

**APPLICATION FOR FINANCIAL ASSISTANCE
FOR WATER AND WASTEWATER INFRASTRUCTURE PROJECTS**

This application is comprehensive, covering all loan and grant assistance applications for water and wastewater infrastructure financing through the various Texas Water Development Board (TWDB) programs. The format of the application is intended to expedite the review process for both the applicant and TWDB staff. This application can be used by political subdivisions, including water supply corporations.

Please submit one double-sided original and one indexed, electronic copy, via electronic storage media such as CD or flash drive using MS Word, Excel and/or Adobe Acrobat.

Please submit your application to:

Texas Water Development Board
Water Supply and Infrastructure-Regional Water Planning and Development
P O Box 13231
1700 N. Congress Avenue, 5th Floor
Austin, Texas 78711-3231
(78701 for courier deliveries)

A complete application consists of all of the applicable information and forms requested in this document. When preparing this application please review the Application and all Guidance and Forms, listed at the end.

For more information, please contact your Regional Project Implementation Team at:

http://www.twdb.texas.gov/financial/programs/swift/regional_project_teams.asp

Thank you.

TWDB Use Only

Name of Applicant: _____

Date application received: _____

Date administratively complete: _____

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

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Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part A: General Information

1. The legal authority under which the applicant was created and operates.
 - a) TYPE A GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.001)
 - b) TYPE B GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.002)
 - c) TYPE C GENERAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.003)
 - d) HOME-RULE MUNICIPALITY (Texas Local Gov't Code Sec. 5.004)
 - e) SPECIAL-LAW MUNICIPALITY (Texas Local Gov't Code Sec. 5.005)
 - f) NONPROFIT ORGANIZATION (Business Organization Code Chapter 22)
 - g) NONPROFIT WATER SUPPLY OR SEWER SERVICE CORP. (Texas Water Code Chapter 67)
 - h) ALL DISTRICTS (Texas Water Code Chapter 49)
 - i) OTHER (attach)

2. Applicant Name and Contact Information:

Name:	City of Bastrop
County:	Bastrop
Physical Address:	1311 Chestnut Street Bastrop, TX. 78602
Mailing Address:	PO Box 842 Bastrop, TX 78602
Phone:	512 332-8800
Fax:	512 321-1313
Website:	www.cityofbastrop.org

3. Brief description of the project_____.

4. Applicant's Officers and Members:

Name	Office Held
Kenneth Kesselus	Mayor
Willie Lewis Peterson	Place 1
Gary Schiff	Place 2
Kay Garcia McAnally	Place 3
Willie Delarosa	Mayor pro-tempore (place 4)
Deborah Jones	Place 5
Lynda K. Humble	City Manager

5. Applicant's **primary contact person** for day-to-day project implementation.

Name:	Trey Job
Title:	Director of Public Works
Address:	1209 Linden Street Bastrop TX, 78602
Phone:	512 332-8960
Fax:	
Email:	tjob@cityofbastrop.org

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6. Applicant's Consultants (Attach copies of all draft and/or executed contracts for consultant services to be used by the Applicant in applying for financial assistance or constructing the proposed project.):

a) Applicant Engineer N/A

Firm Name:	BEFCO Engineering
Contact:	Chad Emmel
Address:	485 North Jefferson Lagrange, TX 78945-0615
Phone:	979-968-6474
Fax:	979-968-3056
Email:	office@befcoengineering.com

b) Bond Counsel N/A

Firm Name:	Mc Call, Parkhurst & Horton
Contact:	J. Bart Fowler
Address:	600 Congress Ave, Suite 1800, Austin, TX 78701
Phone:	512.478.3805
Fax:	512.472.0871
Email:	jbfowler@mphlegal.com

c) Financial Advisor N/A

Firm Name:	Specialized Public Finance Inc.
Contact:	Dan Wegmiller
Address:	248 Addie Roy Road, Suite B-103 Austin TX, 78746
Phone:	512.275.7302
Fax:	N/A
Email:	dan@spubfin.com

d) Certified Public Accountant (or other appropriate rep) N/A

Firm Name:	City of Bastrop
Contact:	Tracy Waldron Chief Financial Officer
Address:	1311 Chestnut Street Bastrop, TX. 78602
Phone:	512.332.8823
Fax:	
Email:	twaldron@cityofbastrop.org

e) Legal Counsel (if other than Bond Counsel) N/A

Firm Name:	Law Offices of David F. Bragg
Contact:	David Bragg
Address:	PO Box 2047 1010 Chestnut Street Bastrop TX. 78602
Phone:	512.581.0061
Fax:	512.581.0245
Email:	dfbragg@sbcglobal.net

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f) Any other consultant representing the Applicant before the Board N/A

Firm Name:	
Contact:	
Address:	
Phone:	
Fax:	
Email:	

7. List the counties within the Applicant's service area. Bastrop

8. Identify the Applicant's total service area population: 8900

9. Applicant is requesting funding from which programs? Check all that apply.

	PROGRAM	AMOUNT REQUESTED
a) <input type="checkbox"/>	Drinking Water State Revolving Fund (DWSRF)	\$ _____
b) <input type="checkbox"/>	Clean Water State Revolving Fund (CWSRF)	\$ _____
c) <input type="checkbox"/>	Texas Water Development Fund (DFund)	\$ _____
d) <input type="checkbox"/>	State Participation	\$ _____
e) <input type="checkbox"/>	Rural Water Assistance Fund (RWAF)	\$ _____
f) <input checked="" type="checkbox"/>	State Water Implementation Fund for Texas (SWIFT)	\$ <u>5,800,000</u>
g) <input type="checkbox"/>	Economically Distressed Areas Program (EDAP)	\$ _____
h) <input type="checkbox"/>	If other please explain: _____	\$ _____

10. Other Funding Sources: Provide a list of any other funding source(s) being utilized to complete the project, including Applicant's local contribution, if any, or commitments applied for and/or received from any other funding agency for this project or any aspect of this project. **Provide commitment letters if available. Additional funding sources must be included within the Project Budget (TWDB-1201).**

Funding Source	Type of Funds (Loan/Grant)	Amount (\$)	Date Applied for Funding	Anticipated or Funding Secured Date
Current Budget		300,000	9.29.16	10.1.16
Impact fees		1,000,000	N/A	N/A
TWDB		5,800,000	4.28.17	9.29.17
Total Funding from All Sources		\$ 7,012,000		

Comments: The funds shown include the purchase of additional water supply that is and is not eligible for SWIFT funds. Work includes the ingress and egress to the site, additional water rights permitting, and other ancillary component to water treatment such as storage tanks etc....

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

11. Applicant is requesting funding for which phase(s)? Check all that apply.

- Planning
- Acquisition
- Design
- Construction

12. Is Applicant requesting funding to refinance existing debt?

- Yes If yes, attach a copy of the document securing the debt to be refinanced.
 Attached document
- No

Part B: Legal Information

13. Cite the legal authority under which the Applicant can issue the proposed debt including the authority to make a proposed pledge of revenues. Texas Local Government Code Ch. 271 Subchapter C and Texas Government Code Chapter 1502.

14. What type of pledge will be used to repay the proposed debt?

- Systems Revenue
- Taxes
- Combination of systems revenues and taxes
- Other (Contract Revenue, etc.)

15. Provide the full legal name of the security for the proposed debt issue(s). City of Bastrop PWS 0110001

16. Describe the pledge being offered and any existing rate covenants. The city has completed a new rate study in November of 2016. The base rate and fee structure were developed to accommodate this project, and our future five-year capital improvements plan. The current rate structure that is in place can finance the debit we are proposing to acquire. We have a healthy fund balance of approximately 62% that will allow us to supplement the funds needed to complete the CIP to prepare us for growth. The city

17. Attach the resolution from the governing body requesting financial assistance.

- TWDB-0201A (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Resolution

18. Attach the Application Affidavit

- TWDB-0201 (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Applicant Affidavit

19. Attach the Certificate of Secretary

- TWDB-201B (<http://www.twdb.texas.gov/financial/instructions/>)
 Attached Certificate of Secretary

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

20. Is the applicant a Water Supply Corporation (WSC)?
 Yes If yes, attach each of the following:
 Articles of Incorporation
 Certificate of Incorporation from the Texas Secretary of State evidencing that the current Articles of Incorporation are on file with the Secretary
 By-laws and any amendments
 Certificate of Status from the Texas Secretary of State (i.e. Certificate of Existence)
 Certificate of Account Status from the Texas Comptroller of Public Accounts (certifies that the WSC is exempt from the franchise tax and that the WSC is in good standing).
 No
21. Is the applicant proposing to issue revenue bonds?
 Yes If yes, attach copies of the most recent resolution/ordinance(s) authorizing any outstanding parity debt. This is essential to insure outstanding bond covenants are consistent with covenants that might be required for TWDB financing.
 Attached resolution/ordinance(s)
 No
22. Does the applicant possess a Certificate of Convenience and Necessity (CCN)?
 Yes If yes, attach a copy of the CCN and service area map showing the areas the applicant is allowed to provide water or wastewater services.
 Attached CCN and service area map
 No If no, indicate the status of the CCN. _____
 N/A
23. Has the applicant been the subject of any enforcement action by the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA), or any other entity within the past three years?
 Yes If yes, attach a brief description of every enforcement action within the past three years and action(s) to address requirements.
 Attached
 No
24. Are any facilities to be constructed or the area to be served within the service area of a municipality or other public utility?
 Yes If yes, has the applicant obtained an affidavit stating that the utility does not object to the construction and operation of the services and facilities in its service area?
 If yes, attach a copy of the affidavit.
 Attached affidavit
 If no, provide an explanation as to why not. _____
 No

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

25. If the assistance requested is more than \$500,000 a Water Conservation Plan (WCP) is required. The WCP cannot be more than **FIVE** years old and must have been adopted by the applicant. Has the applicant adopted a Board-approved WCP? (Check one and attach requested information, if any.)

- Yes Enter date of Applicant's WCP adoption: 4-26-16
- No If no, attach a copy of a draft Water Conservation Plan and Drought Contingency Plan prepared in accordance with the TWDB WCP Checklist (<http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1968.pdf>)
- Attached Draft WCP and Drought Contingency Plan**
- Attached Utility Profile TWDB-1965**
- <http://www.twdb.state.tx.us/financial/instructions/doc/TWDB-1965.pdf>
- N/A (Request is \$500,000 or less per Water Code §§ 15.106(c), 17.125(c), 17.277(c), and 17.857(c))

Note: If the applicant will utilize the project financed by the TWDB to furnish services to another entity that in turn will furnish services to the ultimate consumer, the requirements for the WCP may be met through contractual agreements between the applicant and the other entity providing for establishment of a water conservation plan. The provision requiring a WCP shall be included in the contract at the earliest of: the original execution, renewal or substantial amendment of that contract, or by other appropriate measures.

26. Does the applicant provide retail water services?

- Yes If yes, has the applicant already submitted to the TWDB the annual water use survey of groundwater and surface water for the last **THREE** years?
- Yes
- No If no, please download survey forms and attach a copy of the completed water use surveys to the application.
- <http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
- Attached Water Use Survey**
- No

27. Is the applicant a retail public utility that provides potable water?

- Yes If yes, has the applicant already submitted the most recently required water loss audit to the TWDB?
- Yes
- No If no, and if applying for a water supply project, please complete the online TWDB Water Audit worksheet found at <http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp> and attach a copy to the application.
- Attached TWDB Water Audit worksheet**
- No

28. Does the Applicant provide wastewater services?

- Yes
- No

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Part C: Financial Information

Regional or wholesale providers, complete questions 29-31.

Retail providers, complete questions 32-34.

29. List top **TEN** customers of the system by annual usage in gallons and percentage of total usage, including whether any are in bankruptcy.

Customer Name	Annual Usage (gal)	Percent of Usage	Bankruptcy (Y/N)
WCID	3,383,2000	93	N
BY THE WAY	2,658,000	7	N

Comments: _____

30. List the top TEN customers of the system by gross revenues and percent of total revenues, including whether any are in bankruptcy

Customer Name	Annual Revenue(\$)	Percent of Revenue	Bankruptcy (Y/N)
WCID	132,701	82	N
BY THE WAY	30,072	18	N

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31. Provide a summary of the wholesale contracts with customers

Contract Type	Minimum annual amount	Usage fee per 1,000 gallons	Annual Operations and Maintenance	Annual Capital Costs	Annual Debt Service	Other
Bastrop County WCID#2		3.91				
By the Way RV		7.32				

32. List top **TEN** customers of the water and/or wastewater system by annual revenue with corresponding usage and percentage of total use, including whether any are in bankruptcy.

a. **WATER**

Customer Name	Annual Usage (gal)	Percent of Total Water Revenue	Bankruptcy (Y/N)
BASTROP WALNUT RIDGE LLC	8,055,100	1.521%	N
BASTROP COUNTY LAW CENTER	9,839,000	1.520%	N
BUC-EE'S	5,860,300	.997%	N
TEXAS PARKS AND WILDLIFE	3,569,100	.768%	N
THE MARKETPLACE AT BASTROP	4,028,400	.658%	N
AT THE ARBORS OF BASTROP	3,539,700	.607%	N
BRITE & SHINY CARWASH	3,444,600	.523%	N
RETAMA MANOR NUSING	3,551,100	.522%	N
H. E. BUTT GROCERY COMPANY	3,241,500	.496%	N
THE HOME DEPOT	3,286,300	.477%	N

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

b. **WASTEWATER**

Customer Name	Annual Usage (gal)	Percent of Total Wastewater Revenue	Bankruptcy (Y/N)
BASTROP WALNUT RIDGE LLC	8,923,200	3.74%	N
OAK GROVE WATER	1,969,000	1.12%	N
BASTROP HOUSING WATER	1,789,300	.01%	N
RIVERWOOD COMMONS	860,900	.01%	N
AT THE ARBORS OF BASTROP	3,831,900	.01%	N
RETAMA MANOR NURSING	3,655,400	.01%	N
REGENCY NUSRSING CNT PARTNERS	3,073,500	.01%	N
AUTUMN HILLS	2,867,800	.01%	N
TEXAS PARKS AND WILDLIFE	3,517,100	.01%	N
H.E. BUTT GROCERY COMPANY	2,844,300	.01%	N

33. Current Average Residential Usage and Rate Information

Service	Date of Last Rate Increase	Avg. Monthly Usage (gallons)	Avg. Monthly Bill (\$)	Avg. Monthly Increase Per Customer(\$)	Projected Monthly Increase Necessary (\$)
Water	9-22-15	6,000	\$46.81	\$1.64	\$4,225
Wastewater	9-22-15	3,896	\$35.68	\$1.25	\$2,863

34. Provide the number of customers for each of the past five years.

Year	Number of Customers
2017	3219
2016	3140
2015	3091
2014	3011
2013	2931

All applicants complete questions 35-51 of the financial section, as applicable.

35. Disclose all issues that may affect the project or the applicant's ability to issue and/or repay debt (such as anticipated lawsuits, judgments, bankruptcies, major customer closings, etc.).

None I am aware of at this time

36. Has the applicant ever defaulted on any debt?

Yes If yes, disclose all circumstances surrounding prior default(s). _____
 No

37. Does the applicant have taxing authority?

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Yes
 No

38. Provide the last five-years of data showing total taxable assessed valuation including net ad valorem taxes levied, corresponding tax rate (detailing debt service and general purposes), and tax collection rate.

Fiscal Year Ending	Net Taxable Assessed Value (\$)	Tax Rate	General Fund	Interest & Sinking Fund	Tax Levy \$	Percent age Current Collecti ons	Percentage Total Collections
2016	782,928,050	.5640	.3596	.2044	4,704,126	99.56%	99.56%
2015	737,922,965	.5640	.3598	.2042	4,356,620	99.19%	99.39%
2014	670,721,248	.0584	.3638	.2202	4,192,486	98.92%	99.61%
2013	635,808,461	.0584	.3504	.2336	3,977,570	98.78%	99.62%
2012	627,256,816	.0584	.3203	.2637	3,915,501	98.67%	99.47%

Comments: _____

39. Attach the last five-years of tax assessed values delineated by Classification (Residential, Commercial and Industrial). **If applicant does not have taxing authority, provide the assessed values of the county.**

- a) **2016 attached**
 b) **2015 attached**
 c) **2014 attached**
 d) **2013 attached**
 e) **2012 attached**

40. Attach the direct and overlapping tax rate table:

Attached tax rate table

41. Provide the current top **TEN** taxpayers showing percentage of ownership to total assessed valuation. State if any are in bankruptcy and explain anticipated prospective impacts in the Comments blank, below. If any of these have changed in the past three years, please provide information on the changes to the top ten.

Taxpayer Name	Assessed Value	Percent of Total	Bankruptcy (Y/N)
BASTROP RETAIL PARTNERS	29,930,566	3.82%	N
H E BUTT GROCERY	16,965,966	2.17%	N
COVERT CHEVROLET	15,246,642	1.95%	N
BASTROP WALNUT RIDGE APARTMENTS	11,645,786	1.49%	N
BUC-EE'S LTD	9,785,774	1.25%	N
THE HOME DEPOT	9,081,982	1.16%	N

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

WALMART REAL ESTATE	8,678,608	1.11%	N
SOFT HOTEL, LLC	6,859,956	.88%	N
FIRST NATIONAL BANK BASTROP	6,627,561	.85%	N
LOWE'S HOME CENTER	6,025,000	.77%	N

Comments: _____

42. Provide the maximum tax rate permitted by law per \$100 of property value. .5640

43. Does the applicant collect sales tax?

Yes Provide the sales tax collection history for the past five years.

Fiscal Year Ending	Total Collections
2016	4,371,880
2015	4,009,998
2014	3,517,469
2013	3,352,264
2012	3,219,766

No

44. Indicate the tax status of the proposed loan?

Tax-Exempt

Taxable

45. Proforma **(Select one of the four listed below) Please be sure the proforma reflects the schedule requested, including multi-phased funding options.**

a. System revenues are anticipated to be used to repay the proposed debt. Attach a proforma indicating the following information for each year the debt is outstanding:

- projected gross revenues
- operating and maintenance expenditures
- outstanding and proposed debt service requirements
- net revenues available for debt service and coverage of current and proposed debt paid from revenues

b. Taxes are anticipated to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:

- outstanding and proposed debt service requirements
- the tax rate necessary to repay current and proposed debt paid from taxes
- list the assumed collection rate and tax base used to prepare the schedule

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- c. Combination of system revenues and taxes to be used to repay the proposed debt. Attach a pro forma indicating the following information for each year the debt is outstanding:
- projected gross revenues, operating and maintenance expenditures, net revenues available for debt service
 - outstanding and proposed debt service requirements
 - the tax rate necessary to pay the current and proposed debt
 - list the assumed collection rate and tax base used to prepare the schedule
- d. Another type of pledge will be used to repay the proposed debt. Attach a pro forma with information for each year the debt is outstanding, which includes projected revenues, annual expenditures, outstanding debt requirements, and revenues available for debt service.
- Attached
46. Attach a **FIVE** year comparative system operating statement (not condensed) including audited prior years and an unaudited year-to-date statement. Unaudited year-to-date statement must reflect the financial status for a period not exceeding the latest six months.
- Attached Operating Statement.**
47. Attach **ONE** copy of an annual audit of financial statements, including the management letter, for the preceding fiscal year prepared by a certified public accountant or firm of accountants and, if the last annual audit was more than 6 months ago, then, provide interim financial information.
- Attached Annual Audit**
 - Attached Management Letter**
 - If applicable, attached interim financial information**
48. Does the applicant have any outstanding debt? (Check all that apply)
- Yes, General obligation debt
 - Yes, Revenue debt
 - Yes, Authorized but unissued debt
 - No
49. Attach a listing of total outstanding debt and identify the debt holder. Segregate by type (General Obligation or Revenue) and present a consolidated schedule for each, showing total annual requirements. Note any authorized but unissued debt.
- a. General Obligation Debt:
- Yes
 - Attached schedule. The schedule should also identify the debt holder.**
 - No
- b. Revenue:
- Yes
 - Attached schedule. The schedule should also identify the debt holder.**
 - No
- c. Authorized by Unissued Debt:
- Yes
 - Attached schedule. The schedule should also identify the debt holder.**

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

No holder.

50. List the ten largest employers of the Applicant's service area:

Name	Number of Employees
BASTROP ISD	1,100
HYATT REGENCY LOST PINES RESORT	675
BASTROP COUNTY	460
MD ANDERSON CANCER CENTER	430
HEB FOOD STORES	400
WALMART	320
BASTROP FCI	284
BUC-EE'S	173
BLUEBONNET ELECTRIC CO-OP	154
SOUTHSIDE MARKET & BBQ	150

Comments (example, any anticipated changes to the tax base, employers etc.) _____

51. Provide any current bond ratings with date received.

	Standard & Poor's	Date Received	Moody's	Date Received	Fitch	Date Received
G.O.	AA	2/1/17			AA-	2/28/17
Revenue						

52. Is the project intended to allow the applicant to provide or receive water or sewer services to or from another entity?

Yes. If yes, the applicant must attach, at a minimum, the proposed agreement, contract, or other documentation establishing the service relationship, with the final and binding agreements provided prior to loan closing.
 Attached

No.

Part D: Project Information

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

53. Description of Project Need (for example, is the project needed to address a current compliance issue, avoid potential compliance issues, extend service, expand capacity, etc.):
The city's projected growth rate and need for water infrastructure is based on multiple components. In 2011 the city of Bastrop like much of Texas experience a drought of record, one of the city's alluvial wells failed due to the demand of its current customer. Since that time, we have instituted a well maintenance program, restructured our rates to encourage conservation, amended the drought contingency plan to restrict outdoor watering to designated days of the week, and reduced the amount of run time on our vulnerable shallow alluvial wells. With the goal in mind of meeting the state water plan's growth projections we began looking for a long-term water supply. In 2014 the city purchased the water rights from a large land owner in the amount of 3,000 acre feet, with the option to buy an additional 3,000 acre feet. We have begun the process of designing a well, and the ancillary components needed to move the water to our customers within our service area. We will receive bids from drilling contractors soon, and currently have approval pending at the TCEQ.

