: Should the Developer require service before the future PZ 1725 pump station is constructed, the Developer will be required to submit for a new USA to include the construction of such infrastructure.

PZ 1610 Phase I

The Developer shall construct a 16-inch main from the existing 16-inch main on Scenic Loop Rd, along Scenic Loop Rd to the Tract, as shown in Attachment III.

The Developer shall then construct a 16-inch main from the proposed 16-inch main on Scenic Loop Rd, through the Tract, to the existing PZ 1610 12-inch main on Nina Rd as shown in Attachment III.

The Developer shall then construct an 8-inch main from the proposed 16-inch main traversing the Tract to the existing 8-inch main on Tess Valley. The Developer shall then construct a series of looped 8-inch and 12-inch mains throughout the Tract with no less than two connections to the proposed 16-inch main traversing the Tract. Developer May then connect up to 750 EDUs to the proposed series of looped 8-inch and 12-inch mains throughout the Tract and/or the proposed 16-inch main traversing the Tract. In order to make any additional connections, the Developer will be required to construct Phase II infrastructure requirements.

Note: All connections above an elevation of 1480 feet must be served by PZ 1725. All remaining connections shall be served by PZ 1610 as described above.

PZ 1610 Phase II

The Developer shall construct a 16-inch approach main from the existing 30-inch main on Babcock Rd, along Babcock Rd and Scenic Loop Rd, to proposed 16-inch main on Scenic Loop Rd as shown in Attachment III.

Developer May then connect all remaining services to the series of looped 8-inch and 12-inch mains throughout the Tract and/or the proposed 16-inch main traversing the Tract. In order to make any additional connections, the Developer will be required to construct Phase II infrastructure requirements.

Note: All connections above an elevation of 1480 feet must be served by PZ 1725. All remaining connections shall be served by PZ 1610 as described above.

S.C. 3.00 SAWS Master Plan and Oversizing Requirements.

N/A

S.C.4.00 Impact Fee Credit Eligibility.

Phase I

The proposed 16-inch main on Babcock Rd and Scenic Loop Rd is an impact fee eligible Capital Improvement Project in the current impact fees study; hence, the Developer is eligible for impact fee credits for their share of the cost for the 16-inch main.

Phase II

The proposed 16-inch main on Scenic Loop Rd is an impact fee eligible Capital Improvement Project in the current impact fees study; hence, the Developer is eligible for impact fee credits for their share of the cost for the 16-inch main.

S.C.5.00 Engineering Study Report and/or Pro-Rata Refund Eligibility.

The engineering study report “Guajolote Ranch, Utility Service Agreement Engineering Report”, by Pape-Dawson Engineers, dated March 2021 is included as Attachment VI.

S.C.6.00 Developer On-Site and/or Off-Site Requirements.

The Developer shall acquire any right-of-way or easements, and install all On-Site and Off-Site utility infrastructure required to serve the Tract in accordance with SAWS’ USR, solely at the Developer’s cost, unless otherwise stated in S.C.3.00 or S.C.4.00. Other On-Site requirements within the Tract will be determined at such time as the engineer submits an overall Utility Master Plan, and any subsequent revisions, for the Tract.

S.C.7.00 Requirement to Install Approved Pressure Regulators and/or Booster Pumps.

PZ 1725

A portion of the Tract is below ground elevation of 1540 feet where the static pressure will theoretically exceed 80 psi. Any service connections within the Tract, at elevations lower than this ground elevation, shall require the installation of a Pressure Reducing Valve (PRV), on the customer(s) side of the meter, rated for a maximum working pressure of no less than 300 psi, prior to a SAWS meter being installed. Installation shall be in conformance with the current Plumbing Code with Local Amendments adopted by the City of San Antonio.

PZ 1610

A portion of the Tract is below ground elevation of 1425 feet where the static pressure will theoretically exceed 80 psi. Any service connections within the Tract, at elevations lower than this ground elevation, shall require the installation of a Pressure Reducing Valve (PRV), on the customer(s) side of the meter, rated for a maximum working pressure of no less than 300 psi, prior to a SAWS meter being installed. Installation shall be in conformance with the current Plumbing Code with Local Amendments adopted by the City of San Antonio.

S.C.8.00 Time for Water Impact Fee Assessment and Payment.

Water Impact Fees will be assessed at the rates in effect at the time of plat recordation or the latest date allowed by law. Impact fees will be collected at either the time of plat recordation or connection to the SAWS’ water system, at the discretion of the Developer.

S.C.9.00 Water Impact Fee Estimates Based Upon Current Charges.

Following is an estimate of impact fees for the provision of Services contemplated under the Agreement, which are based on current impact fee rates. This estimate shall not constitute an assessment of impact fees and impact fee rates are subject to change by the San Antonio City Council.