54. Description of Project, including a bulleted list of project elements/components, and alternatives considered (including existing facilities):

The project will consist of the following components:

- A 1,500 Gallon per Minute Simsboro well and monitoring well.
- Line shaft Turbine Pump, Motor and discharge head.
- 600,000 gal. Ground storage tank
- Master Meter Piping.
- Pump building.
- Chlorination system
- Fence
- Pressure Tank
- Booster Pumps/Piping
- SCADA (Supervisory Control and Data Acquisition)
- Electrical service
- 400 AMP Manual transfer switch
- Turner controls back-up system
- Yard Piping
- Filtration
- Plant signage
- Roadway improvements
- Generator
- 19,000 LF or 3.6 Miles of 18" PVC C 905, Dr-18 Transmission line
- 500 Feet of 24" casing
- Valves & hydrants
- Water plant tie-in to MG storage tank

A complete preliminary engineering feasibility data must include:

- a. A description and purpose of the project, including existing facilities.
 - Note: CWSRF and DWSRF must address issues scored in Intended Use Plan submittal
- Attached**
- b. **If project is for Construction only, then attach** the appropriate Engineering Feasibility Report:

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

a) **Water** (TWDB-0555 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0555.pdf>)
 Attached

b) **Wastewater** (TWDB-0556 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0556.pdf>)
 Attached

c. DWSRF applicants must complete a Projected Draw Schedule (TWDB-1202 at <http://www.twdb.texas.gov/financial/instructions/doc/TWDB-1202.xls>)

55. Water Made Available (For projects requesting a construction component):

a. *New supply* _____ 3,000 _____ (acre-feet/year) _____ 7,012,000 _____ (\$) capital cost

- The **increase** in the total annual volume of water supply that will be made available to the recipient(s) by the proposed project.
- Water Plan project examples: new groundwater wells, reservoir development, pipelines to sources.

b. *New Conservation savings* _____ (acre-feet/year) _____ (\$) capital cost

- Annual volume of anticipated water savings resulting from implementation of the proposed conservation project including water loss) and other conservation activities,
- Water Plan project examples: municipal conservation, advanced Water Conservation, on-farm conservation, brush control, irrigation conservation.

c. *New Reuse supply* _____ (acre-feet/year) _____ (\$) capital cost

- Increase in the annual volume of (direct or indirect) reuse water supply that will be made available to the recipient(s) by the proposed project.
- Water Plan project examples: direct reuse, non-potable reuse, recycled water programs.

d. *Maintenance of Current Supply* _____ (acre-feet/year) _____ (\$) capital cost

- Volume of recipients' current supplies that will be maintained by implementing the proposed project
- Water Plan project examples: None. Not a water plan project. (Examples of these type projects: treatment rehabilitation, system storage facilities, system upgrades).

56. Project Location:

Lat. 30.1591 Long. -97.3283

Attach a map of the service area and drawings as necessary to locate and describe the project. The map should show the project footprint and major project components.

Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

57. Attach the Census tract numbers in which the applicant's service area is within. The Census tracts within your area may be found at:

<http://factfinder.census.gov/faces/nav/jsf/pages/index.xhtml>

Please follow these steps:

- Select Advanced Search.
- Select the Geographies button located below Topics (left side of page).
- On the top of the window select the Name tab.
- In the text box, type "All Census Tracts within____" (Fill in the blank with the name of a County Subdivision or a Place.) Select "Go".
- If your town is a County Subdivision, select the geography labeled "All Census Tracts (or parts) within City, County, State" from the Geography Results. If your town is a place select the geography labeled "All Census Tracts (or parts) full-or-partially within City, State" from the Geography Results.
- Close the Geographies Search window.
- Use the Topics on the left side of the page to further refine your search or to select a table(s) from your search results.

Attached Census tracts

58. Project Schedule:

- a) Requested loan closing date.
- b) Estimated date to submit environmental planning documents.
- c) Estimated date to submit engineering planning documents.
- d) Estimated date for completion of design.
- e) Estimated Construction start date for first contract.
- f) Estimated Construction end date for last contract.

59. **Attach** a copy of current and future populations and projected water use or wastewater flows. Include entities to be served.

Attached

60. Attach the most current itemized project cost estimate (include all costs and funding sources). Utilize the budget format provided (TWDB-1201 at <http://www.twdb.texas.gov/financial/instructions/>). If applying for pre-construction costs only (i.e., P, A, D) then itemize only the relevant portions in the attached budget template

Attached

61. Attach the appropriate Project Information Form:

Wastewater: Attached a completed Wastewater Project Information Form WRD-253a <http://www.twdb.texas.gov/financial/instructions/index.asp>

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Water:** Attached a completed Water Project Information Form
WRD-253d <http://www.twdb.texas.gov/financial/instructions/index.asp>

62. If the project is for Construction only, wastewater projects that involve the construction of a new plant or the expansion of an existing plant and/or associated facilities, attach evidence that an application for a new Texas Pollution Discharge Elimination System Permit or amendment to an existing permit related to the proposed project has been filed with the Texas Commission on Environmental Quality (TCEQ). Final permit authorization must be obtained from the TCEQ before funds can be released for construction activities.

- Attached**
- No. Provide explanation:

63. If this project will result in: (a) an increase by the applicant in the use of groundwater, (b) drilling a new water well, or (c) an increase by the applicant in use of surface water, then the applicant must demonstrate that it has acquired – by contract, ownership or lease – the necessary property rights, groundwater permits, and/or surface water rights sufficient for the project before funds can be released for construction.

a) Does the applicant currently own all the property rights, groundwater permits and surface water rights needed for this project?

- Yes If yes, please attach the completed, appropriate form.
 1. WRD 208A (<http://www.twdb.texas.gov/financial/instructions/index.asp>) (Surface Water)
 - Attached**
 2. WRD 208B ([twdb.texas.gov/financial/instructions/index.asp](http://www.twdb.texas.gov/financial/instructions/index.asp) <http://www.texas.gov>.) (Groundwater)
 - Attached**
- No
- N/A

b) If all property rights, groundwater permits, and surface water rights, needed for this project have not yet been acquired, identify the rights and/or permits that will need to be acquired and provide the anticipated date by which the applicant expects to have acquired such rights and/or permits.

Type of Permit Water Right	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	Permit / Water Right ID No.

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- c) List any major permits not identified elsewhere that are necessary for completion of project. Also, list any more necessary minor permits that may involve particular difficulty due to the nature of the proposed project.

Permit	Issuing Entity	Permit Acquired (Y/N)

64. Has the applicant obtained all necessary land and easements for the project?

Yes. If yes, attach the site certificate (ED-101 at <http://www.twdb.texas.gov/financial/instructions/index.asp>)
 Attached

No. If no, **fill out the table below** and describe the land or easements that will need to be acquired, provide the anticipated date by which the applicant expects to have the land or easements, and indicate if funding from TWDB is to be used for the acquisition.

Description of Land or Easement Permit	Entity from which the permit or right must be acquired	Acquired by lease or full ownership	Expected acquisition date	To Be Funded by TWDB (Yes/No)

65. Has a Categorical Exclusion (CE), Determination of No Effect (DNE), Finding of No Significant Impact (FONSI), Record of Decision (ROD), or any other environmental determination been issued for this project?

Yes
 Attach a copy of the finding.
 No

66. Is the project potentially eligible for a Categorical Exclusion (CE)/ Determination of No Effect (DNE) because it involves only minor rehabilitation or the functional replacement of existing equipment?

Yes
 No

67. Are there potentially adverse environmental or social impacts that may require mitigation or extensive regulatory agency or public coordination (e.g. known impacts to properties eligible for

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

listing on the National Register of Historic Places; potentially significant public controversy; need for an individual permit from the U.S. Army Corps of Engineers)?

- Yes
 If yes, attach additional information
 No

Part E: State Water Implementation Fund for Texas (SWIFT) Applicants Only:

68. Identify the type of SWIFT funding (If more than one funding option is being requested indicate the amount of funding for each):

- | | | |
|-------------------------------------|---------------------|-------------|
| <input type="checkbox"/> | Deferred | \$ |
| <input checked="" type="checkbox"/> | Low Interest Loan | \$5,800,000 |
| <input type="checkbox"/> | Board Participation | \$ |

69. For multi-year funding request or phased commitments, provide a schedule reflecting the closing dates for each loan requested.

- Attached**

70. **Notice to SWIFT Applicants:** Texas Water Code Sec. 15.435(h) requires all recipients of financial assistance from the SWIFT to acknowledge any applicable legal obligations in federal law, related to contracting with disadvantaged business enterprises, and state law, related to contracting with historically underutilized businesses. Checking the boxes below serves as this acknowledgement.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with any applicable legal obligations in federal law related to contracting with disadvantaged business enterprises.

As an applicant for financial assistance from SWIFT, I acknowledge that this project must comply with applicable legal obligations in state law (Texas Government Code Chapter 2161 and Texas Administrative Code Chapter 20, Subchapter B) related to contracting with historically underutilized businesses.

71. Provide drafts of the following documents:

- a. Proposed Bond Ordinance
 Attached
- b. Private Placement Memorandum
 Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part F: Economically Distressed Programs (EDAP) Applicants Only:

In accordance with TWDB Rules (31 TAC Chapter 363), an application for EDAP will **not** be considered until the County has adopted and is enforcing the Model Subdivision Rules (MSRs) Texas Water Code § 16.343. If the proposed project is within a municipality or its extraterritorial jurisdiction (ETJ), or if the applicant is a municipality, the municipality must also have adopted and be enforcing MSRs.

72. Describe procedures for collecting monthly customer bills (include procedures for collection of delinquent accounts)

73. Is financing being requested for a **wastewater** project?
 Yes If yes, does the applicant have the required resolution/ordinance establishing a mandatory hookup policy?
 Yes. If yes, attach a copy of the resolution/ordinance.
 Attached
 No. If no, explain _____
 No
74. Required documentation for the project area for Preliminary EDAP Eligibility (31 TAC Chapter 363)
 Attached documentation of inadequacy of water and/or wastewater services.
 Attached documentation regarding the financial resources of the residential users in the EDAP area. Census data or documentation regarding median household income should be provided.
 Attached documentation demonstrating existence of a residence in the project area prior to **June 1, 2005**. This could include tax records of residence, dated aerial maps, or, other documentation demonstrating existence of a residence.
75. Has the Department of State Health Services issued a determination stating a public health nuisance exists in the project area?
 Yes If yes, attach a copy of the determination.
 Attached
 No If no determination exists, attach documentation demonstrating a public health nuisance exists in the project area. (*Photographs may be submitted, but they **must** be labeled with location and date when taken. If the soil types are mentioned in the project area as an issue, include soil profile maps*) This documentation will be used by TWDB staff to request a determination from the Department of State Health Services
 Attached
76. Is this project providing new service?
 Yes If yes, attach plats of the affected subdivisions.
 Attached
 No
77. Attach an EDAP Facility Engineering Plan/Scope of Services report that complies with the requirements of WRD-023A. <http://www.twdb.texas.gov/financial/instructions/index.asp>
 Attached

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

Part G: CWSRF/DWSRF Applicants Only

Only applicants applying for funding from the CWSRF and DWSRF Programs must complete this section.

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to obtain a DUNS number that will represent a universal identifier for all federal funding assistance. DUNS numbers can be obtained from Dun and Bradstreet at <http://fedgov.dnb.com/webform/>

78. Applicant's Data Universal Number System (DUNS) Number:
DUNS _____

Pursuant to Federal Funding Accountability and Transparency Act (FFATA) the applicant is required to register with System for Award Management (SAM) and maintain current registration at all times during which the Board loan agreement is active or under consideration by the Board. Register at: <https://sam.gov>.

79. The applicant has registered and will maintain current SAM registration at all times during which a federal subaward is active or under consideration by the Board.
 Yes
 No

80. Federal Awards information:
 1. Did applicant receive over 80% of their revenue from Federal Awards last year?
 Yes
 No
 2. Did applicant receive over \$25 million in Federal Awards last year?
 Yes
 No
 3. Public does not have access to executive compensation information via SEC or IRS reports?
 Yes
 No

81. If applicant checked **YES** to **ALL** three boxes in 3 above, applicant is required to disclose the name and compensation of the five most highly compensated officers.

Officer's Name	Officer's Compensation (\$)

82. Complete form WRD 213 (<http://www.twdb.texas.gov/financial/instructions/index.asp>) - Certification Regarding Lobbying
Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

83. If applying for CWSRF Equivalency or DWSRF, **attach** the Certification Regarding Debarment, Suspension and Other Responsibility. SRF-404
(<http://www.twdb.texas.gov/financial/instructions/doc/SRF-404.pdf>)

Attached Yes
 No
 N/A

84. If applying for CWSRF Equivalency or DWSRF, **attach** the Assurances – Construction Programs. EPA-424D (<http://www.twdb.texas.gov/financial/doc/EPA-424D.pdf>)

Attached Yes
 No
 N/A

85. The applicant must comply with the Davis-Bacon Act regarding prevailing wage rates. The applicant acknowledges that they are aware of, and will abide by, the Davis-Bacon Act requirements.

Yes
 No

Further information on the Davis-Bacon requirement is available through the TWDB Guidance document, DB-0156 (<http://www.twdb.texas.gov/financial/instructions/index.asp>)

All project costs funded by the TWDB through CWSRF Equivalency or DWSRF must comply with the federal Disadvantaged Business Enterprise (DBE) program rules and requirements. The federal DBE program requires a good faith effort to contract with DBE's for all procurements including: professional and non-professional consulting services, equipment, supplies and construction to be funded by federal equivalency dollars. Guidance and forms are found at:
TWDB-0210 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0210.pdf>)

86. **At a minimum, you must complete and attach** the Applicant Affirmative Steps Certification and Goals. This form is required to obtain a financial assistance commitment.
TWDB-0215 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0215.pdf>)

Attached Yes
 No

87. If you have already solicited contractors, complete and attach the Affirmative Steps Solicitation Report. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.
TWDB-216 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0216.pdf>)

Attached Yes
 No
 N/A

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

88. If you have awarded contracts to contractors, complete and attach the Loan/Grant Participation Summary. This form must be submitted for review prior to loan closing and release of funds. This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-0373 (<http://www.twdb.texas.gov/financial/doc/TWDB-0373.pdf>)

Attached Yes
 No
 N/A

89. All Contractors that have been awarded will need to complete and attach the Prime Contractor Affirmative Steps Certification and Goals This form is required prior to loan closing and release of any funds; therefore, if this question is not applicable at this time, select N/A.

TWDB-217 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0217.pdf>)

Attached Yes
 No
 N/A

90. **All CWSRF applicants** must be a Designated Management Agency (DMA) for wastewater collection and treatment. Please complete and attach DMA resolutions. WRD-210 (<http://www.twdb.texas.gov/financial/doc/WRD-210.pdf>) is an example of this type of resolution.

Attached
 N/A

Part H: Documentation of "Green" Projects and Project Components

CWSRF and DWSRF Applicants Only

All SRF applicants must complete this section if green benefits are all or part of the project (more than an incidental benefit). Project is defined as the entire project or a stand-alone component of the project. This section is required so that the TWDB may determine whether the project qualifies as "green" pursuant to Environmental Protection Agency (EPA) Guidance.

A project (or project component) is "green" if the primary purpose qualifies under EPA Guidance as one of the following:

- a. Green Infrastructure,
- b. Water Efficiency-related,
- c. Energy Efficiency-related, or
- d. Environmentally Innovative.

You must use the Green Project Reserve guidance to complete this section. Current guidance may be found at: **Green Project Reserve: Guidance for determining project eligibility**

TWDB-0161 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0161.pdf>)

91. Does your project or a component of your project qualify as Green, per EPA guidance?

Yes
 No

If Yes, Please complete the remainder of Section G.

92. Type of Green Project

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- Water Efficiency
 Energy Efficiency
 Green Infrastructure
 Environmentally Innovative

93. The correct worksheets must be completed.

Green Project Reserve: CWSRF Green Project Worksheets

TWDB-0162 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0162.pdf>)

- Attached Yes
 No
 N/A

Green Project Reserve: DWSRF Green Project Worksheets

TWDB-0163 (<http://www.twdb.texas.gov/financial/instructions/doc/TWDB-0163.pdf>)

- Attached Yes
 No
 N/A

TWDB will make the final determination whether your project (or project component) meets federal criteria as "green". You may be required to submit a **business case, utilizing the Green guidance**

Part I: Summary of attachments to application

Following is a list of the documents that may be necessary in order to process this application. While not all of the listed information below may be required for all projects, an applicant should review the application carefully because incomplete applications will not be processed until all of this information has been provided. In addition, please make sure your entity system name appears on every attachment. **Label each attachment with the number of the pertinent application section (i.e. "Part B5").**

Check list for your convenience

Part A

- No. 6
 No. 12

General Information

- Draft or executed consulting contracts (engineering, financial advisor, bond counsel)
 Existing security document for refinancing

Part B

- No. 17
 No. 18
 No. 19
 No. 20

Legal

- Resolution (TWDB-0201A)
 Application Affidavit (TWDB-0201)
 Certificate of Secretary (TWDB-201B)
 Water Supply Corporations
 Articles of Incorporation
 Certificate of incorporation from the Texas Secretary of State
 By-laws and any amendments
 Certificate of status from the Texas Secretary of State
 Certificate of account status from Texas Comptroller
- No. 21 Resolution/ordinance authorizing the issuance of parity debt
 No. 22 Certificate of Convenience & Necessity
 No. 23 Enforcement Actions
 No. 24 Affidavit of No Objection
 No. 25 Two copies of the Water Conservation Plan (TWDB-1968 and TWDB-1965)
 No. 26 Water use surveys
 <http://www.twdb.texas.gov/waterplanning/waterusesurvey/index.asp>
 No. 27 Water Loss Audit

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

<http://www.twdb.texas.gov/conservation/resources/waterloss-resources.asp>

Part C

- | | |
|---------------------------------|---|
| <input type="checkbox"/> No. 39 | Assessed Values by Classifications |
| <input type="checkbox"/> No. 40 | Direct and Overlapping Tax Table |
| <input type="checkbox"/> No. 45 | Proforma for each year of debt outstanding |
| <input type="checkbox"/> No. 46 | Five year comparative system operating statement. |
| <input type="checkbox"/> No. 47 | Annual audit and management letter |
| <input type="checkbox"/> No. 49 | Outstanding debt schedule |
| <input type="checkbox"/> No. 52 | Service provider contracts |

Financial

Part D

- | | |
|----------------------------------|---|
| <input type="checkbox"/> No. 54a | Preliminary Engineering Feasibility Data (PEFD) |
| <input type="checkbox"/> No. 54b | Engineering Feasibility Report
Water (TWDB-0555)
Wastewater (TWDB-0556) |
| <input type="checkbox"/> No. 54c | Project Draw Schedule (TWDB-1202) |
| <input type="checkbox"/> No. 56 | Project Map |
| <input type="checkbox"/> No. 57 | Census Tract(s) |
| <input type="checkbox"/> No. 59 | Current and future populations and projected water use or wastewater flows |
| <input type="checkbox"/> No. 60 | Project Cost Estimate Budget (TWDB-1201) |
| <input type="checkbox"/> No. 61 | Wastewater Project Information Form (WRD-253a)
Water Project Information Form (WRD-253d) |
| <input type="checkbox"/> No. 62 | Texas Pollution Discharge Elimination System Permit |
| <input type="checkbox"/> No. 63 | If applicant has property rights and permits
a. WRD-208A (Surface Water)
b. WRD-208B (Groundwater) |
| <input type="checkbox"/> No. 63c | Additional Permits |
| <input type="checkbox"/> No. 64 | Site certificate, evidencing land ownership for the project. (ED-101) |
| <input type="checkbox"/> No. 65 | Categorical Exclusion (CE), Finding of No Significant Impact (FONSI), Record of Decision or any other supporting document |
| <input type="checkbox"/> No. 67 | Social or environmental issues |

Project Information

Part E

- | | |
|----------------------------------|---------------------------------------|
| <input type="checkbox"/> No. 69 | Multi-year/phased commitment schedule |
| <input type="checkbox"/> No. 71a | Draft Bond Ordinance |
| <input type="checkbox"/> No. 71b | Private Placement Memorandum |

State Water Implementation Fund for Texas

Part F

- | | |
|---------------------------------|--|
| <input type="checkbox"/> No. 73 | Resolution/ordinance establishing a mandatory hookup policy |
| <input type="checkbox"/> No. 74 | EDAP applicants
<input type="checkbox"/> Inadequacy documentation
<input type="checkbox"/> Financial resources documentation
<input type="checkbox"/> Existence of residences prior to 06/01/2005 |
| <input type="checkbox"/> No. 75 | Public health nuisance |
| <input type="checkbox"/> No. 76 | Plats |
| <input type="checkbox"/> No. 77 | EDAP Planning Phase – Facility Engineering Plan/Scope of Services (WRD-023A) |

Economically Distressed Areas Program

Part G

- | | |
|---------------------------------|--|
| <input type="checkbox"/> No. 82 | Lobbying Activities (WRD-213) |
| <input type="checkbox"/> No. 83 | Certification Regarding Debarment, Suspension and Other Responsibility Requirements. (SRF-404) |

CWSRF/DWSRF Applicants Only

Please label each attachment with the number of the pertinent application section (i.e. "Part D5")

- No. 84 Assurances – Construction Programs (EPA-424D)
Disadvantaged Business Requirements Guidance (TWDB-0210)
- No. 86 Affirmative Steps Certification and Goals (TWDB-0215)
- No. 87 Affirmative Steps Solicitation Report (TWDB-216)
- No. 88 Loan/ Grant Participation Summary (TWDB-0373)
- No. 89 Prime Contractor Affirmative Steps Certification and Goals (TWDB-217)
- No. 90 Designated Management Agency (WRD-210)

Part H

Green Projects

- Guidance (TWDB-0161)
- No. 93 CWSRF Green Project Worksheets (TWDB-0162)
DWSRF Green Project Worksheets (TWDB-0163)

Part J: Guidance and Forms

Part A

General Information

CWSRF – 31 TAC 375
DWSRF – 31 TAC 371
EDAP and SWIFT - 31 TAC 363
For more information visit, <http://www.twdb.texas.gov/about/rules/index.asp>.

Part D

Project Information

[State Programs - 31 TAC 363](#)
[Drinking Water State Revolving Fund - 31 TAC 371](#)
[Clean Water State Revolving Fund / Equivalency - 31 TAC 375](#)
[Clean Water State Revolving Fund / Non-Equivalency - 31 TAC 375](#)

Guidelines for Environmental Assessment, Clean Water Non-Equivalency (ED-001A)
Clean Water EID Instructions (SRF-099)
Guidelines for Environmental Assessment, State Participation, DFund, RWAf and WIF,
(ED-001B)
Guidelines for Environmental Assessment, EDAP (ED-001C)
Drinking Water EID Instructions (DW-001)

Part H

Green Projects and Project Components

Green Project Reserve: Guidance for determining project eligibility
(TWDB-0161)

Application Filing and Authorized Representative Resolution

A RESOLUTION by the Bastrop City Council of the City of Bastrop requesting financial assistance from the Texas Water Development Board; authorizing the filing of an application for assistance; and making certain findings in connection therewith.

BE IT RESOLVED BY THE City Council OF THE City of Bastrop:

SECTION 1: That an application is hereby approved and authorized to be filed with the Texas Water Development Board seeking financial assistance in an amount not to exceed \$ 5,800,000 to provide for the costs of A 1,500 GPM production well and all ancillary components.

SECTION 2: That Lynda K. Humble be and is hereby designated the authorized representative of the Bastrop City Council for purposes of furnishing such information and executing such documents as may be required in connection with the preparation and filing of such application for financial assistance and the rules of the Texas Water Development Board.

SECTION 3: That the following firms and individuals are hereby authorized and directed to aid and assist in the preparation and submission of such application and appear on behalf of and represent the City of Bastrop before any hearing held by the Texas Water Development Board on such application, to wit:

Financial Advisor: Specialized Public Finance Inc.
Dan Wegmiller

Engineer: BEFCO Engineering
Chad Emmel

Bond Counsel: Mc Call, Parkhurst & Horton
J. Bart Fowler

PASSED AND APPROVED, this the 25th day of April, 2017.

ATTEST: _____

Inaci Chavez

By: _____

Deputy City Sec.

(Seal)

Application Resolution - Certificate of Secretary

THE STATE OF TEXAS §
COUNTY OF Bastrop §
APPLICANT City of Bastrop §

I, the undersigned, Secretary of the City of Bastrop Texas,
DO HEREBY CERTIFY as follows:

1. That on the 25th day of April, 20 17, a regular/special meeting of the
a quorum was held; the duly constituted members of the
Bastrop City Council being as follows:

Kenneth Kesselus, Willie Lewis Peterson, Kay Garcia McAnally, Willie Delarosa, Deborah Jones

all of whom were present at the meeting, except the following:

Gary Schiff

Among other business considered at the meeting, the attached resolution entitled:

"A RESOLUTION by the City Council of the City of Bastrop requesting
financial participation from the Texas Water Development Board; authorizing the filing of an application
for financial participation; and making certain findings in connection therewith."

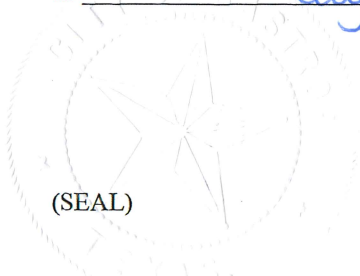
was introduced and submitted to the Bastrop City Council for passage and adoption. After
presentation and consideration of the resolution, and upon a motion made by Deborah Jones and
seconded by William Delarosa, the resolution was passed and adopted by the
City council by the following vote:

4 voted "For" _____ voted "Against" _____ abstained

all as shown in the official minutes of the Bastrop City council for this meeting.

2. That the attached resolution is a true and correct copy of the original on file in the official records
of the City of Bastrop; the qualified and acting members of the City council on
the date of this meeting are those persons shown above and, according to the records of my office, advance notice of
the time, place, and purpose of meeting was given to each member of the Bastrop City council; and that the
meeting, and the deliberations of the public business described above, was open to the public and written notice of
the meeting, including the subject of the resolution described above, was posted and given in advance of the meeting
in compliance with the provisions of Chapter 551 of the Texas Government Code.

IN WITNESS WHEREOF, I have signed my name and affixed the seal of
the City of Bastrop, this the 25th day of April, 20 17.



Maici Chavez
Secretary Deputy City Secretary

2016 CERTIFIED TOTALS

Property Count: 5,495

C04 - CITY OF BASTROP
Grand Totals

4/28/2017 2:54:04PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	2,382		\$20,827	\$381,912,839
B	MULTIFAMILY RESIDENCE	71		\$0	\$48,848,758
C	VACANT LOT	852		\$0	\$16,601,941
D		1		\$0	\$8,466
D1	QUALIFIED AG LAND	66	1,384.3672	\$0	\$25,017,119
E	FARM OR RANCH IMPROVEMENT	53	365.3639	\$0	\$11,655,873
ERROR		7		\$0	\$65,500
F		420		\$0	\$314,494,482
F1	COMMERCIAL REAL PROPERTY	19		\$0	\$13,942,162
J		2		\$0	\$776,377
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	4		\$0	\$4,351,705
J4	TELEPHONE COMPANY (INCLUDING CO-O	2		\$0	\$1,699,068
J5	RAILROAD	9		\$0	\$1,942,768
J6	PIPELAND COMPANY	4		\$0	\$548,751
J7	CABLE TELEVISION COMPANY	3		\$0	\$2,293,511
L1	COMMERCIAL PERSONAL PROPERTY	933		\$0	\$91,545,586
L2	INDUSTRIAL PERSONAL PROPERTY	18		\$0	\$1,335,065
M1	TANGIBLE OTHER PERSONAL, MOBILE H	69		\$0	\$1,320,472
S	SPECIAL INVENTORY TAX	5		\$0	\$17,867,359
X	TOTALLY EXEMPT PROPERTY	674		\$0	\$160,531,421
	Totals		1,749.7311	\$20,827	\$1,096,759,223

Resid.: 430,761,597
 Comm: 328,436,644
 Industr: ?

2015 CERTIFIED TOTALS

Property Count: 5,366

C04 - CITY OF BASTROP
Grand Totals

4/28/2017

2:52:52PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
A	SINGLE FAMILY RESIDENCE	2,341		\$0	\$328,716,076
B	MULTIFAMILY RESIDENCE	64		\$0	\$34,223,265
C	VACANT LOT	834		\$0	\$17,129,138
D1	QUALIFIED AG LAND	65	1,211.9350	\$0	\$23,341,359
D2	NON-QUALIFIED LAND	1		\$0	\$6,550
E	FARM OR RANCH IMPROVEMENT	52	537.6673	\$0	\$13,371,774
ERROR		920		\$0	\$108,529,262
F1	COMMERCIAL REAL PROPERTY	435		\$0	\$343,714,922
F2	INDUSTRIAL REAL PROPERTY	4		\$0	\$664,768
J2	GAS DISTRIBUTION SYSTEM	2		\$0	\$651,088
J3	ELECTRIC COMPANY (INCLUDING CO-OP)	4		\$0	\$4,241,389
J5	RAILROAD	9		\$0	\$1,882,537
L1	COMMERCIAL PERSONAL PROPERTY	3		\$0	\$221,756
M2	TANGIBLE OTHER PERSONAL, OTHER	70		\$0	\$1,239,994
X	TOTALLY EXEMPT PROPERTY	637		\$0	\$160,426,715
	Totals		1,749.6023	\$0	\$1,038,360,593

Residential: 362,939,341
 Commercial: 343,714,922
 Industrial: 664,768

2014 CERTIFIED TOTALS

Property Count: 5,339

C04 - CITY OF BASTROP
Grand Totals

4/28/2017

2:56:06PM

State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
		3,798			
D1	QUALIFIED AG LAND	3	188.8090	\$0	\$688,046,604
E	FARM OR RANCH IMPROVEMENT	25	359.7372	\$0	\$7,573,227
ERROR		898		\$0	\$7,696,596
L1	COMMERCIAL PERSONAL PROPERTY	3		\$0	\$100,454,984
X	TOTALLY EXEMPT PROPERTY	629		\$0	\$308,783
	Totals		548.5462	\$0	\$152,375,253
					\$956,455,447

Data not available

2013 CERTIFIED TOTALS

Property Count: 5,207

C04 - CITY OF BASTROP
Grand Totals

4/28/2017 3:15:05PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
		52		\$0	\$952,242
A1		2,137		\$0	\$275,417,905
A2		69		\$0	\$3,317,078
A3		1		\$0	\$142,003
B1		9		\$0	\$29,875,532
B2		45		\$0	\$5,663,525
C1	C1	843		\$0	\$12,333,473
C2	C2	33		\$0	\$2,820,546
C3		24		\$0	\$419,446
D1	D1	66	1,275.9088	\$0	\$21,736,662
D2	D2	1	8.7330	\$0	\$4,803
D4		24		\$0	\$7,826,270
E1		22		\$0	\$2,777,169
E2		7		\$0	\$27,790
E3		4		\$0	\$442,103
ERROR		866		\$0	\$92,260,610
F1	F1	422		\$0	\$287,076,142
F2	F2	4		\$0	\$1,022,913
J2	J2	2		\$0	\$507,319
J3	J3	4		\$0	\$4,095,564
J5	J5	9		\$0	\$1,499,718
M3	Converted code M3	72		\$0	\$1,215,811
X		628		\$0	\$145,772,126
	Totals		1,284.6418	\$0	\$897,206,750

R

CI

Residential: 314,416,043
 Commercial: 287,076,142
 Industrial: 1,022,913

2012 CERTIFIED TOTALS

Property Count: 5,127

C04 - CITY OF BASTROP
Grand Totals

4/28/2017 3:16:22PM

CAD State Category Breakdown

State Code	Description	Count	Acres	New Value Market	Market Value
		72		\$0	\$534,211
A1		2,103		\$0	\$268,700,043
A2		67		\$0	\$3,421,554
A3		1		\$0	\$142,003
B1		7		\$0	\$16,459,254
B2		41		\$0	\$4,909,145
C1		860		\$0	\$12,059,862
C2		42		\$0	\$3,035,592
C3		25		\$0	\$340,121
D1	D1	59	1,308.5548	\$0	\$21,404,417
D2	D2	33	424.1740	\$0	\$8,197,235
E1		22		\$0	\$2,362,847
E2		7		\$0	\$27,790
E3		3		\$0	\$90,451
ERROR		864		\$0	\$82,368,217
F1	F1	423		\$0	\$283,991,541
F2	F2	4		\$0	\$1,022,913
J2	J2	2		\$0	\$434,747
J3	J3	4		\$0	\$3,631,924
J5	J5	9		\$0	\$1,396,221
M3	Converted code M3	68		\$0	\$1,005,059
X		570		\$0	\$149,212,411
		Totals	1,732.7288	\$0	\$864,747,558

Residential: 293,631,999
 Commercial: 292,188,776
 Industrial: 1,022,913



Standard Code Table Report

BCAD

Code Table: State Classification Codes Sorted by: Description Report Options: None

Code	Description	Effective Date	Inherited From
A1	A1 - Residential Single Family	01/22/2004	
A2	A2 - Residential Mobile Home	01/22/2004	
A3	A3 - Single Family-rural Residences-on Lots Or 1 Acre	01/22/2004	
A4	A4 - Single Family Condominiums	01/22/2004	
B1	B1 - Apartments	01/22/2004	
B2	B2 - Duplexes	01/22/2004	
C1	C1 - Vacant Platted Lots Or Tracts Inside City Limits	01/22/2004	
C2	C2 - Vacant Platted Lots-commercial	01/22/2004	
C3	C3 - Vacant Platted Lots Or Tracts Outside City Limits	01/22/2004	
D1	D1 - Acreage Ranch Land	01/22/2004	
D2	D2 - Commercial & Industrial	01/22/2004	
D3	D3 - Acreage Used For Farming Purposes	01/22/2004	
D4	D4 - Undeveloped Land Over 5 Acres	01/22/2004	
E1	E1 - 1 Acre Split-outs For Homesteads	01/22/2004	
E2	E2 - Barns & Silos	01/22/2004	
E3	E3 - Mobile Homes	01/22/2004	
F1	F1 - Commercial	01/22/2004	
F2	F2 - Industrial	01/22/2004	
G1	G1 - Producing Oil & Gas Wells	01/22/2004	
G2	G2 - Coal, Ores & Minerals	01/22/2004	
G3	G3 - Real, Non Producing Minerals	01/22/2004	
H1	H1 - Personal Vehicles	01/22/2004	
I1	I1 - Banks	01/22/2004	
J1	J1 - Utilities-water Systems	01/22/2004	
J2	J2 - Gas Company	01/22/2004	
J3	J3 - Electric Co	01/22/2004	
J4	J4 - Telephone Co	01/22/2004	
J5	J5 - Railroads	01/22/2004	
J6	J6 - Pipelines	01/22/2004	
J7	J7 - T V & Cable Companies	01/22/2004	
J8	J8 - Other, Describe	01/22/2004	
K1	K1 - Machinery & Equipment	01/22/2004	
L1	L1 - Tangible Commercial Personal	01/22/2004	
L2	L2 - Industrial	01/22/2004	
M1	M1 - Watercraft	01/22/2004	
M2	M2 - Private Aircraft	01/22/2004	
M3	M3 - Mobile Homes	01/22/2004	
M4	M4 - Travel Trailers Or Motor Homes	01/22/2004	



Standard Code Table Report

BCAD

Code Table: State Classification Codes Sorted by: Description Report Options: None

Code	Description	Effective Date	Inherited From
N1	N1 - Intangibles	01/22/2004	
S	S - Special Inventory	01/22/2004	
XA	XA - Public Property for Housing Indigent Persons		
XB	XB - Income Producing Tangible Personal Property Under \$500		
XC	XC - Mineral Interest Property Valued Under \$500		
XD	XD - Improving Property for Housing with Volunteer Labor		
XE	XE - Community Housing Development Organizations		
XF	XF - Assisting Ambulatory Health Care Centers		
XG	XG - Primarily Performing Charitable Functions		
XH	XH - Developing Model Colonia Subdivisions		
XI	XI - Youth Spiritual, Mental, and Physical Development Organ		
XJ	XJ - Private Schools		
XL	XL - Orgs Providing Eco Development Svcs to Local Community		
XM	XM - Marine Cargo Containers		
XN	XN - Motor Vehicles Leased for Personal Use		
XO	XO - Motor Vehicles for Income Production and Personal Use		
XP	XP - Offshore Drilling Equipment Not in Use		
XQ	XQ - Intracoastal Waterway Dredge Disposal Site		
XR	XR - Nonprofit Water or Wastewater Corporation		
XS	XS - Raw Cocoa and Green Coffee Held in Harris County		
XT	XT - Limitation on Taxes in Certain Municipalities		
XU	XU - Miscellaneous Exemptions		
XV	XV - Other Exemptions (including public property, religious,		

Total Count: 61

Preliminary

City of Bastrop, Texas

\$5,800,000 Combination Tax & Revenue Certificates of Obligation, Series 2017

TWDB SWIFT Program (Low Interest Loan - 20 Year)

Assumes TWDB Rates as of 3/27/17 + 50 bps

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i
09/30/2018	-	-	90,839.35	90,839.35
09/30/2019	250,000.00	1.310%	136,931.00	386,931.00
09/30/2020	255,000.00	1.430%	133,470.25	388,470.25
09/30/2021	260,000.00	1.560%	129,619.00	389,619.00
09/30/2022	265,000.00	1.700%	125,338.50	390,338.50
09/30/2023	270,000.00	1.830%	120,615.50	390,615.50
09/30/2024	275,000.00	1.930%	115,491.25	390,491.25
09/30/2025	280,000.00	2.020%	110,009.50	390,009.50
09/30/2026	285,000.00	2.110%	104,174.75	389,174.75
09/30/2027	290,000.00	2.170%	98,021.50	388,021.50
09/30/2028	295,000.00	2.350%	91,408.75	386,408.75
09/30/2029	305,000.00	2.510%	84,114.75	389,114.75
09/30/2030	315,000.00	2.620%	76,160.50	391,160.50
09/30/2031	320,000.00	2.720%	67,682.00	387,682.00
09/30/2032	330,000.00	2.810%	58,693.50	388,693.50
09/30/2033	340,000.00	2.890%	49,144.00	389,144.00
09/30/2034	350,000.00	2.950%	39,068.50	389,068.50
09/30/2035	360,000.00	3.000%	28,506.00	388,506.00
09/30/2036	370,000.00	3.040%	17,482.00	387,482.00
09/30/2037	385,000.00	3.080%	5,929.00	390,929.00
Total	\$5,800,000.00	-	\$1,682,699.60	\$7,482,699.60

Yield Statistics

Bond Year Dollars	\$63,012.22
Average Life	10.864 Years
Average Coupon	2.6704337%
Net Interest Cost (NIC)	2.6704337%
True Interest Cost (TIC)	2.6459201%
Bond Yield for Arbitrage Purposes	2.6459201%
All Inclusive Cost (AIC)	2.6459201%

IRS Form 8038

Net Interest Cost	2.6704337%
Weighted Average Maturity	10.864 Years

Preliminary

City of Bastrop, Texas

\$5,800,000 Combination Tax & Revenue Certificates of Obligation, Series 2017

TWDB SWIFT Program (Low Interest Loan - 20 Year)

Assumes TWDB Rates as of 3/27/17 + 50 bps

Debt Service Schedule

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
12/05/2017	-	-	-	-	-
08/01/2018	-	-	90,839.35	90,839.35	-
09/30/2018	-	-	-	-	90,839.35
02/01/2019	250,000.00	1.310%	69,284.25	319,284.25	-
08/01/2019	-	-	67,646.75	67,646.75	-
09/30/2019	-	-	-	-	386,931.00
02/01/2020	255,000.00	1.430%	67,646.75	322,646.75	-
08/01/2020	-	-	65,823.50	65,823.50	-
09/30/2020	-	-	-	-	388,470.25
02/01/2021	260,000.00	1.560%	65,823.50	325,823.50	-
08/01/2021	-	-	63,795.50	63,795.50	-
09/30/2021	-	-	-	-	389,619.00
02/01/2022	265,000.00	1.700%	63,795.50	328,795.50	-
08/01/2022	-	-	61,543.00	61,543.00	-
09/30/2022	-	-	-	-	390,338.50
02/01/2023	270,000.00	1.830%	61,543.00	331,543.00	-
08/01/2023	-	-	59,072.50	59,072.50	-
09/30/2023	-	-	-	-	390,615.50
02/01/2024	275,000.00	1.930%	59,072.50	334,072.50	-
08/01/2024	-	-	56,418.75	56,418.75	-
09/30/2024	-	-	-	-	390,491.25
02/01/2025	280,000.00	2.020%	56,418.75	336,418.75	-
08/01/2025	-	-	53,590.75	53,590.75	-
09/30/2025	-	-	-	-	390,009.50
02/01/2026	285,000.00	2.110%	53,590.75	338,590.75	-
08/01/2026	-	-	50,584.00	50,584.00	-
09/30/2026	-	-	-	-	389,174.75
02/01/2027	290,000.00	2.170%	50,584.00	340,584.00	-
08/01/2027	-	-	47,437.50	47,437.50	-
09/30/2027	-	-	-	-	388,021.50
02/01/2028	295,000.00	2.350%	47,437.50	342,437.50	-
08/01/2028	-	-	43,971.25	43,971.25	-
09/30/2028	-	-	-	-	386,408.75
02/01/2029	305,000.00	2.510%	43,971.25	348,971.25	-
08/01/2029	-	-	40,143.50	40,143.50	-
09/30/2029	-	-	-	-	389,114.75
02/01/2030	315,000.00	2.620%	40,143.50	355,143.50	-
08/01/2030	-	-	36,017.00	36,017.00	-
09/30/2030	-	-	-	-	391,160.50
02/01/2031	320,000.00	2.720%	36,017.00	356,017.00	-

17 Bastrop \$5.8mm SWIFT (| SINGLE PURPOSE | 5/ 3/2017 | 4:24 PM

Preliminary

City of Bastrop, Texas

\$5,800,000 Combination Tax & Revenue Certificates of Obligation, Series 2017

TWDB SWIFT Program (Low Interest Loan - 20 Year)

Assumes TWDB Rates as of 3/27/17 + 50 bps

Debt Service Schedule

Part 2 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
08/01/2031	-	-	31,665.00	31,665.00	-
09/30/2031	-	-	-	-	387,682.00
02/01/2032	330,000.00	2.810%	31,665.00	361,665.00	-
08/01/2032	-	-	27,028.50	27,028.50	-
09/30/2032	-	-	-	-	388,693.50
02/01/2033	340,000.00	2.890%	27,028.50	367,028.50	-
08/01/2033	-	-	22,115.50	22,115.50	-
09/30/2033	-	-	-	-	389,144.00
02/01/2034	350,000.00	2.950%	22,115.50	372,115.50	-
08/01/2034	-	-	16,953.00	16,953.00	-
09/30/2034	-	-	-	-	389,068.50
02/01/2035	360,000.00	3.000%	16,953.00	376,953.00	-
08/01/2035	-	-	11,553.00	11,553.00	-
09/30/2035	-	-	-	-	388,506.00
02/01/2036	370,000.00	3.040%	11,553.00	381,553.00	-
08/01/2036	-	-	5,929.00	5,929.00	-
09/30/2036	-	-	-	-	387,482.00
02/01/2037	385,000.00	3.080%	5,929.00	390,929.00	-
09/30/2037	-	-	-	-	390,929.00
Total	\$5,800,000.00	-	\$1,682,699.60	\$7,482,699.60	-

Yield Statistics

Bond Year Dollars	\$63,012.22
Average Life	10.864 Years
Average Coupon	2.6704337%
Net Interest Cost (NIC)	2.6704337%
True Interest Cost (TIC)	2.6459201%
Bond Yield for Arbitrage Purposes	2.6459201%
All Inclusive Cost (AIC)	2.6459201%

IRS Form 8038

Net Interest Cost	2.6704337%
Weighted Average Maturity	10.864 Years

City of Bastrop Overlap as of 9/30/16

Taxing Jurisdiction	Total Tax Supported Debt	Estimated % Applicable	City's Overlapping Tax Supported Debt as of 9-30-16
Bastrop County	\$ 35,180,000	14.92%	\$ 5,248,856
Bastrop ISD	163,257,566	25.56%	41,728,634
City of Bastrop	13,580,457 ⁽¹⁾	100.00%	13,580,457
Total Direct and Overlapping Tax Supported Debt			\$ 60,557,947 ⁽¹⁾
Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation			7.73% ⁽¹⁾
Per Capita Overlapping Tax Supported Debt			\$ 7,041.62 ⁽¹⁾

(1) Excludes self-supporting ad valorem tax debt.

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**WATER/ WASTEWATER FUND-OPERATING
COMPARATIVE SYSTEM OPERATING STATEMENT**

	AUDITED 2011-2012*	AUDITED 2012-2013	AUDITED 2013-2014	AUDITED 2014-2015	AUDITED 2015-2016	UNAUDITED AS OF 3/31/17**
REVENUES:						
Water Service	2,038,620	2,248,398	2,250,092	2,494,989	2,709,495	1,319,780
Sewer Service	1,360,487	1,525,668	1,564,002	1,701,014	1,850,960	945,758
Penalties	51,333	53,818	50,666	59,281	56,011	31,756
Water Tap Fees	900	10,300	8,775	9,650	11,900	18,800
Sewer Tap Fees	1,200	375	4,950	2,250	9,775	22,545
Water Service Fees	29,041	25,720	21,468	21,105	16,365	9,468
Interest	3,456	3,678	2,662	3,632	20,826	22,530
Transfer In	4,912,416	3,080,448	378,655	562,258	807,203	-
Other	129,742	85,491	667,076	265,081	1,375,821	14,243
TOTAL REVENUES	8,527,195	7,033,896	4,948,346	5,119,260	6,858,355	2,384,880
EXPENDITURES:						
Administration	1,636,794	2,498,479	2,355,157	2,285,568	2,314,643	833,921
Distribution/ Collection/ Liftstation	259,740	216,654	159,412	88,578	114,362	623,079
Production/ Treatment	302,505	290,299	355,825	354,888	538,619	1,069,124
Wastewater Treatment Plant	238,417	394,643	357,442	402,589	403,369	700,802
Debt Service	-	348,258	459,292	592,849	524,916	1,425,366
Cap Outlay	-	-	-	-	-	1,500,000
Trans out-VERF & other	610,000	185,740	171,684	-	282,530	-
TOTAL EXPENDITURES	3,047,456	3,934,073	3,858,812	3,724,472	4,178,440	6,152,292
CHANGE IN NET POSITION	5,479,739	3,099,823	1,089,534	1,394,788	2,679,915	(3,767,412)

*This year the debt was not carried in the Water/Wasterwater fund

**Change in reporting-started allocating staff to all divisions (prior years all staffii

CITY OF BASTROP, TEXAS

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED
SEPTEMBER 30, 2016**

CITY OF BASTROP, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 2016

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CITY OF BASTROP, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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CITY OF BASTROP, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2016

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CITY OF BASTROP, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED
SEPTEMBER 30, 2016

CITY COUNCIL

Kenneth W. Kesselus – Mayor
Willie DeLaRosa – Mayor Pro-Tem
Gary Schiff
Kay Garcia McAnally
Deborah Jones
Willie Lewis “Bill” Peterson

INTERIM CITY MANAGER

Marvin Townsend

CHIEF FINANCIAL OFFICER

Tracy Waldron

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INTRODUCTORY SECTION

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City of Bastrop
1311 Chestnut Street
PO Box 427
Bastrop, Texas 78602



February 15, 2017

Honorable Mayor and City Council,
And the Citizens of the City of Bastrop, Texas

The City of Bastrop Finance Department respectfully submits the Comprehensive Annual Financial Report for the fiscal year ended September 30, 2016. Provided herein is a complete set of financial statements in conformity with generally accepted accounting principles GAAP and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants.