Type of Impact Fee	EDUs	\$/EDUs	Current Total
Flow Development	3000	\$1,188	\$3,564,000
System Development High	3000	\$1,203	\$3,609,000
Water Supply	3000	\$2,706	\$8,118,000
Total			\$15,291,000

S.C.10.00 Pro-Rata Charge Requirement.

Developer shall be required to pay a Pro-Rata Charge pursuant to the USR, as amended, prior to connection to the SAWS water system if Developer is tying into a main that is subject to a pro-rata refund.

SPECIAL CONDITIONS OF THE UTILITY SERVICE AGREEMENT

WASTEWATER SERVICE

S.C.1.00 Tract Location and Ultimate Demand.

Guajolote Ranch, a 1160-acre tract outside the City of San Antonio limits, is located on the western ROW of Scenic Loop Rd approximately 800 feet north of Babcock Rd, as shown in Attachment VI (the "Tract") and lies within SAWS' Upper Collection and Treatment Area (UCTA). The Tract is located partially over the Edwards Aquifer Recharge or Contributing Zone and is located within the 5-mile Awareness Zone of Camp Bullis. The proposed Tract is located inside SAWS' water CCN, outside SAWS' wastewater CCN and does require SAWS' financial participation in the development of infrastructure through oversizing or impact fee credits, therefore, Board Action is required.

The ultimate demand from the proposed development, on SAWS' wastewater infrastructure, shall not exceed 0 equivalent dwelling units (EDUs) of wastewater discharge.

S.C.2.00 Infrastructure Requirements.

The proposed development is not permitted to discharge into SAWS wastewater system.

Should the Developer choose to utilize on-site septic systems. Developer agrees to secure appropriate utility permits from the Bexar County Public Works Department. All septic wastewater utilities shall be aerobic and shall be designed and constructed in accordance with the requirements of the Bexar County Public Works Department.

Should the Developer choose to utilize an on-site wastewater treatment facility, the Developer shall ensure that the wastewater treatment plant will, at a minimum, meet all required design and treatment standards for facilities discharging within 5 miles of the Edwards Aquifer Recharge Zone in accordance with Texas Commission on Environmental Quality Rules and Regulations. In addition, the Developer shall ensure that increased treatment requirements, to include advanced nutrient removal and effluent filtration, are implemented with a goal of protecting the Edwards Aquifer.

The Developer agrees that the Discharge Permit will not be increased in capacity or modified to a different type of permit in the future and that the wastewater treatment plant will only serve properties within the boundaries of the 1,160-acre Tract and the resulting wastewater which is generated from those properties. Developer agrees to notify SAWS in writing within 3 days of filing any application to modify the permit. Furthermore, the Developer agrees to coordinate with SAWS regarding the discharge location and that the wastewater effluent will be discharged on the Developers property at least 1-mile upstream of any other properties before exiting the property.

The Developer agrees that the plant will be operated and managed by a wastewater operator licensed at the A level and in good standing, and to request that TCEQ include such a requirement in any wastewater discharge permit issued authorizing the operation of the plant. The Developer also agrees that any irrigation use of the wastewater discharge shall include soil supplementation to the area being irrigated to properly absorb the effluent, which shall also be a part of the request for a discharge permit.

The Developer agrees to setting aside 50 percent of this project as open space and restricting the site to 30 percent impervious cover.

Nothing in this Agreement shall be construed as a waiver of any rights that the City of San Antonio or SAWS may have to protest or oppose an application for a discharge permit at the Texas Commission on Environmental Quality or a certificate of convenience and necessity at the Texas Public Utility Commission.

Tract is Located:
 -Over the Edwards Aquifer Contributing Zone
 -Within the 5-mile Camp Bullis Awareness Zone
 -Within the 5-mile JBSA Buffer Zone

**Attachment III:
 USA-26994
 "Guajolote Ranch" Tract
 Proposed Water Infrastructure Map
 1160 Acres**



Legend

- Parcels Update
- USA Tract
- Existing Water Main
- Phase I: Proposed IFCE 16" Main
- Phase II: Proposed IFCE 16" Mai
- Proposed 16" Main
- Proposed 8" Main
- Proposed PZ 1725 12" Main
- 1480' Elevation
- Future Pump Station

Proposed PZ 1725
 12-inch main

Proposed 8-inch main

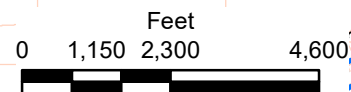
Phase I
 Proposed 16-inch main
 (Impact fee credit eligible)

Phase I
 Proposed 16-inch main

Phase II
 Proposed 16-inch main
 (Impact fee credit eligible)

**Guajolote Ranch
 3000 Water EDUs
 0 Sewer EDUs
 1160 Acres
 USA-26994**

Project Location



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