The purpose of this report is to provide council, management, staff, the public and other interested parties with detailed information regarding the City's financial condition. State law requires that every general purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended September 30, 2016.

This report consists of management's representations concerning the finances of the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and reports in a manner designed to present fairly the financial position and results of operations of the various funds of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

To provide a reasonable basis for making the representations, management of the City has established a comprehensive internal control framework that is designed both to protect the City assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the City financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that to the best of our knowledge and belief this financial report is complete and reliable in all material respects.

The City financial records have been audited by Pattillo, Brown & Hill, L.L.P. Certified Public Accountants as required by the City Charter and Financial Management Policies adopted by City Council. This Comprehensive Annual Financial Report has been prepared based upon those audited records. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2016 are free of

material misstatement. This independent audit involved examining, on a test-basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used, significant estimates made by management and evaluating the overall financial statement presentation.

Pattillo, Brown & Hill, L.L.P. Certified Public Accountants have stated that the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund and the aggregate remaining fund information of the City of Bastrop, Texas, for the fiscal year ended September 30, 2016. The independent auditor's report is located at the front of the financial section. Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF BASTROP

The City of Bastrop is nestled on the Colorado River and located at the junction of TX Highways 71, 21 and 95, just 30 minutes from Austin, 90 minutes from San Antonio and less than 2 hours from Houston. It currently occupies 11 square miles and serves a population of approximately 8,600. The City of Bastrop serves as the county seat of Bastrop County. The City has developed into a commercial center which daily serves up to an estimated 25,000 business persons, shoppers, and visitors.

Bastrop, Texas is known as the most historic small town in Texas. A frontier settlement founded by Stephen F. Austin in 1832 and incorporated in 1837. The City is the second-oldest incorporated town in Texas and was considered an alternate capital of the Republic. The City is situated along El Camino Real National Historic Trail and boasts more than 130 renovated historic homes and sites, designated on the *National Register of Historic Places* by the Texas Historical Commission.

The City operates under a council-manager form of government. The City Council is comprised of a Mayor and five council members. All members are elected at-large on a staggered and non-partisan basis. They are responsible to enact local legislation, provide policy and annually adopt the operating budget. They appoint the City Manager, City Attorney, Judge of the Municipal Court and members of various boards and commissions. The City Manager under the oversight of the City Council is responsible for the proper administration of the operations of the City.

The City provides a full range of municipal services including general government, public safety, public works, parks and recreation, planning and development, code enforcement, animal services, and water, sewer and electric utilities. Sanitation services are provided by the City but are privately contracted.

The Bastrop Economic Development Corporation (BEDC) is included in the financial statements as a discrete component unit. Its purpose is to aid, promote and further economic development within the City. The BEDC is funded with sales tax revenues and is discussed more fully in the notes to the financial statements.

The annual budget of the City serves as the foundation for its financial plan and control. The budget is proposed by the City Manager and adopted by the City Council in accordance with policies and procedures established by the City Charter, ordinances, and state law. The budget process begins each year with the development of priority issues established by City Council at their City Council Retreat. Departments submit their annual departmental budget requests to the City Manager for review. A proposed budget is prepared for presentation to the City Council. The City Council reviews the budget in subsequent work sessions and a formal budget is prepared and made available to the public for review. Prior to official adoption of the budget by council, any required public hearings on the proposed budget are held to allow for public input and any required notices are published in the City's newspaper.

FACTORS AFFECTING FINANCIAL CONDITION

Local Economy

The City of Bastrop is identified as the county seat for Bastrop County. With this designation comes commercial growth not typically seen for a population of approximately 8,600 residents. Major industries located within the government's boundaries or in close proximity include small industries, retail stores, several financial institutions, restaurants and insurance companies. The school district has significant economic presence, employing in total more than 1,100 teachers, professionals, and support staff.

During the past ten years, the unemployment rate rose from an initial low of 4.9 percent in 2005 to a decade high of 8.6 percent in 2011, reducing to 3.4 percent for fiscal year 2015-2016. Although unemployment rates have reduced nationwide over the last two years, the City of Bastrop continues to experience unemployment rates consistently lower than national averages.

Due to its healthy local economy, the City of Bastrop has a credit rating of AA from Standard and Poor's as of May 2016. Over the past ten years, the City has experienced significant economic growth and investment. Commercial development was active in 2014 as evidenced by the addition of Academy Sports store, Chick-fil-a, Southside BBQ restaurant, renovation and expansion of the HEB grocery store, and an additional retail strip center. This growth continued in 2015 with a new strip center added in Burleson Crossing including three additional retail stores (Hobby Lobby, Five Below, Ulta). The new strip center by Walmart (Fred Loya Insurance, The UPS store, Papa John's). In 2016, another strip center in Burleson Crossing was completed (Garcia's Restaurant, Wing Stop, etc.) and another strip center by Walmart (Mama Fu's, Sally's Beauty Supply, etc.). In 2016, the City approved final plats for Pecan Park to start residential construction, adding much needed homes. The City issued 77 building permits with a permit value of \$16,142,863 in FY16.

Our sound financial position is apparent even with the growth pressures because of our conservative budgeting practices, as evidenced by healthy fund balance numbers. The City experienced growth in assessed valuation of property taxes and collection of sales tax from fiscal year 2011 through 2016 as identified in the chart below. Existing assessed valuations have continued to represent a slight increase. This increase could be attributable to the build out of Hunter’s Crossing subdivision and an increase in assessed values of current properties including new commercial growth over the past several years. The Sales Tax Revenue for Fiscal 2015 far exceeded its budgeted 8% increase. In Fiscal Year 2016, the City remained conservative from a budget standpoint only budgeting \$3,996,190 and continued to safely exceed budgeted projections. The City consistently shows an increase in sales tax revenue even when other areas of the state do not.

Fiscal Year	Ad Valorem Taxes	%	General Fund	%
	Certified Assessed Valuation	Change	Sales Tax Receipts	Change
2011	\$ 607,077,994	7.00%	\$ 2,722,333	4.26%
2012	\$ 627,256,816	3.32%	\$ 3,194,452	17.34%
2013	\$ 635,808,461	1.36%	\$ 3,322,116	3.99%
2014	\$ 670,721,248	5.49%	\$ 3,544,649	6.70%
2015	\$ 737,922,965	10.02%	\$ 4,016,828	13.3%
2016	\$ 782,928,050	6.09%	\$ 4,313,718	7.39%

Long-term Financial Planning

The City Council approved a budget that held fund balance at 29% for Fiscal Year 2015 to protect the City’s creditworthiness as well as its financial position from unforeseeable emergencies. Fiscal Year 2015 ended up with a 62% fund balance reserve. The Fiscal 2016 budget included one-time projects that were intended to draw down this high reserve closer to the 25% required by the Financial Management Policy.

The overriding goal of the Financial Management Policy and Comprehensive Fund Balance Policy are to enable the City to achieve a long-term stable and positive financial condition while conducting its operations consistent with the Council-Manager form of government established in the City Charter. The scope of the policies spans accounting, auditing, financial reporting, internal controls, operating and capital budgeting, revenue management, cash management, expenditure control, and debt management.

Recognizing that debt is usually a more expensive financing method, alternative financing sources will be explored before debt is issued. When debt is issued, it will be used to acquire major assets with expected lives that equal or exceed the average life of the debt issue. The exceptions to this requirement are the traditional costs of marketing and issuing the debt, capitalized labor for design and construction of capital projects, and small component parts which are attached to major equipment purchases. Debt payments are structured to provide that capital assets funded by debt have a longer life than the debt associated with those assets. Regarding general obligation debt, the City has followed a policy of structuring new debt issue

payment schedules to maintain declining debt payment structures to keep tax increases at a minimum.

Relevant Financial Policies

The City of Bastrop, Texas has adopted a comprehensive set of financial policies. Annually or as needed, the City Council approves their financial policies and extensive review and revisions are provided to City Council and the City Manager from the Finance Department. Each year the City Council approves the Investment Policy, which is intended to protect City Assets by identifying investment objectives, addressing the issues of investment risks versus rewards, and providing the framework for the establishment of controls, limitations and responsibilities of City employees in the performance of their fiduciary responsibilities. In Fiscal Year 2014, the City approved a revised Purchasing Policy with the intent to maintain a cost effective purchasing system conforming to good management practices. The establishment and maintenance of a good purchasing system is possible only through cooperative effort. This Policy reaffirms the City of Bastrop's commitment to strengthen purchasing and property controls to reasonably assure that assets are received and retained in the custody of the City of Bastrop.

Major Initiatives

There was one issuances of debt in FY2016. The General Obligation Refunding, Series 2016 in the amount of \$2,525,000 was issued on 6/14/2016. The proceeds from the sale of the Bonds will be used for the purpose of refunding certain maturities of the City's outstanding obligations to restructure its outstanding debt, recognizing a savings in interest expense and paying the costs of issuing the Bonds.

Awards and Acknowledgements

The Governmental Finance Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its comprehensive annual financial report (CAFR) for the fiscal year ended September 30, 2015. This was the fifth consecutive year that the City achieved this prestigious award. In order to be awarded a Certificate of Achievement, the government had to publish an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable program requirements.

A certificate of achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The Government Treasurers' Organization of Texas awarded the City with a Certification of Investment Policy for developing an investment policy that meets the requirements of the Public Funds Investment Act and the standards for prudent public investing established by the Government Treasurers' Organization of Texas. This certificate is for a two-year period ending September 30, 2018.

The State Comptroller of Public Accounts awarded the City the Traditional Finances Star for transparency on the City's website. This certificate is valid for a period of one year. This is the fourth year in a role that the City has received a transparency award from the Comptroller's office.

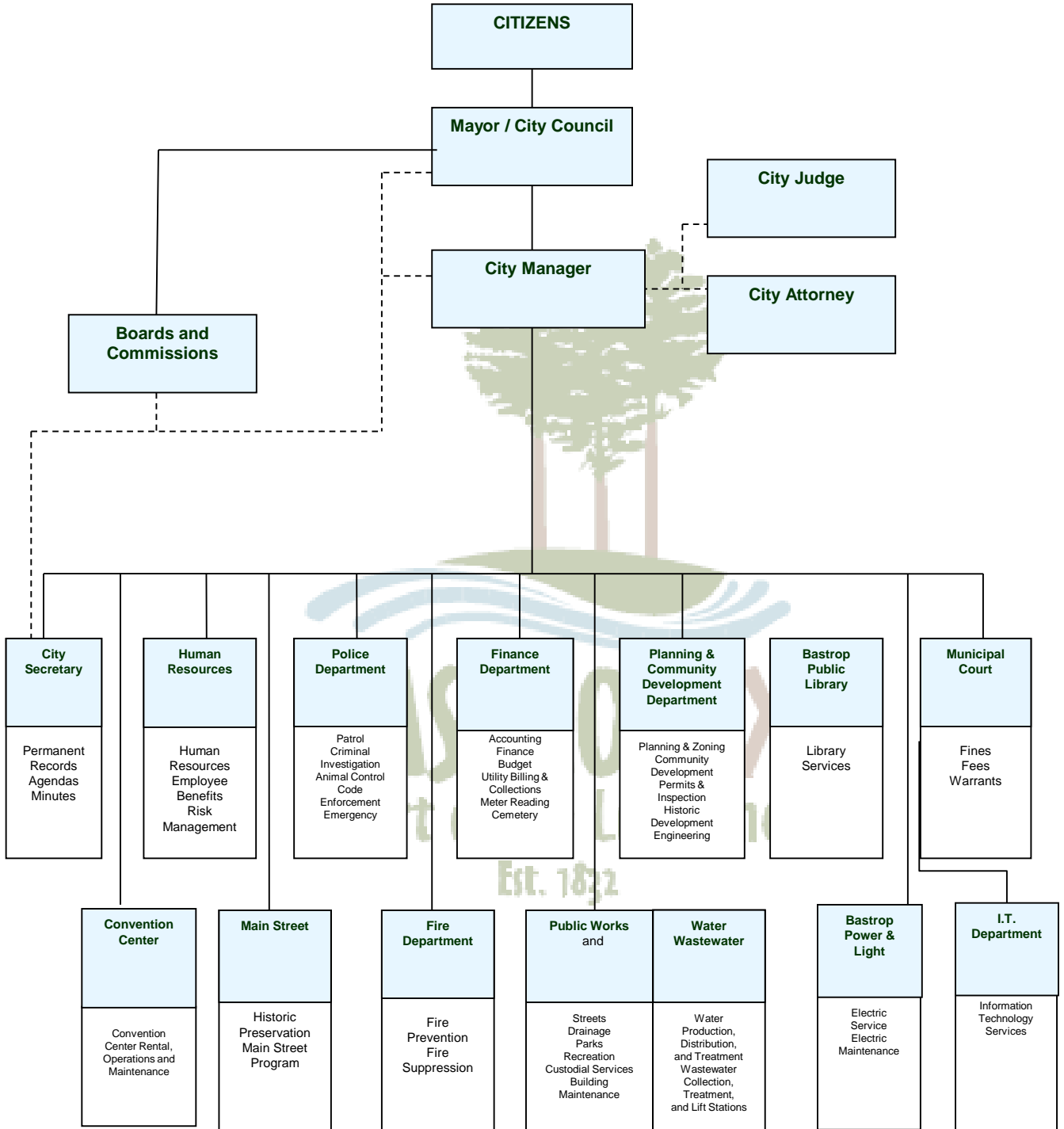
The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. Credit also is due to the City Manager, Mayor and the Council for their unfailing support for maintaining the highest standards of professionalism in the management of the City of Bastrop, Texas's finances.

Respectfully submitted,

Tracy Waldron

Tracy Waldron
Chief Financial Officer

City of Bastrop Organizational Chart



CITY OF BASTROP, TEXAS

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED
SEPTEMBER 30, 2016

Prepared by the
Finance Department

Tracy Waldron, Chief Financial Officer
Afton Figueroa, Assistant Finance Director

City Council	Expiration of Term
Kenneth W. Kesselus, Mayor	May 2017
Gary Schiff, Council Member	May 2018
Willie DeLaRosa, Mayor Pro-Tem	May 2018
Willie Lewis "Bill" Peterson, Council Member	May 2019
Kay Garcia McAnally, Council Member	May 2017
Deborah Jones, Council Member	May 2019

Interim City Manager
Marvin Townsend



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Bastrop
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2015

Executive Director/CEO

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FINANCIAL SECTION

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P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor
and City Council of the
City of Bastrop, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas, as of September 30, 2016, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison information, schedule of funding progress, schedule of changes in net pension liability and related ratios, and schedule of contributions on pages 4 through 11 and 55 through 60 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Bastrop, Texas' basic financial statements. The introductory section, the combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 15, 2017, on our consideration of the City of Bastrop, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Bastrop, Texas' internal control over financial reporting and compliance.

Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 15, 2017

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**MANAGEMENT'S
DISCUSSION AND ANALYSIS**

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Management's Discussion and Analysis

As management of the City of Bastrop, we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of Bastrop for the fiscal year ended September 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

Financial Highlights

- The assets and deferred outflows of resources of the City of Bastrop exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$49,923,350 (net position). Of this amount, \$27,471,658 (55.0%) is net investment in capital assets. The amount of net position restricted for a specific purpose is \$8,997,738 (18.0%). The remaining \$13,453,954 (26.9%) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies. The City's total net position increased by \$1,325,221 from fiscal year 2015.
- As of the close of the current fiscal year, the City of Bastrop's governmental funds reported combined ending fund balances of \$11,440,701, a decrease of \$3,422,638 in comparison with the prior year. Within this total, \$5,973,307 (52.2%) is restricted by specific legal requirements, \$3,661,166 (32.0%) is unassigned fund balance, and \$1,315,719 (11.5%) has been committed and assigned to specific types of expenditures.
- The unassigned portion of the General Fund fund balance at the end of the year was \$3,661,166. This includes the 25% of the General Fund expenditures which is required to be held in General Fund balance per the City Council approved Financial Management Policies. The remainder represents funds that may be utilized for unforeseen needs or emergencies which City Council allocates for a specific purpose.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City of Bastrop's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the City of Bastrop’s finances in a manner similar to private-sector business. The statement of net position presents information on all of the City’s assets, liabilities and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The statement of net position combines and consolidates governmental and business-type funds current financial resources (short-term spendable resources) with capital assets and long-term obligations. In order to assess the overall health or financial condition of the City, other non-financial factors should also be taken into consideration. These include changes in the City’s property tax base and the condition of the City’s infrastructure (i.e., roads, drainage improvements, storm and sewer lines, etc.).

The statement of activities presents information showing how the government’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In the statement of net position and the statement of activities, the City is divided into three (3) categories.

- 1) Governmental activities account for those activities supported by taxes and intergovernmental revenues. Basic services are provided including police, fire, municipal court, public works, library, parks, recreation, human resources, Information Technology, and finance.
- 2) Business-type activities are supported by user fees and charges. The City’s Water and Wastewater system and electrical system are reported here.
- 3) The government-wide statements include not only the City but also a discrete component unit, the Bastrop Economic Development Corporation (BEDC). Although legally separate, BEDC is financially accountable to the City.

The government-wide financial statements can be found on pages 12 – 14 of this report.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Bastrop uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds utilized by state and local governments can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Bastrop maintains eighteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Debt Service Fund, and the Hotel/motel Tax Fund which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided in this report to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 15 – 18 of this report.

Proprietary Funds. Proprietary funds can be further classified into two different types of funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of Bastrop uses enterprise funds to account for its water/wastewater utility, electric utility, and non-major enterprise fund operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Bastrop's various functions. The City of Bastrop intends to use its internal service fund to account for vehicle and equipment replacement. This fund has just been established and the minimal activity for the year has been included with the *governmental activities* in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The basic proprietary fund financial statements can be found on pages 19 – 23.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Bastrop's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on page 24 of this report.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 25 – 54 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City of Bastrop’s General and Hotel/Motel Tax Funds, Schedule of Revenues, Expenditures and Changes in Fund Balance with a comparative display of budget to actual. This required supplementary information can be found on page 55 – 57 of this report. Required supplementary information of pension and other post employee benefit funding progress are also included on pages 58 – 60.

Government-Wide Financial Analysis

At the end of fiscal year 2016, the City’s net position (assets and deferred outflows of resources in excess of liabilities and deferred inflows of resources) totaled \$49,923,350. This analysis focuses on the net position (Table 1) and changes in net position (Table 2). The largest portion of the City’s net position, \$27,471,658 (55.0%) reflects its investment in capital assets (land, buildings, infrastructure, machinery and equipment, and construction in progress), less any related debt used to acquire those assets that is still outstanding. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The second largest portion of the City’s net position, \$13,453,954 (26.9%) reflects the unrestricted net position which may be used to meet the government’s ongoing obligations to citizens and creditors. An additional portion of the City’s net position, \$8,997,738 (18.0%) represents resources that are subject to external restrictions on how they may be used.

As of September 30, 2016, the City has positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

CITY OF BASTROP’S NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 18,630,429	\$ 21,939,970	\$ 15,309,283	\$ 16,606,404	\$ 33,939,712	\$ 38,546,374
Capital assets	<u>33,285,465</u>	<u>33,633,572</u>	<u>30,793,162</u>	<u>28,847,024</u>	<u>64,078,627</u>	<u>62,480,596</u>
Total assets	<u>51,915,894</u>	<u>55,573,542</u>	<u>46,102,445</u>	<u>45,453,428</u>	<u>98,018,339</u>	<u>101,026,970</u>
Total deferred outflows of resources	<u>1,574,518</u>	<u>660,577</u>	<u>257,197</u>	<u>158,582</u>	<u>1,831,715</u>	<u>819,159</u>
Current liabilities	762,883	1,923,168	963,142	1,242,008	1,726,025	3,165,176
Long-term liabilities	<u>27,416,142</u>	<u>28,456,573</u>	<u>20,716,239</u>	<u>21,626,251</u>	<u>48,132,381</u>	<u>50,082,824</u>
Total liabilities	<u>28,179,025</u>	<u>30,379,741</u>	<u>21,679,381</u>	<u>22,868,259</u>	<u>49,858,406</u>	<u>53,248,000</u>
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>68,298</u>	<u>-</u>	<u>68,298</u>	<u>-</u>
Net position:						
Net investment in capital assets	11,918,463	11,651,156	15,553,195	13,333,175	27,471,658	24,984,331
Restricted	8,066,547	8,756,852	931,191	838,596	8,997,738	9,595,448
Unrestricted	<u>5,326,377</u>	<u>5,446,370</u>	<u>8,127,577</u>	<u>8,571,980</u>	<u>13,453,954</u>	<u>14,018,350</u>
Total net position	<u>\$ 25,311,387</u>	<u>\$ 25,854,378</u>	<u>\$ 24,611,963</u>	<u>\$ 22,743,751</u>	<u>\$ 49,923,350</u>	<u>\$ 48,598,129</u>

Governmental Activities: Governmental activities net position decreased by \$542,991, key elements are provided in the next page in Table 2. Program and general revenues for fiscal year 2016 are recorded at \$15,880,258 in comparison to \$16,680,709 in fiscal year 2015, recognizing a 4.8% decrease. Total expenses for Governmental activities for fiscal year 2016 were \$16,065,033 in comparison to \$14,516,402 in fiscal year 2015 recognizing a 10.7% increase.

Business-Type Activities: Revenues of the City's business-type activities were \$11,691,040 for the fiscal year ended September 30, 2016. Revenues decreased approximately \$487,686 (4.00%) as compared to the prior fiscal year. Expenses for the City's business-type activities decreased \$610,440 (5.66%).

CITY OF BASTROP'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,547,816	\$ 2,142,596	\$ 11,438,051	\$ 11,965,539	\$ 12,985,867	\$ 14,108,135
Operating grants and contributions	278,349	428,497	6,401	-	284,750	428,497
Capital contributions	629,416	1,878,711	-	47,889	629,416	1,926,600
General revenues:						
Property taxes	5,671,902	4,806,931	-	-	5,671,902	4,806,931
Other taxes	7,598,917	7,358,418	-	-	7,598,917	7,358,418
Interest income	74,232	19,380	65,264	14,490	139,496	33,870
Other income	79,626	46,176	181,324	150,808	260,950	196,984
Total revenues	<u>15,880,258</u>	<u>16,680,709</u>	<u>11,691,040</u>	<u>12,178,726</u>	<u>27,571,298</u>	<u>28,859,435</u>
Expenses:						
General government	4,461,447	3,000,666	-	-	4,461,447	3,000,666
Public safety	4,342,768	3,589,294	-	-	4,342,768	3,589,294
Developmental services	923,089	711,905	-	-	923,089	711,905
Community services	2,914,278	3,207,923	-	-	2,914,278	3,207,923
Economic development	2,497,292	2,976,087	-	-	2,497,292	2,976,087
Interest on long-term debt	926,159	1,030,527	-	-	926,159	1,030,527
Water/wastewater services	-	-	3,960,331	3,882,671	3,960,331	3,882,671
Bastrop Power & Light	-	-	6,184,527	6,861,785	6,184,527	6,861,785
Other non-major	-	-	36,186	47,028	36,186	47,028
Total expenses	<u>16,065,033</u>	<u>14,516,402</u>	<u>10,181,044</u>	<u>10,791,484</u>	<u>26,246,077</u>	<u>25,307,886</u>
Increases in net position						
before transfers and special item	(184,775)	2,164,307	1,509,996	1,387,242	1,325,221	3,551,549
Transfers	(358,216)	500,248	358,216	(500,248)	-	-
Special item	-	3,330,054	-	627,566	-	3,957,620
Change in net position	(542,991)	5,994,609	1,868,212	1,514,560	1,325,221	7,509,169
Net position, beginning	25,854,378	21,332,312	22,743,751	21,532,537	48,598,129	42,864,849
Prior period adjustment	-	(1,472,543)	-	(303,346)	-	(1,775,889)
Net position, ending	<u>\$ 25,311,387</u>	<u>\$ 25,854,378</u>	<u>\$ 24,611,963</u>	<u>\$ 22,743,751</u>	<u>\$ 49,923,350</u>	<u>\$ 48,598,129</u>

Financial Analysis of the City's Funds

The City uses fund accounting to ensure and demonstrate compliance. The analysis includes both governmental funds and proprietary funds.

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The General Fund is the chief operating fund of the City of Bastrop. At the end of the current fiscal year, the fund balance was \$3,833,587. With the exception of a small amount of fund balance shown as non-spendable, the fund balance essentially includes only unassigned funds of \$3,661,166 and assigned funds of \$89,868. The Debt Service Fund had a decrease of \$573,456 in fund balance, therefore at the end of the fiscal year the fund balance was \$230,749. These funds are specifically restricted for the payment of debt service. The Hotel/Motel Tax fund balance for the current year was \$2,265,766. This fund recognized an increase from last year of \$249,932 due to the expiring of the contract with Bastrop Marketing Corporation.

Proprietary Funds. The City of Bastrop's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The net position of the water/wastewater fund at the end of the year amounted to \$16,768,221. The net position of the electric utility, Bastrop Power and Light fund at the end of the year amounted to \$6,912,551. Non-major enterprise funds amounted to \$931,191. Total proprietary funds net position for the year ended is \$24,611,963.

General Fund Budgetary Highlights

For the FY 2016 budget, the City adopted a tax rate of \$0.5640 per \$100 assessed valuation. The FY 2016 General Fund budgeted revenue of \$9,697,047 represented a 32.9% increase over the previous year's budgeted amount. The FY 2016 budget was amended through the year to decrease the adopted budget to \$9,171,634. Taxes and penalties comprise the majority of the budgeted General Fund revenues, \$7,734,932 (84.3%). Intergovernmental revenue contributed \$285,002 (3.1%) and transfers from other funds represent \$557,750 (6.1%) of the total budgeted revenues for FY 2016. All three of these categories identify 93.5% of total budgeted revenues.

The adopted General Fund expenditure budget of \$11,958,627. Each year the City performs a mid-year review of the budget. If the City Manager determines that funds are available, certain amendments are proposed to the City Council for their review and approval. Expenditures were amended throughout the year with the majority occurring during mid-year reviews. These amendments increased General Fund appropriations by \$110,052 (0.9%) to \$12,068,679. The City approved many departmental budget capital requests in FY 2016 to include IT upgrades \$58,000, the Police Patrol vehicles \$181,500, Fire Command Truck \$75,000, Street Improvements \$600,000, Park Improvement and Equipment \$134,000, and Planning Projects to include Comprehensive plan \$140,000.

Capital Assets and Debt Administration

Capital Assets. The City of Bastrop's investment in total capital assets for its governmental and business-type activities as of September 30, 2016 amounts to \$64,078,627, (net of accumulated depreciation). Investment in capital assets related to governmental activities \$33,285,465 includes land, buildings and improvements, infrastructure, machinery and equipment, and construction in progress. The total increase in the City's investment in capital assets for the current year was 2.6%.

CITY OF BASTROP'S CAPITAL ASSETS (Net of Accumulated Depreciation)

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
Land	\$ 4,370,614	\$ 4,359,014	\$ 1,541,613	\$ 1,541,614	\$ 5,912,227	\$ 5,900,628
Water rights	-	-	2,933,620	2,933,620	2,933,620	2,933,620
Construction in progress	119,006	121,448	2,267,618	1,610,172	2,386,624	1,731,620
Buildings and improvements	13,348,912	13,110,687	477,386	477,386	13,826,298	13,588,073
Infrastructure and systems	21,056,195	20,615,528	31,716,498	29,739,688	52,772,693	50,355,216
Machinery and equipment	5,756,863	5,790,949	2,781,685	2,590,293	8,538,548	8,381,242
Less: accumulated depreciation	(11,366,125)	(10,364,054)	(10,925,258)	(10,045,749)	(22,291,383)	(20,409,803)
Total capital assets	\$ <u>33,285,465</u>	\$ <u>33,633,572</u>	\$ <u>30,793,162</u>	\$ <u>28,847,024</u>	\$ <u>64,078,627</u>	\$ <u>62,480,596</u>

Additional information on the City of Bastrop's capital assets can be found in Note III of the notes to the financial statements.

Long-Term Debt. During FY 2016, the City issued a General Obligation Refunding Bond, Series 2016 in the amount of \$2,525,000.

CITY OF BASTROP'S OUTSTANDING DEBT AT YEAR-END

General Obligation Bonds, Certificates of Obligation, Revenue Bonds, and Other Long-term Payables

	Governmental Activities		Business-type Activities		Totals	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$ 23,798,232	\$ 25,248,671	\$ 19,384,953	\$ 20,482,824	\$ 43,183,185	\$ 45,731,495
Notes payable	388,915	819,821	480,000	540,000	868,915	1,359,821
Comensated absences	209,350	210,117	49,134	32,635	258,484	242,752
Net pension liability	2,527,955	1,724,026	578,498	355,338	3,106,453	2,079,364
Net OPEB obligation	<u>491,690</u>	<u>453,938</u>	<u>223,654</u>	<u>215,454</u>	<u>715,344</u>	<u>669,392</u>
Total	\$ <u>27,416,142</u>	\$ <u>28,456,573</u>	\$ <u>20,716,239</u>	\$ <u>21,626,251</u>	\$ <u>48,132,381</u>	\$ <u>50,082,824</u>

Additional information on the City of Bastrop's long-term debt can be found in Note III of the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The City experiences steady commercial growth as it is identified within Bastrop County as the county seat and its desirable location between Houston and Austin. The City's population is about 8,600 within the city limits; however, it is estimated the City's retail market services in excess of 100,000 visitors. Due to its healthy local economy, the City has maintained a credit rating of AA from S&P Global Ratings at our last bond issue in May of 2016. The annual operating budget for fiscal year 2017 reflects a variety of community issues, planning initiatives, economic development opportunities, and street and drainage projects. The Council held budget and planning sessions to provide an opportunity for the City Council to pass long their input and guidance in developing the FY 2017 budget. The City adopted a fiscally responsible balance budget on September 27, 2016.

Total General Fund revenue for fiscal year 2017 is \$89,947,361. The fiscal year 2017 General Fund's major revenue source for the City is Sales Tax at a budgeted \$4,456,860. Ad Valorem Tax Revenue (property taxes) is a closed second with an annual budget of \$3,131,361. The Sales Tax and Ad Valorem Taxes comprise 76.3% of the revenues received by the General Fund for operations. The General Fund (M&O) tax rate of \$0.364/\$100 and the Debt Service Fund (I&S) tax rate of \$0.200/\$100 combine to establish the City's overall property tax rate of \$0.564 per \$100. The City has maintained this constant tax rate for the third year in a row. The debt service payments for FY 2017 are \$1,765,118 or 35.46 percent of the overall tax rate necessary to generate funds to service the bonded indebtedness of the City of Bastrop. Property taxes of \$3,131,361 support the General Fund operations of the City, which represents 64.54 percent of the revenue collection in addition to \$1,144,896 one-time expenditures for various departments being funded out of excess fund balance from FY 2016. The FY 2017 budget will provide for the 25% required to fund balance at year-end as required by the Financial Management policy adopted by City Council.

Water and Wastewater Fund operations for FY 2017 has budgeted revenue of \$4,526,200, which expenses are budgeted at \$5,652,292. This budget is consuming \$1,126,092 of identified excess fund balance leaving the Funds fund balance well over the 35% required by the Financial Management policy adopted by City Council.

Electric Fund revenues consist of the sale of electricity to the City's customers within its service area, fees assessed for extension services, and pole attachment fee. Total budgeted expenses for the Electric Fund for the purchase of electricity and operations of the department if \$7,546,181.

The Comprehensive Plan that was stated in FY 2016 will conclude during FY 2017 with a report that will be presented to Council for acceptance. The plan will give the City Council long range goals that will ensure progress towards improving the community and maintaining the quality of life Bastrop residents have come to expect. The City is committed to the delivery of excellent service today and we are prepared to effectively deliver the same service tomorrow.

Requests for Information

This financial report is designed to provide a general overview of the City of Bastrop's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, P.O. Box 427, Bastrop, Texas 78602.

**BASIC
FINANCIAL STATEMENTS**

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CITY OF BASTROP, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2016

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Bastrop EDC
ASSETS				
Cash and investments	\$ 12,007,474	\$ 13,590,096	\$ 25,597,570	\$ 3,890,057
Taxes receivable, net	921,365	-	921,365	352,244
Accounts receivable	600,814	902,045	1,502,859	-
Due from component unit	11,193	-	11,193	-
Due from other governments	870,560	6,401	876,961	-
Inventories	27,814	330,741	358,555	-
Prepaid items	54,879	-	54,879	4,079
Notes receivable	4,136,330	480,000	4,616,330	103,946
Capital assets, net:				
Non-depreciable	4,489,620	6,742,851	11,232,471	839,936
Depreciable	28,795,845	24,050,311	52,846,156	1,479,370
Total assets	<u>51,915,894</u>	<u>46,102,445</u>	<u>98,018,339</u>	<u>6,669,632</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	1,123,909	257,197	1,381,106	49,350
Deferred loss on refunding	450,609	-	450,609	-
Total deferred outflows of resources	<u>1,574,518</u>	<u>257,197</u>	<u>1,831,715</u>	<u>49,350</u>
LIABILITIES				
Accounts payable	412,440	629,110	1,041,550	14,247
Accrued liabilities	268,880	119,979	388,859	30,880
Due to primary government	-	-	-	11,193
Retainage payable	37,453	-	37,453	-
Customer deposits	41,909	201,867	243,776	-
Unearned revenue	-	-	-	55,200
Other liabilities	2,201	12,186	14,387	-
Noncurrent liabilities:				
Due within one year	1,591,574	1,037,372	2,628,946	272,360
Due in more than one year	25,824,568	19,678,867	45,503,435	4,397,001
Total liabilities	<u>28,179,025</u>	<u>21,679,381</u>	<u>49,858,406</u>	<u>4,780,881</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on refunding	-	68,298	68,298	-
Total deferred inflows of resources	<u>-</u>	<u>68,298</u>	<u>68,298</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	11,918,463	15,553,195	27,471,658	2,104,306
Restricted for:				
Cemetery:				
Nonexpendable	383,649	-	383,649	-
Expendable	186,500	-	186,500	-
Public improvement district	134,055	-	134,055	-
Traffic safety	639,377	-	639,377	-
Culture and recreation	124,559	-	124,559	-
Economic development	2,265,766	-	2,265,766	88,344
PEG channels	24,026	-	24,026	-
Debt service	4,308,615	-	4,308,615	-
Capital improvements	-	931,191	931,191	-
Unrestricted	5,326,377	8,127,577	13,453,954	(254,549)
Total net position	<u>\$ 25,311,387</u>	<u>\$ 24,611,963</u>	<u>\$ 49,923,350</u>	<u>\$ 1,938,101</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BASTROP, TEXAS

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
Governmental activities:				
General government	\$ 4,461,447	\$ 1,061,694	\$ 239,396	\$ -
Public safety	4,342,768	266,292	-	-
Developmental services	923,089	-	-	-
Community services	2,914,278	66,705	38,953	52,080
Economic development services	2,497,292	153,125	-	577,336
Interest	926,159	-	-	-
Total governmental activities	<u>16,065,033</u>	<u>1,547,816</u>	<u>278,349</u>	<u>629,416</u>
Business-type activities:				
Water/wastewater	3,960,331	4,654,955	6,401	-
Bastrop power and light	6,184,527	6,446,305	-	-
Other	36,186	336,791	-	-
Total business-type activities	<u>10,181,044</u>	<u>11,438,051</u>	<u>6,401</u>	<u>-</u>
Total primary government	<u>26,246,077</u>	<u>12,985,867</u>	<u>284,750</u>	<u>629,416</u>
Component Unit:				
Bastrop Economic Development Corp.	<u>1,417,191</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Total component unit	<u>\$ 1,417,191</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ -</u>

General revenues:
 Property taxes
 Sales taxes
 Hotel/motel taxes
 Franchise taxes
 Investment earnings
 Miscellaneous
 Gain on sale of assets
 Transfers
 Total general revenues and transfers
 Change in net position
 Net position - beginning
 Net position - ending

The accompanying notes are an integral part of these financial statements.

Net (Expense) Revenue and Changes in Net Position

Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Bastrop EDC
\$(3,160,357)	\$ -	\$(3,160,357)	\$ -
(4,076,476)	-	(4,076,476)	-
(923,089)	-	(923,089)	-
(2,756,540)	-	(2,756,540)	-
(1,766,831)	-	(1,766,831)	-
(926,159)	-	(926,159)	-
<u>(13,609,452)</u>	<u>-</u>	<u>(13,609,452)</u>	<u>-</u>
-	701,025	701,025	-
-	261,778	261,778	-
<u>-</u>	<u>300,605</u>	<u>300,605</u>	<u>-</u>
<u>-</u>	<u>1,263,408</u>	<u>1,263,408</u>	<u>-</u>
<u>(13,609,452)</u>	<u>1,263,408</u>	<u>(12,346,044)</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,411,191)</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,411,191)</u>
5,671,902	-	5,671,902	-
4,325,273	-	4,325,273	2,159,801
2,777,935	-	2,777,935	-
495,709	-	495,709	-
74,232	65,264	139,496	14,998
79,626	181,324	260,950	15,504
-	-	-	128,990
<u>(358,216)</u>	<u>358,216</u>	<u>-</u>	<u>-</u>
<u>13,066,461</u>	<u>604,804</u>	<u>13,671,265</u>	<u>2,319,293</u>
<u>(542,991)</u>	<u>1,868,212</u>	<u>1,325,221</u>	<u>908,102</u>
<u>25,854,378</u>	<u>22,743,751</u>	<u>48,598,129</u>	<u>1,029,999</u>
<u>\$ 25,311,387</u>	<u>\$ 24,611,963</u>	<u>\$ 49,923,350</u>	<u>\$ 1,938,101</u>

CITY OF BASTROP, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2016

	General Fund	Debt Service Fund	Hotel/Motel Tax Fund	Total Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash and investments	\$ 3,193,642	\$ 237,089	\$ 2,009,076	\$ 5,272,660	\$ 10,712,467
Taxes receivable, net	815,659	104,445	-	1,261	921,365
Accounts receivable, net	338,381	-	256,690	5,743	600,814
Due from other funds	62,398	-	-	-	62,398
Due from component unit	11,193	-	-	-	11,193
Due from other governments	773,616	-	-	96,944	870,560
Inventories	27,814	-	-	-	27,814
Prepaid items	54,739	-	-	140	54,879
Notes receivable	326,413	3,809,917	-	-	4,136,330
Total assets	<u>5,603,855</u>	<u>4,151,451</u>	<u>2,265,766</u>	<u>5,376,748</u>	<u>17,397,820</u>
LIABILITIES					
Accounts payable	284,993	6,340	-	121,107	412,440
Accrued liabilities	98,380	-	-	7,591	105,971
Retainage payable	-	-	-	37,453	37,453
Due to other funds	-	-	-	62,398	62,398
Other current liabilities	2,201	-	-	-	2,201
Customer deposits	5,570	-	-	36,339	41,909
Total liabilities	<u>391,144</u>	<u>6,340</u>	<u>-</u>	<u>264,888</u>	<u>662,372</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	860,258	104,445	-	1,261	965,964
Unavailable revenue - court fines	192,453	-	-	-	192,453
Unavailable revenue - notes receivable	326,413	3,809,917	-	-	4,136,330
Total deferred inflows of resources	<u>1,379,124</u>	<u>3,914,362</u>	<u>-</u>	<u>1,261</u>	<u>5,294,747</u>
FUND BALANCES					
Nonspendable:					
Inventories	27,814	-	-	-	27,814
Endowment	-	-	-	383,649	383,649
Prepaid items	54,739	-	-	140	54,879
Restricted for:					
Cemetery	-	-	-	186,500	186,500
Capital projects	-	-	-	2,369,536	2,369,536
Public improvement district	-	-	-	132,794	132,794
Traffic safety	-	-	-	639,377	639,377
Culture and recreation	-	-	-	124,559	124,559
Economic development	-	-	2,265,766	-	2,265,766
PEG channels	-	-	-	24,026	24,026
Debt service	-	230,749	-	-	230,749
Committed for:					
Economic development	-	-	-	1,225,851	1,225,851
Arena	-	-	-	24,167	24,167
Assigned for:					
IT projects	57,966	-	-	-	57,966
Public works projects	31,902	-	-	-	31,902
Unassigned	3,661,166	-	-	-	3,661,166
Total fund balances	<u>3,833,587</u>	<u>230,749</u>	<u>2,265,766</u>	<u>5,110,599</u>	<u>11,440,701</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 5,603,855</u>	<u>\$ 4,151,451</u>	<u>\$ 2,265,766</u>	<u>\$ 5,376,748</u>	<u>\$ 17,397,820</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BASTROP, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION

SEPTEMBER 30, 2016

Amounts reported for governmental activities in the statement of net position are different because:

Total fund balances - governmental funds	\$ 11,440,701
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	33,285,465
Long-term liabilities (net pension liability, compensated absences, and bonds) are not due and payable in the current period and therefore are not reported in the funds. Also, the premium on issuance of bonds and deferred resource outflows related to the net pension liability are not reported in the funds. A summary of these items are as follows:	
Long-term liabilities:	
Bonds payable	(23,096,527)
Bond issuance premium	(701,705)
Deferred loss on refunding	450,609
Notes payable	(388,915)
Net pension liability	(2,527,955)
Deferred resources related to pensions	1,123,909
Compensated absences	(209,350)
Other post employment benefit obligations	(491,690)
Accrued interest payable	(162,909)
The internal service fund will be used by management to charge the cost of vehicle and equipment replacement to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.	1,295,007
Uncollected property taxes and court fines are not available to pay for current period expenditures and are reported as deferred inflows in the funds.	1,158,417
Long-term receivables related to economic development are not available to pay for current period expenditures and therefore are not reported in the funds.	<u>4,136,330</u>
Net position of governmental activities	<u>\$ 25,311,387</u>

CITY OF BASTROP, TEXAS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	General Fund	Debt Service Fund	Hotel/Motel Tax Fund	Total Nonmajor Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 2,998,602	\$ 1,702,042	\$ -	\$ 297,972	\$ 4,998,616
Sales taxes	4,371,880	-	-	-	4,371,880
Hotel/motel taxes	-	-	2,777,935	-	2,777,935
Franchise taxes	471,810	-	-	23,899	495,709
Licenses and permits	184,826	-	-	2,903	187,729
Intergovernmental	193,074	-	-	463,311	656,385
Charges for services	528,492	-	-	216,927	745,419
Fines and forfeitures	328,371	-	-	235,600	563,971
Contributions and donations	2,347	291,843	-	113,248	407,438
Investments earnings	23,302	5,822	8,241	32,735	70,100
Miscellaneous	122,645	-	-	239	122,884
Total revenues	<u>9,225,349</u>	<u>1,999,707</u>	<u>2,786,176</u>	<u>1,386,834</u>	<u>15,398,066</u>
EXPENDITURES					
Current:					
General government	4,195,350	-	-	-	4,195,350
Public safety	3,322,489	-	-	236,313	3,558,802
Development services	896,180	-	-	-	896,180
Community services	1,501,921	-	-	594,629	2,096,550
Economic development	-	-	1,049,463	1,216,986	2,266,449
Debt service:					
Principal	-	1,815,125	-	-	1,815,125
Interest and other	-	973,859	-	-	973,859
Payment to bond refunding escrow agent	-	325,000	-	-	325,000
Capital outlay	<u>785,271</u>	<u>-</u>	<u>-</u>	<u>395,576</u>	<u>1,180,847</u>
Total expenditures	<u>10,701,211</u>	<u>3,113,984</u>	<u>1,049,463</u>	<u>2,443,504</u>	<u>17,308,162</u>
Excess (deficiency) of revenue over expenditures	<u>(1,475,862)</u>	<u>(1,114,277)</u>	<u>1,736,713</u>	<u>(1,056,670)</u>	<u>(1,910,096)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	577,364	489,138	-	1,488,230	2,554,732
Transfers out	(750,000)	-	(1,486,781)	(1,946,167)	(4,182,948)
Sale of capital assets	12,234	-	-	-	12,234
Insurance recoveries	51,757	-	-	-	51,757
Issuance of refunding bonds	-	1,440,000	-	-	1,440,000
Payment to bond refunding escrow agent	-	(1,505,285)	-	-	(1,505,285)
Premium from bond issuance	<u>-</u>	<u>116,968</u>	<u>-</u>	<u>-</u>	<u>116,968</u>
Total other financing sources (uses)	<u>(108,645)</u>	<u>540,821</u>	<u>(1,486,781)</u>	<u>(457,937)</u>	<u>(1,512,542)</u>
Net change in fund balance	(1,584,507)	(573,456)	249,932	(1,514,607)	(3,422,638)
Fund balance - beginning	<u>5,418,094</u>	<u>804,205</u>	<u>2,015,834</u>	<u>6,625,206</u>	<u>14,863,339</u>
Fund balance - ending	<u>\$ 3,833,587</u>	<u>\$ 230,749</u>	<u>\$ 2,265,766</u>	<u>\$ 5,110,599</u>	<u>\$ 11,440,701</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BASTROP, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds: \$(3,422,638)

Government funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlay	1,190,864
Depreciation expense	(1,528,719)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net position. (10,252)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Debt issued or incurred:	
Refunding bonds	(1,440,000)
Premium on bonds	(116,968)
Payment to escrow agent	1,830,285
Repayment of principal of long-term debt	1,815,125
Amortization of deferred loss on bond refunding	(49,879)
Amortization of premium on bond issuance	106,472

Certain pension expenditures are not expended in the government-wide financial statements and recorded as deferred resource outflows. This item relates to contributions made after the measurement date. Additionally, a portion of the City's unrecognized deferred resource outflows and inflows related to the pension liability were amortized. (153,678)

Current year changes in certain long-term liabilities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences liability	767
Net OPEB obligation	(37,752)

The internal service fund will be used by management to charge the cost of vehicle and equipment replacement to individual funds. The net revenue of the internal service funds is reported within the governmental activities. 1,295,007

Interest payable on long-term debt is accrued in the government-wide financial statements, whereas in the fund financial statements, interest expenditures are reported when due. (8,893)

Revenues from property taxes, court fines and notes receivable are not available to pay for current period expenditures, and therefore, are not reported in the funds. (12,732)

Change in net position - statement of activities \$(542,991)

The accompanying notes are an integral part of these financial statements.

CITY OF BASTROP, TEXAS

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

SEPTEMBER 30, 2016

	Business-Type Activities				Governmental Activities
	Water/ Wastewater Fund	Bastrop	Total	Total Enterprise Funds	Internal Service Fund
		Power & Light Fund	Non-major Enterprise Funds		
ASSETS					
Current assets:					
Cash and cash equivalents	\$ 8,104,582	\$ 4,554,323	\$ 931,191	\$ 13,590,096	\$ 1,295,007
Accounts receivable, net	406,327	495,718	-	902,045	-
Due from other governments	6,401	-	-	6,401	-
Inventories	<u>151,254</u>	<u>179,487</u>	<u>-</u>	<u>330,741</u>	<u>-</u>
Total current assets	<u>8,668,564</u>	<u>5,229,528</u>	<u>931,191</u>	<u>14,829,283</u>	<u>1,295,007</u>
Noncurrent assets:					
Note receivable	480,000	-	-	480,000	-
Capital assets, net:					
Non-depreciable	6,719,944	22,907	-	6,742,851	-
Depreciable	<u>19,450,717</u>	<u>4,599,594</u>	<u>-</u>	<u>24,050,311</u>	<u>-</u>
Total noncurrent assets	<u>26,650,661</u>	<u>4,622,501</u>	<u>-</u>	<u>31,273,162</u>	<u>-</u>
Total assets	<u>35,319,225</u>	<u>9,852,029</u>	<u>931,191</u>	<u>46,102,445</u>	<u>1,295,007</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows related to					
TMRS pension	<u>145,479</u>	<u>111,718</u>	<u>-</u>	<u>257,197</u>	<u>-</u>
Total deferred outflows of resources	<u>145,479</u>	<u>111,718</u>	<u>-</u>	<u>257,197</u>	<u>-</u>
LIABILITIES					
Current liabilities:					
Accounts payable	91,537	537,573	-	629,110	-
Accrued liabilities	95,267	24,712	-	119,979	-
Customer deposits	56,657	145,210	-	201,867	-
Other current liabilities	160	12,026	-	12,186	-
Compensated absences	5,262	4,565	-	9,827	-
Bonds and notes payable	<u>932,020</u>	<u>95,525</u>	<u>-</u>	<u>1,027,545</u>	<u>-</u>
Total current liabilities	<u>1,180,903</u>	<u>819,611</u>	<u>-</u>	<u>2,000,514</u>	<u>-</u>
Noncurrent liabilities:					
Bonds and notes payable	16,959,472	1,877,936	-	18,837,408	-
Net pension liability	327,216	251,282	-	578,498	-
Net OPEB obligation	139,546	84,108	-	223,654	-
Compensated absences	<u>21,048</u>	<u>18,259</u>	<u>-</u>	<u>39,307</u>	<u>-</u>
Total noncurrent liabilities	<u>17,447,282</u>	<u>2,231,585</u>	<u>-</u>	<u>19,678,867</u>	<u>-</u>
Total liabilities	<u>18,628,185</u>	<u>3,051,196</u>	<u>-</u>	<u>21,679,381</u>	<u>-</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BASTROP, TEXAS

**STATEMENT OF NET POSITION
(CONTINUED)
PROPRIETARY FUNDS**

SEPTEMBER 30, 2016

	Business-Type Activities			Governmental
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Total Non-major Enterprise Funds	Internal Service Fund
DEFERRED INFLOWS OF RESOURCES				
Deferred gain on bond refunding	\$ 68,298	\$ -	\$ -	\$ -
Total deferred inflows of resources	<u>68,298</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	12,710,083	2,843,112	-	15,553,195
Restricted for:				
Capital improvements	-	-	931,191	931,191
Unrestricted	<u>4,058,138</u>	<u>4,069,439</u>	<u>-</u>	<u>8,127,577</u>
Total net position	<u>\$ 16,768,221</u>	<u>\$ 6,912,551</u>	<u>\$ 931,191</u>	<u>\$ 24,611,963</u>
				<u>\$ 1,295,007</u>

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CITY OF BASTROP, TEXAS

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

PROPRIETARY FUNDS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Business-Type Activities				Governmental
	Water/ Wastewater Fund	Bastrop Power & Light Fund	Total Non-major Enterprise Funds	Total Enterprise Funds	Activities
					Internal Service Fund
Operating revenues:					
Charges for services	\$ 4,654,955	\$ 6,446,305	\$ 336,791	\$ 11,438,051	\$ -
Miscellaneous	8,990	172,334	-	181,324	20,875
Total operating revenues	<u>4,663,945</u>	<u>6,618,639</u>	<u>336,791</u>	<u>11,619,375</u>	<u>20,875</u>
Operating expenses:					
Personnel services	903,589	656,197	-	1,559,786	-
Supplies and maintenance	1,584,507	637,500	-	2,222,007	-
Services and other	153,750	4,641,718	36,186	4,831,654	-
Deprecation	<u>705,369</u>	<u>183,650</u>	<u>-</u>	<u>889,019</u>	<u>-</u>
Total operating expenses	<u>3,347,215</u>	<u>6,119,065</u>	<u>36,186</u>	<u>9,502,466</u>	<u>-</u>
Operating income (loss)	1,316,730	499,574	300,605	2,116,909	20,875
Nonoperating revenues (expenses):					
Intergovernmental	6,401	-	-	6,401	-
Investment earnings	39,601	20,693	4,970	65,264	4,132
Gain (loss) on disposal of capital assets	-	-	-	-	-
Interest expense	<u>(613,116)</u>	<u>(65,462)</u>	<u>-</u>	<u>(678,578)</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(567,114)</u>	<u>(44,769)</u>	<u>4,970</u>	<u>(606,913)</u>	<u>4,132</u>
Income before transfers	749,616	454,805	305,575	1,509,996	25,007
Transfers in	2,167,203	83,496	-	2,250,699	1,270,000
Transfers out	<u>(282,530)</u>	<u>(807,750)</u>	<u>(802,203)</u>	<u>(1,892,483)</u>	<u>-</u>
Change in net position	2,634,289	(269,449)	(496,628)	1,868,212	1,295,007
Net position- beginning	<u>14,133,932</u>	<u>7,182,000</u>	<u>1,427,819</u>	<u>22,743,751</u>	<u>-</u>
Net position- ending	<u>\$ 16,768,221</u>	<u>\$ 6,912,551</u>	<u>\$ 931,191</u>	<u>\$ 24,611,963</u>	<u>\$ 1,295,007</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BASTROP, TEXAS

STATEMENT OF CASH FLOWS

PROPRIETARY FUNDS

SEPTEMBER 30, 2016

	Business-Type Activities				Governmental
	Bastrop		Total		Activities
	Water/ Wastewater Fund	Power & Light Fund	Non-major Enterprise Funds	Total Enterprise Funds	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 4,806,960	\$ 7,068,884	\$ 336,791	\$ 12,212,635	\$ -
Other receipts	-	-	-	-	20,875
Payments to suppliers and service providers	(1,932,658)	(5,315,700)	(38,166)	(7,286,524)	-
Payments to employees for salaries and benefits	(882,991)	(639,435)	-	(1,522,426)	-
Net cash provided by operating activities	<u>1,991,311</u>	<u>1,113,749</u>	<u>298,625</u>	<u>3,403,685</u>	<u>20,875</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers in from other funds	2,167,203	83,496	-	2,250,699	1,270,000
Transfers out to other funds	(282,530)	(807,750)	(802,203)	(1,892,483)	-
Net cash provided (used) by noncapital noncapital financing activities	<u>1,884,673</u>	<u>(724,254)</u>	<u>(802,203)</u>	<u>358,216</u>	<u>1,270,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition and construction of capital assets	(2,492,997)	(294,138)	-	(2,787,135)	-
Proceeds from disposal of capital assets	11,978	-	-	11,978	-
Payments on long-term debt	(927,104)	(91,420)	-	(1,018,524)	-
Interest paid on capital debt	(622,091)	(66,580)	-	(688,671)	-
Net cash used by capital and related financing activities	<u>(4,030,214)</u>	<u>(452,138)</u>	<u>-</u>	<u>(4,482,352)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest on investments	<u>39,601</u>	<u>20,693</u>	<u>4,970</u>	<u>65,264</u>	<u>4,132</u>
Net cash provided (used) by investing activities	<u>39,601</u>	<u>20,693</u>	<u>4,970</u>	<u>65,264</u>	<u>4,132</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS					
	(114,629)	(41,950)	(498,608)	(655,187)	1,295,007
CASH AND CASH EQUIVALENTS, BEGINNING					
	<u>8,219,211</u>	<u>4,596,273</u>	<u>1,429,799</u>	<u>14,245,283</u>	<u>-</u>
CASH AND CASH EQUIVALENTS, ENDING					
	<u>8,104,582</u>	<u>4,554,323</u>	<u>931,191</u>	<u>13,590,096</u>	<u>1,295,007</u>

The accompanying notes are an integral part of these financial statements.

CITY OF BASTROP, TEXAS

**STATEMENT OF CASH FLOWS
(CONTINUED)
PROPRIETARY FUNDS**

SEPTEMBER 30, 2016

	Business-Type Activities				Governmental
	Bastrop		Total	Total	Internal
	Water/ Wastewater Fund	Power & Light Fund	Non-major Enterprise Funds	Enterprise Funds	Service Fund
Reconciliation of operating income to net cash provided by operating activities:					
Operating income	\$ 1,316,730	\$ 499,574	\$ 300,605	\$ 2,116,909	\$ 20,875
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	705,369	183,650	-	889,019	-
(Increase) decrease in accounts receivable	143,580	464,560	-	608,140	-
(Increase) decrease in inventories	(27,660)	7,855	-	(19,805)	-
(Increase) decrease in deferred outflows-pensions	(91,734)	(67,837)	-	(159,571)	-
Increase (decrease) in accounts payable	(166,741)	(44,166)	(1,980)	(212,887)	-
Increase (decrease) in accrued liabilities	(34,431)	(16,668)	-	(51,099)	-
Increase (decrease) in customer deposits	(565)	(14,315)	-	(14,880)	-
Increase (decrease) in net pension liability	131,597	91,563	-	223,160	-
Increase (decrease) in compensated absences	10,590	5,909	-	16,499	-
Net cash provided (used) by operating activities	<u>\$ 1,991,311</u>	<u>\$ 1,113,749</u>	<u>\$ 298,625</u>	<u>\$ 3,403,685</u>	<u>\$ 20,875</u>

SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES

Payment to escrow agent for defeasance of bonds	\$ 1,134,176	\$ -	\$ -	\$ -	\$ -
Refunding bonds issued	1,205,000	-	-	-	-

CITY OF BASTROP, TEXAS
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
SEPTEMBER 30, 2016

	<u>Agency Fund</u>
ASSETS	
Cash and investments	\$ 428,179
Total assets	<u>\$ 428,179</u>
LIABILITIES	
Due to others	\$ 428,179
Total liabilities	<u>\$ 428,179</u>

CITY OF BASTROP, TEXAS

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2016

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenue, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the *primary government* is reported in separately from certain legally separate *component units* for which the primary government is financially accountable.

A. Reporting Entity

The City of Bastrop, Texas (the City) was incorporated under the provisions of the State of Texas. The City operates as a Council-Manager government. With few exceptions, all powers of the city are vested in an elective Council, which enacts legislation, adopts budgets, determines policies, and appoints the City Attorney and the Municipal Court Judge. The Council also appoints the City Manager, who executes the laws and administers the government of the City. The City provides the following services to its citizens: public safety, street maintenance, sanitation services, recreation programs, municipal court, community development, public improvements, water, sewer and electrical services, and general administrative services.

The accompanying financial statements present the City and its component units, entities for which the City is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Blended component unit. The Hunters Crossing Local Government Corporation (hereafter “the corporation”) was established to administer the service plan of the Hunters Crossing Public Improvement District (hereafter “the PID”). The PID was established on September 11, 2001 by resolution of the Bastrop City Council. That resolution was later amended on November 11, 2003. The purpose for creation of the PID was to provide for the construction of certain public improvements and a mechanism for the payment of the costs of such construction and the costs of such improvements through the levy of assessments against owners of respective parcels in the PID. The assessment and bond issuance authorizations are approved by the City’s Council and the City is legally obligated to provide resources in case there are deficiencies in debt service payments and resources are not available from any other remedies. The entity is reported as a blended component unit of the City. Separate financial statements for Hunter’s Crossing Local Government Corporation can be obtained from the City of Bastrop Finance Department.

Discretely presented component unit. The Bastrop Economic Development Corporation (hereafter “Bastrop EDC”) was established in 1995, after the citizens of Bastrop voted to pass a one-half cent sales tax dedicated to economic development. Bastrop’s EDC’s primary purpose is to assist in bringing meaningful and rewarding employment opportunities to citizens in the area through funding assistance provided to businesses to relocate or expand in Bastrop. A separate governing board oversees Bastrop EDC, which is appointed by the Bastrop City Council, and consists of individuals from the community and related governmental entities in the area. City of Bastrop employees also manage the operations of Bastrop EDC. Bastrop EDC has been reported as a discretely presented component unit because the governing board is not identical to the governing body of the City, Bastrop EDC does not solely serve the City of Bastrop, and the City of Bastrop has the ability to impose its will on Bastrop EDC. Separate financial statements for Bastrop EDC can be obtained from the City of Bastrop Finance Department.

B. Basis of Presentation - Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds, while the business-type activities column incorporates data from the City’s enterprise funds. Separate financial states are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As discussed earlier, the City has a discretely presented component unit. Bastrop EDC is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements; however interfund services that are provided and used are not eliminated. Elimination of these charges would distort the direct costs and program revenues for the various functions concerned.

C. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its fiduciary fund and blended component unit. Separate financial statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The **General Fund** is the City's primary operating fund. It is utilized to account for all financial resources, except those required to be accounted for in other funds.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest, and related costs.

The **Hotel/Motel Fund** is used to account for the receipt and expenditure of funds received by the City from the assessment of hotel and motel occupancy tax.

The City reports the following major enterprise funds:

The **Water/Wastewater Fund** is utilized to account for the financial activities related to the provision of water and wastewater services to residents of the government.

The **Bastrop Power & Light Fund** is utilized to account for the financial activities related to the provision of electricity services to residents of the government.

Additionally, the City reports the following fund types:

The **Internal Service Fund** has been established by the City to account for activities related to vehicle and equipment replacement services provided to other departments within the City on a cost-reimbursement basis.

The **Agency Fund** accounts for the receipt, temporary investment, and remittance of funds held in a fiduciary capacity for others.

During the course of operations the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds or advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is include as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported as gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financials statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements have been met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

Proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. The agency fund has no measurement focus but utilizes the *accrual basis of accounting* for reporting its assets and liabilities.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance

Cash, Cash Equivalents, and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. Investments for the City are reported at fair value, except for the position in investment pools. The City's investment in pools are 2a7-like pools and are reported at the net asset value per share (which approximates fair value) even though it is calculated using the amortized cost method. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

Fairview Cemetery Permanent Fund

The City is permanent trustee for the perpetual care trust fund to generate income to support the maintenance, repair and care of all places in the cemetery. The income generated by the invested principle is available to be spent for this purpose.

Inventories and prepaid items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies and utility operations minor equipment and repair parts. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g. roads, bridges, sidewalks, and utility systems), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life of more than one year.

As the City constructs or acquires additional capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their acquisition cost, which is the price that would be paid to acquire an asset with equivalent service potential at the acquisition date.

Land, water rights, and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the primary government are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings	20 - 30
Machinery and equipment	5 - 20
Vehicles	5 - 10
Improvements	10 - 20
Infrastructure	50
Water distribution	50

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS’s Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category.

- Deferred losses on bond refundings – A deferred loss on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Pension contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Changes in actuarial assumptions related to the pension plan – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a closed five year period.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statements element, deferred inflows or resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has the following items that qualify for reporting in this category.

- Deferred gains on bond refundings – A deferred gain on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- The governmental funds report unavailable revenues from three sources: property taxes, municipal court fines and notes receivable. These amounts are reported as deferred inflows of resources and are recognized as an inflow of resources in the period that the amounts become available.

Net Position Assumption

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund Balance Flow Assumptions

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements as flow assumption must be made about the order in which the resources are considered to be applied. It is the City’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned fund balance.

Fund Balance Policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by ordinance authorized the City Manager to assign fund balance. The City Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

Program Revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

The City levies its taxes on October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. The assessed value of the property tax roll on January 1, 2015, upon which the levy for the current fiscal year was based, was \$782,928,050. Taxes are delinquent if not paid by February 1st of the following calendar year. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

The tax rates assessed for the current fiscal year, to finance general fund and debt service fund operations were \$.3596 and \$.2044, respectively, for a total tax rate of \$.564 per \$100 valuation. The total tax levy for the General Fund and Debt Service Fund for the current fiscal year was \$4,542,657.

Compensated Absences

Vacation. The City's policy permits employees to accumulate earned but unused vacation benefits, which are eligible for payment upon separation from government service. The liability for such leave is reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements.

Sick Leave. Accumulated sick leave lapses when employees leave the employment of the government and, upon separation from service, no obligation exists.

Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water/Wastewater and Bastrop Power and Light funds are charges to customers for sales and services. The Water/Wastewater Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

II. DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Deposits and Investments

The funds of the City must be deposited and invested under the terms of a contract, contents of which are set out in the Depository Contract Law. The depository bank placed approved pledged securities for safekeeping and trust with the City's agent bank in an amount sufficient to protect government funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the City to adopt, implement, and publicize an investment policy. That policy must address the following areas (1) safety of principal and liquidity, (2) portfolio diversification, 3) allowable investments, (4) acceptable risk levels, (5) expected rates or return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit. Statutes authorize the City to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas; (2) certificates of deposit, (3) certain municipal securities, 94) money market savings accounts, (5) repurchase agreements, (6) bankers acceptances, (7) mutual funds, (8) investment pools, (9) guaranteed investment contracts, (10) and common trust funds. The Act also requires the city to have independent auditors perform test procedures related to investment practices as provided by the Act. The City is in substantial compliance with the requirements of the Act and with local policies.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

As of September 30, 2016, the City had the following investments measured at fair value or net asset value per share:

	9/30/2016	Fair Value Measurement Using			Weighted Average Maturity (Days)	Rating
		Level 1	Level 2	Level 3		
Primary government						
<u>Investments measured at net asset value per share:</u>						
Investment Pools:						
TexPool	\$ 4,671,953	\$ -	\$ -	\$ -	45	AAAm
Texas CLASS	7,581,077	-	-	-	56	AAAm
	<u>12,253,030</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<u>Investments by fair value level:</u>						
Brokered certificates of deposit	10,061,167	-	10,061,167	-		
Total primary government	<u>34,567,227</u>	<u>-</u>	<u>10,061,167</u>	<u>-</u>		
Component unit						
<u>Investments measured at net asset value per share:</u>						
Investment Pools:						
TexPool	1,804,778	-	-	-	45	AAAm
Texas CLASS	1,505,659	-	-	-	56	AAAm
	<u>3,310,437</u>	<u>-</u>	<u>-</u>	<u>-</u>		
<u>Investments by fair value level:</u>						
Brokered certificates of deposit	502,150	-	502,150	-		
Total component unit	<u>3,812,587</u>	<u>-</u>	<u>502,150</u>	<u>-</u>		
Total reporting entity	<u>\$ 38,379,814</u>	<u>\$ -</u>	<u>\$ 10,563,317</u>	<u>\$ -</u>		

In compliance with the Public Funds Investments Act, the City has adopted a deposit and investment policy. That policy addresses the following risks.

Custodial Credit Risk: Deposits: This is the risk that, in the event of bank failure, the City's deposits may not be returned to it. The City was not exposed to custodial credit risk since its deposits at year-end and during the year ended September 30, 2016 were covered by depository insurance or by pledged collateral held by the City's agent bank in the City's name.

Custodial Credit Risk: Investments: This is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investments are subject to custodial credit risk only if they are evidenced by securities that exist in physical or book entry form. Thus positions in external investment pools are not subject to custodial credit risk because they are not evidenced by securities that exist in physical or book entry form.

Credit Risk: Safety of principal is the primary objective of the City's investment policy. To address this objective the City tries to mitigate credit risk (or default risk) by limiting its investments to only those investments that have been issued one of the top ratings by a nationally recognized credit rating agency. As of September 30, 2016, the City's investments in TexPool were rated AAAM by Standard & Poor's and the U. S. Government Securities were rated AAA by Moody.

Concentration of Credit Risk: There is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The minimize credit risk, investment policies of the city’s investment pools allow the portfolio’s investment manager to only invest in obligations of the U.S. Government, its agencies; purchase agreements; and no-loan AAAm money market mutual funds registered with the SEC.

B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is a detail of receivable for the major and nonmajor funds of the governmental funds of the City, including the applicable allowances for uncollectible accounts.

	General Fund	Debt Service Fund	Hotel/Motel TaxFund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:					
Property taxes	\$ 121,794	\$ 109,942	\$ -	\$ 1,327	\$ 233,063
Sales tax	699,955	-	-	-	699,955
Franchise taxes	77,743	-	-	-	77,743
Hotel/Motel taxes	-	-	256,690	-	256,690
Other taxes	18,268	-	-	-	18,268
Accounts receivable	49,917	-	-	5,743	55,660
Court fines and fees	<u>1,553,108</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,553,108</u>
Gross receivables	2,520,785	109,942	256,690	7,070	2,894,487
Less: allowance for uncollectibles	<u>(1,366,745)</u>	<u>(5,497)</u>	<u>-</u>	<u>(66)</u>	<u>(1,372,308)</u>
Net receivables	<u>\$ 1,154,040</u>	<u>\$ 104,445</u>	<u>\$ 256,690</u>	<u>\$ 7,004</u>	<u>\$ 1,522,179</u>

Revenues of the Water/Wastewater and Bastrop Power and Light Funds, enterprise funds, are reported net of uncollectible amounts. The uncollectible amounts related to the Water/Wastewater and Bastrop Power and Light Funds are \$5,065 and \$19,921, respectively.

C. Capital Assets

Capital asset activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 4,359,014	\$ 11,600	\$ -	\$ 4,370,614
Construction in progress	<u>121,448</u>	<u>119,006</u>	<u>(121,448)</u>	<u>119,006</u>
Total assets not being depreciated	<u>4,480,462</u>	<u>130,606</u>	<u>(121,448)</u>	<u>4,489,620</u>
Capital assets, being depreciated:				
Buildings and improvements	13,110,687	238,225	-	13,348,912
Machinery, equipment, vehicles	5,790,949	538,909	(572,995)	5,756,863
Infrastructure	<u>20,615,528</u>	<u>440,667</u>	<u>-</u>	<u>21,056,195</u>
Total capital assets being depreciated	<u>39,517,164</u>	<u>1,217,801</u>	<u>(572,995)</u>	<u>40,161,970</u>
Less accumulated depreciation:				
Buildings and improvements	(3,180,617)	(309,649)	-	(3,490,266)
Machinery, equipment, vehicles	(3,630,022)	(588,130)	526,648	(3,691,504)
Infrastructure	<u>(3,553,415)</u>	<u>(630,940)</u>	<u>-</u>	<u>(4,184,355)</u>
Total accumulated depreciation	<u>(10,364,054)</u>	<u>(1,528,719)</u>	<u>526,648</u>	<u>(11,366,125)</u>
Total capital assets being depreciated, net	<u>29,153,110</u>	<u>(310,918)</u>	<u>(46,347)</u>	<u>28,795,845</u>
Governmental activities capital assets, net	<u>\$ 33,633,572</u>	<u>\$(180,312)</u>	<u>\$(167,795)</u>	<u>\$ 33,285,465</u>

Depreciation expense was charged to the functions/programs of the governmental activities of the primary government as follows:

Governmental activities:	
General government	\$ 285,286
Public safety	245,908
Development services	2,324
Community services	772,036
Economic development	<u>223,165</u>
Total depreciation expense - governmental activities	<u>\$ 1,528,719</u>

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 1,541,613	\$ -	\$ -	\$ 1,541,613
Water rights	2,933,620	-	-	2,933,620
Construction in progress	<u>1,610,173</u>	<u>1,693,469</u>	<u>(1,036,024)</u>	<u>2,267,618</u>
Total assets not being depreciated	<u>6,085,406</u>	<u>1,693,469</u>	<u>(1,036,024)</u>	<u>6,742,851</u>
Capital assets, being depreciated:				
Buildings and improvements	477,386	-	-	477,386
Machinery, equipment and vehicles	2,590,294	212,344	(20,953)	2,781,685
Infrastructure	<u>29,739,688</u>	<u>1,976,810</u>	<u>-</u>	<u>31,716,498</u>
Total capital assets being depreciated	<u>32,807,368</u>	<u>2,189,154</u>	<u>(20,953)</u>	<u>34,975,569</u>
Less accumulated depreciation:				
Buildings and improvements	(146,353)	(20,200)	-	(166,553)
Machinery, equipment and vehicles	(1,431,289)	(198,534)	9,511	(1,620,312)
Infrastructure	<u>(8,468,108)</u>	<u>(670,285)</u>	<u>-</u>	<u>(9,138,393)</u>
Total accumulated depreciation	<u>(10,045,750)</u>	<u>(889,019)</u>	<u>9,511</u>	<u>(10,925,258)</u>
Total capital assets being depreciated, net	<u>22,761,618</u>	<u>1,300,135</u>	<u>(11,442)</u>	<u>24,050,311</u>
Business-type activities capital assets, net	<u>\$ 28,847,024</u>	<u>\$ 2,993,604</u>	<u>\$(1,047,466)</u>	<u>\$ 30,793,162</u>

D. Defined Benefit Pension Policies

Plan Descriptions. The City participates as one of 866 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agency multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Sections 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tMrs.org.

All eligible employees of the City are required to participate in TMRS.

Benefits Provided. TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the City-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 200% of the employee's accumulated contributions.

Beginning in 1993, the City granted an annually repeating (automatic) basis a monetary credit referred to as an updated service credit (USC) which is a theoretical amount which takes into account salary increases or plan improvements. If at any time during their career an employee earns a USC, this amount remains in their account earning interest at 5% until retirement. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer match plus employer financed monetary credits, such as USC, with interest were used to purchase an annuity. Additionally, initiated in 1993, the City provided on an annually repeating (automatic) basis cost of living adjustments (COLA) for retirees equal to a percentage of the change in the consumer price index (CPI).

A summary of plan provisions for the City are as follows:

Employee deposit rate	6%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	25 years to any age, 5 years at age 60 and above
Updated Service Credit	100% repeating
Annuity increase to retirees	70% of CPI repeating

Employees covered by benefit terms

At the December 31, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	42
Inactive employees entitled to but not yet receiving benefits	54
Active employees	113
	<u>209</u>

Contributions. The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the City matching percentages are with 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contributions rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 6% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.71% and 10.87% in calendar years 2015 and 2016, respectively. The City's contributions to TMRS for the year ended September 30, 2016, were \$668,216, and were equal to the required contributions.

Net Pension Liability. The City's Net Pension Liability (NPL) was measured as of December 31, 2015, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109% and female rates multiplied by 103%. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with males rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering the 2009 through 2011, and the dated December 31, 2014. These assumptions were first used in the December 31, 2014 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS. The target allocation and best estimates of arithmetic real rates return for each major assets class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan’s Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all period of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 13,995,734	\$ 11,846,076	\$ 2,149,658
Changes for the year:			
Service cost	765,716	-	765,716
Interest	992,085	-	992,085
Difference between expected and actual experience	93,002	-	93,002
Changes of assumptions	134,544	-	134,544
Contributions - employer	-	584,017	(584,017)
Contributions - employee	-	327,229	(327,229)
Net investment income	-	17,476	(17,476)
Benefit payments, including refunds of employee contributions	(411,888)	(411,888)	-
Administrative expense	-	(10,647)	10,647
Other changes	-	(526)	526
Net changes	<u>1,573,459</u>	<u>505,661</u>	<u>1,067,798</u>
Balance at 12/31/2015	<u>\$ 15,569,193</u>	<u>\$ 12,351,737</u>	<u>\$ 3,217,456</u>

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) of 1-percentage-higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	\$ 5,775,628	\$ 3,217,456	\$ 1,157,444

Pension Plan Fiduciary Net Position

Detailed information about the pension plan’s Fiduciary Net Position is available in a separately-issued TMRS financial report. The report may be obtained on the Internet at *www.tmrs.org*.

Pension Expense and Deferred Outflows of Resources Related to Pensions. For the year ended September 30, 2016, the City recognized pension expense of \$861,537.

At September 30, 2016, the City reported deferred outflows of related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual economic experience	\$ 81,570
Changes in actuarial assumptions	102,278
Difference between projected and actual investment earnings	732,368
Contributions subsequent to the measurement date	<u>514,240</u>
Total	<u><u>\$ 1,430,456</u></u>

\$514,240 reported as deferred outflows of resources related to pension resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2017. Other amounts reported as deferred outflows of resources related to pensions will be recognized in pension expenses as follows:

Year Ended September 30,	
2017	\$ 249,017
2018	249,017
2019	246,560
2020	<u>171,622</u>
Total	<u><u>\$ 916,216</u></u>

E. Other Postemployment Benefits (OPEB) Obligations

Supplemental Death Benefits

Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit," or OPEB.

Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contributions to the TMRS SDBF for the fiscal year ended 2014, 2015 and 2016 are \$8,088, \$8,118, and \$9,717 respectively, which equaled the required contributions each year.

Retiree Health Plan

Plan Description

Effective June 1, 2016, retirees who are at least 58 years old at retirement and have at least 25 years of service with the City are eligible for City paid health coverage until they reach 65 or become eligible for Medicare. The City pays the premium for the retired member. Dependents of the retired employee are not eligible for any City contribution, but may be eligible to continue coverage under the City's group health insurance plan in accordance with COBRA. The policy change was applied retroactively to the retirees who had coverage as of June 1, 2016.

Funding Policy

The City currently funds the plan on a pay-as-you-go system whereby annual employer contributions each year are equal to the benefits that are paid on behalf of the retirees.

The City's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined. The ARC represents an amount that is projected to recognize the normal cost each year and the amortization of any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The City had an OPEB actuarial valuation performed as of December 31, 2015. The City's annual OPEB cost for the current fiscal year, is as follows:

Annual required contribution	\$	60,870
Interest on OPEB obligation		31,852
Adjustment to ARC	(<u>29,511)</u>
Annual OPEB cost		63,211
Net employer contributions	(<u>15,581)</u>
Decrease in net OPEB obligation		47,630
Net OPEB obligation, beginning of year		<u>707,831</u>
Net OPEB obligation, end of year	\$	<u><u>755,461</u></u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current fiscal year, and two previous fiscal years is as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
9/30/2014	\$ 1,291,727	\$ 207,146	16.0%	\$ 4,779,258
9/30/2015	(3,891,227)	180,200	(4.6%)	707,831
9/30/2016	63,211	15,581	24.6%	755,461

Funded Status and Funding Progress

The funded status of the City's retiree health care plan, as of the most recent actuarial valuation date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
12/31/2014 (1)	\$ -	\$ 835,055	\$ 835,055	0%	\$ 5,217,564	16.0%

(1) The City amended its retiree medical policy so that benefits are no longer provided after Medicare eligibility and retirees are required to be at least 58 years old at retirement and have at least 25 years of service with the City to be eligible for City paid coverage. The actuarial cost method was changed from the projected unit credit method to the individual entry age normal cost method.

Actuarial Methods and Assumptions

The actuarial cost method determines OPEB expense by assigning portions of the present value of projected benefits to various years with the general goal of accruing the cost of benefits over the working lifetime of the employees. The individual entry-age actuarial cost method was used in the valuation. Using the plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The entry age normal method then provides for a systematic funding for these anticipated payments. The yearly annual required contribution is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Inflation rate	3.00% per year
Investment rate of return	4.50%, net of investment expenses
Actuarial cost method	Individual entry-age normal cost method
Amortization method	Level as a percentage of employee payroll
Amortization period	30-year open amortization
Payroll growth	3.00% per year
Healthcare cost trend rate	Initial rate of 7.25% declining to an ultimate rate of 5.50% after 9 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the annual required contributions of the City’s retiree health care plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress presented as required supplementary information provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability benefits.

F. Commitments - Construction

The City has active construction projects as of year-end. The City’s commitments with contractors at year end are as follows:

<u>Projects</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Alley D Infrastructure/Parking Improvement - engineering	\$ 36,120	\$ 15,480
Shelter building - architect	-	135,000
Water system filtration project - engineering	184,871	15,237
Elevated storage tank - engineering	131,500	248,500
Gillsbranch Lift station Rehab/Force Main to WWTP	711,611	145,936
	<u>\$ 1,064,102</u>	<u>\$ 560,153</u>

G. Commitments - Economic Development Agreements

The City entered into an economic development agreement dated January 2012, with a developer to provide certain economic development incentives to the developer in recognition of the economic benefits to the City. The agreement requires the City to rebate to the developer ½ cent of the sales tax collected by the Bastrop Economic Development Corporation, and the developer has to achieve and maintain certain benchmarks. The maximum amount to be rebated by the City from sales tax revenues generated by the development is \$700,000 over ten years. The total rebates paid to date as of September 30, 2016, was \$315,656.

In addition, the City entered into an economic development agreement dated August 2007, with a developer to provide certain economic development incentives to the developer in recognition of the economic benefits to the City. The agreement requires the City to rebate to the developer 1 ½ cents of the City and Bastrop Economic Development Corporation's sales taxes generated by the development that are above the agreed upon equalizer amount. Also, the City has agreed to pay 50% of the increase in ad valorem tax revenues from the 2007 base year to the developer each year. The maximum amount to be rebated by the City from sales tax and ad valorem tax revenues generated by the development is \$7,370,694 over fifteen years. The total rebates paid to date as of September 30, 2016, was \$3,830,944.

The City entered into an economic development agreement dated April 2012, with a developer to provide certain economic development incentives to the developer in recognition of the economic benefits to the City and to reimburse the developer for water lines. The agreement requires the City to rebate to the developer 75% of the City's sales taxes generated by the development, and the developer has to achieve and maintain certain benchmarks. Also, the City has agreed to pay 75% of the revenue generated to the City in ad valorem taxes on the appraised value of the new improvements. The maximum amount to be rebated by the City from sales tax and ad valorem tax revenues generated by the development is \$250,000 over seven years. The total rebates paid to date as of September 30, 2016, was \$274,757.

H. Encumbrances

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations. At September 30, 2016, the General Fund had \$89,868 of encumbrances at year-end that were reappropriated in the subsequent year's budget.

I. Risk Management

The City is exposed to various risks of loss related to theft or damage of assets, errors and omissions, injuries to employees, and natural disasters. These risks are covered by the City's participation in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP), a public entity risk pool for the benefit of governmental units located within the state. The Pool is considered a self-sustaining risk pool that provides coverage for its members. The City's contributions to the Pool are limited to the amount of premiums as calculated at the beginning of each fund year. Premiums reflect the claims experience to date of the government. The Pool's liability is limited to the coverage that the City elects as stated in the Pool's Declarations of Coverage for that fund year. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the City's financial statements. Settled claims have not exceeded insurance coverage limits for the past three years.

J. Long-term Liabilities

General Obligation Bonds

The City issues general obligation bonds, certificates of obligation, and tax and revenue bonds to provide funds for the acquisition and construction of major capital facilities and improvement projects. Long-term debt of this nature has been issued for both governmental and business-type activities. These debt instruments are direct obligations and pledge the full faith and credit of the City. General obligation bonds and certificates of obligation generally are issued with repayment scheduled to occur as equal amounts of principal maturing each year with maturities that range from 3 to 30 years.

The City issues maintenance tax notes or obtains regular notes payable financing arrangements from banks to provide funds for the acquisition of equipment or minor capital projects. Tax notes and regular notes payable are direct obligations and pledge the full faith and credit of the government. These debt instructions are generally repaid in equal installments of principal and interest over a period of 3 to 10 years.

Long-term liability activity for the year ended September 30, 2016, was as follows:

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligations	\$ 10,635,938	\$ 1,440,000	\$(1,841,487)	\$ 10,234,451	\$ 896,398
Certificates of obligation	14,023,551	-	(1,161,475)	12,862,076	605,938
Issuance premium	<u>589,182</u>	<u>116,968</u>	<u>(4,445)</u>	<u>701,705</u>	<u>-</u>
Total bonds payable	<u>25,248,671</u>	<u>1,556,968</u>	<u>(3,007,407)</u>	<u>23,798,232</u>	<u>1,502,336</u>
Notes payable	819,821	-	(430,906)	388,915	47,368
Compensated absences	210,117	241,212	(241,979)	209,350	41,870
Net pension liability	1,724,026	1,262,598	(458,669)	2,527,955	-
Net OPEB obligation	<u>453,938</u>	<u>37,752</u>	<u>-</u>	<u>491,690</u>	<u>-</u>
Governmental activities long-term liabilities	<u>\$ 28,456,573</u>	<u>\$ 3,098,530</u>	<u>\$(4,138,961)</u>	<u>\$ 27,416,142</u>	<u>\$ 1,591,574</u>

For compensated absences, the General Fund normally liquidates 95 percent of the liability, the Convention Center fund normally liquidates 4%, and the remaining 1% is liquidated by other governmental funds. Liquidation of the net pension liability and net other postemployment benefit obligation is expected to occur at percentages approximating those for liquidation of the compensated absences liability.

	Beginning Balance	Additions	Reductions/ Reclassifications	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	\$ 2,179,060	\$ 1,085,000	\$(733,514)	\$ 2,530,546	\$ 158,603
Certificates of obligation	17,776,448	-	(1,443,524)	16,332,924	808,942
Issuance premium	527,316	88,131	(93,964)	521,483	-
Total bonds payable	<u>20,482,824</u>	<u>1,173,131</u>	<u>(2,271,002)</u>	<u>19,384,953</u>	<u>967,545</u>
Notes payable	540,000	-	(60,000)	480,000	60,000
Compensated absences	32,635	73,039	(56,540)	49,134	9,827
Net pension liability	355,338	328,123	(104,963)	578,498	-
Net OPEB obligation	<u>215,454</u>	<u>8,200</u>	<u>-</u>	<u>223,654</u>	<u>-</u>
Business-type activities long-term liabilities	<u>\$ 21,626,251</u>	<u>\$ 1,582,493</u>	<u>\$(2,492,505)</u>	<u>\$ 20,716,239</u>	<u>\$ 1,037,372</u>

Details of long-term debt obligations outstanding at September 30, 2016 are as follows:

Governmental Activities:

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/2016
Bonds Payable:					
General Obligation Bonds, Series 2005	2005	\$ 2,445,000	3.67%	2025	\$ 1,365,000
General Obligation Bonds, Series 2006	2006	345,000	4.24%	2026	220,000
Certificates of Obligation, Series 2006 (31.4%)	2006	227,650	4.19%	2026	97,340
General Obligation Bonds, Series 2007	2007	1,220,000	4.08%	2027	815,000
Certificates of Obligation, Series 2007 (11.42%)	2007	264,944	4.04%	2027	177,581
Certificates of Obligation, Series 2008	2008	1,195,000	3.87%	2028	70,000
General Obligation Bonds, Series 2008	2008	2,110,000	4.60%	2028	105,000
Comb. Tax & Rev. Cert. of Oblig., Series 2008A (85.19%)	2008	2,362,273	4.20-5.0%	2028	460,000
Certificates of Obligation, Series 2010 (83.1%)	2010	6,149,400	3.50-4.25%	2029	4,990,155
General Obligation Limited Tax Ref. Bonds, Series 2010 (9.37%)	2010	239,872	2.0-4.0%	2024	149,451
General Obligation Refunding Bonds, Series 2011	2011	4,260,000	2.0-4.0%	2022	2,105,000
General Obligation Refunding and Imp. Bonds, Series 2012	2012	2,015,000	2.0-3.0%	2024	1,760,000
Comb. Tax & Rev. Cert. of Oblig., Series 2013 (67.2%)	2013	7,392,000	3.0-4.25%	2033	7,067,000
General Obligation Refunding Bonds, Series 2014	2014	1,695,558	2.0-4.0%	2031	2,275,000
General Obligation Refunding Bonds, Series 2016	2016	2,525,000	2.0-4.0%	2028	1,440,000
Total Bonds Payable					<u>\$ 23,096,527</u>
Notes Payable:					
Note Payable - Texas Department of Economic Development	1999	\$ 500,000	0.0%	2019	\$ 64,584
Note Payable - Texas Capital Fund - Art Foundry	2011	447,351	0.0%	2031	324,331
Total notes payable					<u>\$ 388,915</u>

Advance Refunding

On May 26, 2016, the City issued \$2,525,000 in general obligation refunding bonds with interest rates ranging from 2.0% to 4.00%. These bonds refunded a portion of the General Obligation, Series 2008, and the Combination Tax and Revenue Certificates of Obligation, Series 2008A bonds, which had interest rates ranging from 4.20% to 4.75%. The net proceeds of \$2,639,461 along with \$325,000 in existing debt service funds were deposited in an irrevocable trust with an escrow agent to provide funds for the future debt service payment on the refunded bonds. As a result, the Certificates of Obligation, Series 2008, and the Combination Tax and Revenue Certificates of Obligation, Series 2008A, are considered defeased and the liability for those bonds has been removed from the statement of net position.

The reacquisition price exceeded the net carrying amount of the old debt by \$169,461. This amount is being netted against the new debt and amortized over the remaining life of the refunding debt. The City advance refunded the General Obligation, Series 2008, and the Combination Tax and Revenue Certificates of Obligation, Series 2008A, to reduce its total debt service payments over 13 years by \$364,840 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$270,816.

The debt service requirements for the government's bonds, loans, and notes are as follows:

Governmental Activities:

Year Ended September 30,	Governmental Activities				Totals	
	Bonds Payable		Notes Payable		Principal	Interest
	Principal	Interest	Principal	Interest		
2017	\$ 1,502,336	\$ 846,436	\$ 47,368	\$ -	\$ 1,549,704	\$ 846,436
2018	1,550,274	797,795	47,367	-	1,597,641	797,795
2019	1,618,503	750,448	36,950	-	1,655,453	750,448
2020	1,655,698	697,824	22,368	-	1,678,066	697,824
2021	1,754,752	639,999	22,368	-	1,777,120	639,999
2022-2026	7,720,300	2,293,640	111,838	-	7,832,138	2,293,640
2026-2031	5,960,664	954,797	100,656	-	6,061,320	954,797
2032-2033	1,334,000	84,876	-	-	1,334,000	84,876
Totals	\$ 23,096,527	\$ 7,065,815	\$ 388,915	\$ -	\$ 23,485,442	\$ 7,065,815

Business-type Activities

Year Ended September 30,	Business-Type Activities				Totals	
	Bonds Payable		Notes Payable		Principal	Interest
	Principal	Interest	Principal	Interest		
2017	\$ 967,545	\$ 618,451	\$ 60,000	\$ -	\$ 1,027,545	\$ 618,451
2018	1,009,726	590,793	60,000	-	1,069,726	590,793
2019	1,021,496	564,405	60,000	-	1,081,496	564,405
2020	1,064,302	534,201	60,000	-	1,124,302	534,201
2021	1,100,248	502,545	60,000	-	1,160,248	502,545
2022-2026	6,054,817	1,954,181	180,000	-	6,234,817	1,954,181
2026-2031	5,344,336	986,918	-	-	5,344,336	986,918
2031-2034	2,301,000	148,971	-	-	2,301,000	148,971
Totals	\$ 18,863,470	\$ 5,900,465	\$ 480,000	\$ -	\$ 19,343,470	\$ 5,900,465

K. Interfund Balances

The composition of interfund balances as of September 30, 2016 is as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Grants Fund (nonmajor governmental)	\$ 62,398

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. These amounts also include balance of working capital loans made to nonmajor governmental funds which the General Fund expects to collect in the subsequent year.

L. Interfund Transfers

The composition of interfund transfers for the year ended September 30, 2016 is as follows:

	Transfers in:						Totals
	Governmental Funds			Proprietary Funds			
	General Fund	Debt Service	Nonmajor Gov. Funds	Water/Wastewater	Bastrop Power & Light	Internal Service	
Transfers out:							
General Fund	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ 745,000	\$ 750,000
Hotel/Motel Tax	-	-	1,486,781	-	-	-	1,486,781
Nonmajor -							
Governmental	12,084	489,138	1,449	1,360,000	83,496	-	1,946,167
Water/Wastewater	7,530	-	-	-	-	275,000	282,530
Bastrop Power & Light	557,750	-	-	-	-	250,000	807,750
Nonmajor Enterprise	-	-	-	802,203	-	-	802,203
Totals	<u>\$ 577,364</u>	<u>\$ 489,138</u>	<u>\$ 1,488,230</u>	<u>\$ 2,167,203</u>	<u>\$ 83,496</u>	<u>\$ 1,270,000</u>	<u>\$ 6,075,431</u>

During the year, recurring transfers are used to 1) move revenues from a fund with collection authority to another fund with related expenditure requirements, 2) move General Fund resources to provide subsidies to other funds as needs arise, and 3) move resources from proprietary funds to governmental funds to subsidize governmental activities as budgeted.

M. Discretely Presented Component Unit

Bastrop Economic Development Corporation (Bastrop EDC)

Capital assets activity for Bastrop EDC for the year ended September 30, 2016 was as follows:

Component Unit - Bastrop Economic Development Corporation

	Balance 10/1/2015	Increases	Decreases	Balance 9/30/2016
Capital assets, not being depreciated:				
Land	\$ 848,201	\$ -	\$ (15,209)	\$ 832,992
Construction in progress	5,240	1,704	-	6,944
Total capital assets, not being depreciated	853,441	1,704	(15,209)	839,936
Capital assets, being depreciated:				
Buildings and improvements	971,666	-	(76,286)	895,380
Infrastructure	2,253,147	-	-	2,253,147
Machinery, equipment, and vehicles	8,301	-	-	8,301
Total capital assets, being depreciated	3,233,114	-	(76,286)	3,156,828
Less accumulated depreciation for:				
Buildings and improvements	(316,745)	(17,103)	24,966	(308,882)
Infrastructure	(1,262,880)	(103,758)	-	(1,366,638)
Machinery, equipment, and vehicles	(278)	(1,660)	-	(1,938)
Total accumulated depreciation	(1,579,903)	(122,521)	24,966	(1,677,458)
Total capital assets being depreciated, net	1,653,211	(122,521)	(51,320)	1,479,370
Component unit capital assets, net	\$ 2,506,652	\$ (120,817)	\$ (66,529)	\$ 2,319,306

Details of long-term debt obligations outstanding for Bastrop EDC at September 30, 2016 are as follows:

Component Unit- Bastrop Economic Development

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/2016
Bonds Payable:					
Sales Tax and Revenue Refunding Bonds, Series 2006	2006	\$ 2,005,000	4.61%	2020	\$ 215,000
Total Bonds Payable					\$ 215,000
Notes Payable:					
City of Bastrop	1999	\$ 500,000	0.00%	2019	\$ 62,500
City of Bastrop	2014	600,000	0.00%	2024	480,000
Total Notes Payable					\$ 542,500
Other:					
Due to City of Bastrop-12.5% of Cert. of Oblig., Series 2008A	2008	\$ 503,125	4.20-5.0%	2028	\$ 370,000
Due to City of Bastrop-13.88% of Cert. of Oblig., Series 2010	2010	1,027,120	3.5-4.25%	2029	833,494
Due to City of Bastrop-24.2% Cert. of Oblig., Series 2013	2013	2,662,000	3.0-4.25%	2033	2,546,000
Total Other					\$ 3,749,494

Long-term debt activity for Bastrop EDC for the year ended September 30, 2016 was as follows:

Description	Balance			Balance 9/30/2016	Due in One Year
	10/1/2015	Additions	Deletions		
General obligation bonds	\$ 450,000	\$ -	\$ (235,000)	\$ 215,000	\$ 50,000
Notes payable	629,985	-	(87,485)	542,500	85,000
Due to City of Bastrop - bonds	3,901,301	-	(151,808)	3,749,493	135,110
Compensated absences	8,064	10,873	(7,688)	11,249	2,250
Net pension liability	70,293	60,849	(20,140)	111,002	-
Net OPEB obligation	38,439	1,678	-	40,117	-
Total Component Unit	<u>\$ 5,098,082</u>	<u>\$ 73,400</u>	<u>\$ (502,121)</u>	<u>\$ 4,669,361</u>	<u>\$ 272,360</u>

The debt service requirements for Bastrop EDC bonds and notes payable are as follows:

Year Ended September 30,	Bastrop EDC					
	Bonds Payable		Notes Payable		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 185,110	\$ 157,451	\$ 85,000	\$ -	\$ 270,110	\$ 151,528
2018	197,498	150,467	85,000	-	282,498	150,467
2019	205,274	143,124	72,500	-	277,774	143,124
2020	208,968	134,749	60,000	-	268,968	134,749
2021	167,990	126,204	60,000	-	227,990	126,204
2022-2026	1,193,753	514,035	180,000	-	1,373,753	514,035
2026-2031	1,324,900	253,138	-	-	1,324,900	253,138
2032-2033	481,000	30,604	-	-	481,000	30,604
Totals	<u>\$ 3,964,493</u>	<u>\$ 1,509,772</u>	<u>\$ 542,500</u>	<u>\$ -</u>	<u>\$ 4,506,993</u>	<u>\$ 1,503,849</u>

N. Contingencies

The government participates in various federal grant programs, the principal of which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

The City was not involved in litigation as of year-end that in the opinion of City's legal counsel would have a material adverse effect on the financial condition of the government.

O. Future Financial Reporting Requirements

The GASB has issued the following statement which will become effective in future years.

Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” – This statement changes the focus of accounting of postemployment benefits other than pensions from whether the entity is responsible for funding the benefits over time to a point-in-time liability that is reflected on the employer’s financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the City in fiscal year 2018.

Statement No. 77, “*Tax Abatement Disclosures*” – This statement requires governments that enter into tax abatement agreements to provide certain disclosures regarding these commitments. This statement will become effective for the City in fiscal year 2017.

**REQUIRED
SUPPLEMENTARY INFORMATION**

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CITY OF BASTROP, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 2,973,695	\$ 3,006,695	\$ 2,998,602	\$(8,093)
Sales taxes	4,044,190	4,318,237	4,371,880	53,643
Franchise taxes	410,000	410,000	471,810	61,810
Licenses and permits	173,500	173,500	184,826	11,326
Intergovernmental	1,323,162	285,002	193,074	(91,928)
Charges for service	524,500	524,500	528,492	3,992
Fines	218,500	293,500	328,371	34,871
Investment earnings	4,000	24,000	23,302	(698)
Contributions and donations	500	1,200	2,347	1,147
Miscellaneous	25,000	135,000	122,645	(12,355)
Total revenues	<u>9,697,047</u>	<u>9,171,634</u>	<u>9,225,349</u>	<u>53,715</u>
EXPENDITURES				
Current:				
General government:				
Legislative	46,535	11,065	8,315	2,750
Organizational	1,409,098	1,821,381	1,787,904	33,477
City Manager	335,521	196,217	193,840	2,377
City Secretary	146,808	87,073	86,503	570
Finance	1,245,845	676,955	667,346	9,609
Human resources	155,001	119,883	113,036	6,847
Information technology	351,114	241,489	240,371	1,118
Public works	985,345	1,248,645	958,067	290,578
Building maintenance	192,755	139,701	139,968	(267)
Public safety:				
Police	2,807,331	2,724,983	2,632,398	92,585
Fire	362,076	409,449	402,808	6,641
Municipal court	301,440	301,440	287,283	14,157
Development services:				
Planning	783,475	883,966	896,180	(12,214)
Community services:				
Recreation	42,500	42,500	39,500	3,000
Parks	783,980	801,180	775,609	25,571
Library	685,128	685,128	686,812	(1,684)
Capital outlay	<u>1,324,675</u>	<u>1,677,624</u>	<u>785,271</u>	<u>892,353</u>
Total expenditures	<u>11,958,627</u>	<u>12,068,679</u>	<u>10,701,211</u>	<u>1,367,468</u>
Excess (deficiency) of revenues over expenditures	<u>(2,261,580)</u>	<u>(2,897,045)</u>	<u>(1,475,862)</u>	<u>1,421,183</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	557,750	557,750	577,364	(19,614)
Transfers out	-	(745,000)	(750,000)	5,000
Sale of capital assets	-	-	12,234	(12,234)
Insurance recoveries	-	54,465	51,757	2,708
Total other financing sources (uses)	<u>557,750</u>	<u>(132,785)</u>	<u>(108,645)</u>	<u>(24,140)</u>
Net change in fund balances	<u>(1,703,830)</u>	<u>(3,029,830)</u>	<u>(1,584,507)</u>	<u>1,397,043</u>
Fund balance- beginning	<u>5,418,094</u>	<u>5,418,094</u>	<u>5,418,094</u>	<u>-</u>
Fund balance- ending	<u>\$ 3,714,264</u>	<u>\$ 2,388,264</u>	<u>\$ 3,833,587</u>	<u>\$ 1,397,043</u>

CITY OF BASTROP, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

HOTEL/MOTEL TAX FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Hotel/motel taxes	\$ 2,800,000	\$ 2,800,000	\$ 2,777,935	\$(22,065)
Investment earnings	<u>1,500</u>	<u>1,500</u>	<u>8,241</u>	<u>6,741</u>
Total revenues	<u>2,801,500</u>	<u>2,801,500</u>	<u>2,786,176</u>	<u>(15,324)</u>
EXPENDITURES				
Current:				
Economic development:				
Donations	330,000	453,000	364,475	88,525
Bastrop marketing corporation	799,893	744,893	664,355	80,538
Special events	<u>45,000</u>	<u>45,000</u>	<u>20,633</u>	<u>24,367</u>
Total expenditures	<u>1,174,893</u>	<u>1,242,893</u>	<u>1,049,463</u>	<u>193,430</u>
Excess (deficiency) of revenues over expenditures	<u>1,626,607</u>	<u>1,558,607</u>	<u>1,736,713</u>	<u>178,106</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(1,362,813)</u>	<u>(1,486,781)</u>	<u>(1,486,781)</u>	<u>-</u>
Total other financing sources (uses)	<u>(1,362,813)</u>	<u>(1,486,781)</u>	<u>(1,486,781)</u>	<u>-</u>
Net change in fund balance	263,794	71,826	249,932	178,106
Fund balance - beginning	<u>2,015,834</u>	<u>2,015,834</u>	<u>2,015,834</u>	<u>-</u>
Fund balance - ending	<u>\$ 2,279,628</u>	<u>\$ 2,087,660</u>	<u>\$ 2,265,766</u>	<u>\$ 178,106</u>

CITY OF BASTROP, TEXAS
NOTES TO BUDGETARY INFORMATION
SEPTEMBER 30, 2016

Budgetary Basis of Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the General Fund, Hotel/motel Tax Fund, and Debt Service Fund. Capital projects funds are appropriated on a project-length basis. Other special revenue funds and the permanent fund do not have appropriated budgets since other means control the use of these resources (e.g., grant awards and endowment requirements) and sometimes span a period of more than one fiscal year.

The appropriated budget is prepared by fund and department. The government's department heads make transfers of appropriations within a department. Transfers of appropriations between departments require the approval of the Council. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods or services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

CITY OF BASTROP, TEXAS

**SCHEDULE OF FUNDING PROGRESS
RETIREE HEALTH CARE PLAN**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (1)</u>	<u>Actuarial Accrued Liability (AAL) (2)</u>	<u>Funding Ratio (3) (1)/(2)</u>	<u>Unfunded AAL (UAAL) (4)</u>	<u>Covered Payroll (5)</u>	<u>UAAL as a Percentage of Covered Payroll (6)</u>
12/31/2009	\$ -	\$ 6,261,851	0.0%	\$ 6,261,851	\$ 4,284,550	146.1%
12/31/2011	-	9,781,417	0.0%	9,781,417	4,737,617	206.5%
12/31/2014 (1)	-	835,055	0.0%	835,055	5,217,564	16.0%

(1) The City amended its retiree medical policy so that benefits are no longer provided after Medicare eligibility and retirees are required to be at least 58 years old at retirement and have at least 25 years of service with the City to be eligible for City paid coverage. The actuarial cost method was changed from the projected unit credit method to the individual entry age normal cost method.

CITY OF BASTROP, TEXAS

**SCHEDULE OF CHANGES IN NET PENSION LIABILITY
AND RELATED RATIOS**

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Plan Year	2014	2015
A. Total pension liability		
Service Cost	\$ 647,254	\$ 765,716
Interest (on the Total Pension Liability)	906,043	992,085
Difference between expected and actual experience	19,757	93,002
Changes of assumptions	-	134,544
Benefit payments, including refunds of employee contributions	(394,341)	(411,888)
Net change in total pension liability	1,178,713	1,573,459
Total pension liability - beginning	12,817,021	13,995,734
Total pension liability - ending (a)	\$ 13,995,734	\$ 15,569,193
B. Plan fiduciary net position		
Contributions - employer	\$ 497,753	\$ 584,017
Contributions - employee	313,054	327,229
Net investment income	618,954	17,476
Benefit payments, including refunds of employee contributions	(394,341)	(411,888)
Administrative expense	(6,461)	(10,647)
Other	(531)	(526)
Net change in plan fiduciary net position	1,028,428	505,661
Plan fiduciary net position - beginning	10,817,648	11,846,076
Plan fiduciary net position - ending (b)	\$ 11,846,076	\$ 12,351,737
C. Net pension liability - ending (a) - (b)	\$ 2,149,658	\$ 3,217,456
D. Plan fiduciary net position as a percentage of total pension liability	84.64%	79.33%
E. Covered employee payroll	\$ 5,217,564	\$ 5,453,817
F. Net position liability as a percentage of covered employee payroll	41.20%	58.99%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of September 30, 2016, only 2 years are included and additional years will be added in the future as the information becomes available.

CITY OF BASTROP, TEXAS

SCHEDULE OF CONTRIBUTIONS

FOR THE YEAR ENDED SEPTEMBER 30, 2016

Fiscal Year	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarial determined contribution	\$ 494,007	\$ 551,472	\$ 668,216
Contributions in relation to the actuarially determined contribution	<u>494,007</u>	<u>551,472</u>	<u>668,216</u>
Contribution deficiency (excess)	-	-	-
Covered employee payroll	5,140,859	5,317,314	6,170,226
Contributions as a percentage of covered employee payroll	9.61%	10.37%	10.83%

Note: GASB Statement No. 68 requires 10 years of data to be provided in this schedule. As of September 30, 2016, only 3 years are included and additional years will be added in the future as the information becomes available.

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.5% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis of with BB.

Other Information There were no benefit changes during the year.

**COMBINING AND INDIVIDUAL
FUND STATEMENTS AND SCHEDULES**

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for specific revenues that are legally restricted or committed to expenditure for particular purposes.

Designated – This fund is used to account for the receipt and expenditure of funds restricted for a particular purpose by an outside entity.

Bastrop Convention Center – This fund is used to account for the operating activities and maintenance of the Bastrop Convention Center.

Main Street Project – This fund is used to account for the receipt and disbursement of funds received for the benefit of the Main Street improvement project.

Bastrop Art in Public Places – This fund is used to account for the receipt and disbursement of funds received for the benefit of the city art initiative.

Library Board – This fund is used to account for the application of any gifts and donations received for the benefit of the library.

Fairview Cemetery – This fund was established for the receipt and reimbursement of funds received for the benefit of City cemeteries.

Hunters Crossing PID – This fund is used to account for the general operating activities of the Hunters Crossing Public Improvement District, a blended component unit of the city.

Arena – This fund is used to account for committed resources for the City's Arena, and disbursements of funds.

CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary and trust funds.

Park/Trail Dedication Fund – This fund is used to account for the receipt and disbursement of funds received for special improvement projects related to city parks and trails.

Certificates of Obligation, Series 2010 – This fund is used to account for the receipt of bond funds received in relation to this specific bond issue and application of the funds in accordance with stated requirements.

Combination Revenue/Tax Bond, Series 2013 – This fund is used to account for the receipt of bond funds received in relation to this specific bond issue and application of the funds in accordance with stated requirements.

Grants Fund – This fund is used to account for grants received related to capital projects and the application of the funds in accordance with stated requirements.

PERMANENT FUND

Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the government's programs.

Fairview Cemetery Permanent Fund - This fund is used to account for an endowment whose earnings are restricted to expenditures for the benefit of city cemeteries.

NONMAJOR PROPRIETARY FUNDS

Community Impact Fees - This fund is used to account for receipt of new development fees to help fund and pay for the construction or needed expansion of off-site capital improvements.

Accelerated Recovery Fees - This fund is used to account for receipt of new development fees in the Hunters Crossing subdivision to help pay for construction costs or needed expansion of capital improvements.

CITY OF BASTROP, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Special Revenue Funds			
	Designated Fund	Bastrop Convention Center	Main Street Project	Bastrop Art in Public Places
ASSETS				
Cash and cash equivalents	\$ 703,309	\$ 1,274,681	\$ 4,801	\$ 109,729
Taxes receivable, net	-	-	-	-
Due from other governments	-	-	-	-
Accounts receivable	5,743	-	-	-
Prepaid items	-	-	140	-
Total assets	<u>709,052</u>	<u>1,274,681</u>	<u>4,941</u>	<u>109,729</u>
LIABILITIES				
Accounts payable	45,649	7,968	2,077	3
Accrued liabilities	-	4,523	1,920	-
Retainage payable	-	-	-	-
Due to other funds	-	-	-	-
Customer deposits	-	36,339	-	-
Total liabilities	<u>45,649</u>	<u>48,830</u>	<u>3,997</u>	<u>3</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Endowment	-	-	-	-
Prepaid items	-	-	140	-
Restricted for:				
Cemetery	-	-	-	-
Capital projects	-	-	-	-
Public improvement district	-	-	-	-
Traffic safety	639,377	-	-	-
Culture and recreation	-	-	804	109,726
PEG channels	24,026	-	-	-
Committed for:				
Economic development	-	1,225,851	-	-
Arena	-	-	-	-
Total fund balances	<u>663,403</u>	<u>1,225,851</u>	<u>944</u>	<u>109,726</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 709,052</u>	<u>\$ 1,274,681</u>	<u>\$ 4,941</u>	<u>\$ 109,729</u>

Special Revenue Funds				Permanent Fund	Capital Project Funds
Library Board	Fairview Cemetery	Hunters Crossing PID	Arena	Fairview Cemetery	Park/Trail Dedication
\$ 14,029	\$ 213,637	\$ 137,000	\$ 24,836	\$ 383,649	\$ 122,687
-	-	1,261	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,029</u>	<u>213,637</u>	<u>138,261</u>	<u>24,836</u>	<u>383,649</u>	<u>122,687</u>
-	26,489	4,206	169	-	-
-	648	-	500	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>-</u>	<u>27,137</u>	<u>4,206</u>	<u>669</u>	<u>-</u>	<u>-</u>
-	-	1,261	-	-	-
-	-	1,261	-	-	-
-	-	-	-	383,649	-
-	-	-	-	-	-
-	186,500	-	-	-	-
-	-	-	-	-	122,687
-	-	132,794	-	-	-
-	-	-	-	-	-
14,029	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>14,029</u>	<u>186,500</u>	<u>132,794</u>	<u>24,167</u>	<u>383,649</u>	<u>122,687</u>
<u>\$ 14,029</u>	<u>\$ 213,637</u>	<u>\$ 138,261</u>	<u>\$ 24,836</u>	<u>\$ 383,649</u>	<u>\$ 122,687</u>

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CITY OF BASTROP, TEXAS

COMBINING BALANCE SHEET

NONMAJOR GOVERNMENTAL FUNDS

SEPTEMBER 30, 2016

	Capital Project Funds			Total Non-Major Governmental Funds
	CO Series 2010	Combination Revenue/ Tax Bond Series 2013	Grants Fund	
ASSETS				
Cash and cash equivalents	\$ -	\$ 2,284,302	\$ -	\$ 5,272,660
Taxes receivable, net	-	-	-	1,261
Due from other governments	-	-	96,944	96,944
Accounts receivable	-	-	-	5,743
Prepaid items	-	-	-	140
Total assets	<u>-</u>	<u>2,284,302</u>	<u>96,944</u>	<u>5,376,748</u>
LIABILITIES				
Accounts payable	-	-	34,546	121,107
Accrued liabilities	-	-	-	7,591
Retainage payable	-	37,453	-	37,453
Due to other funds	-	-	62,398	62,398
Customer deposits	-	-	-	36,339
Total liabilities	<u>-</u>	<u>37,453</u>	<u>96,944</u>	<u>264,888</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	-	-	-	1,261
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,261</u>
FUND BALANCES				
Nonspendable:				
Endowment	-	-	-	383,649
Prepaid items	-	-	-	140
Restricted for:				
Cemetery	-	-	-	186,500
Capital projects	-	2,246,849	-	2,369,536
Public improvement district	-	-	-	132,794
Traffic safety	-	-	-	639,377
Culture and recreation	-	-	-	124,559
PEG channels	-	-	-	24,026
Committed for:				
Economic development	-	-	-	1,225,851
Arena	-	-	-	24,167
Total fund balances	<u>-</u>	<u>2,246,849</u>	<u>-</u>	<u>5,110,599</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 2,284,302</u>	<u>\$ 96,944</u>	<u>\$ 5,376,748</u>

CITY OF BASTROP, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Special Revenue Funds			
	Designated Fund	Bastrop Convention Center	Main Street Project	Bastrop Art in Public Places
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise taxes	23,899	-	-	-
Licenses and permits	-	2,203	-	-
Intergovernmental	1,952	-	-	-
Charges for services	-	150,922	-	-
Fines and forfeitures	235,600	-	-	-
Investment earnings	3,307	6,230	1	408
Contributions and donations	53,633	-	52,080	-
Miscellaneous	-	-	239	-
Total revenues	<u>318,391</u>	<u>159,355</u>	<u>52,320</u>	<u>408</u>
EXPENDITURES				
Current:				
Public safety	236,313	-	-	-
Community services	36,403	-	-	-
Economic development	-	661,430	158,850	33,478
Capital outlay	<u>32,069</u>	<u>-</u>	<u>-</u>	<u>47,000</u>
Total expenditures	<u>304,785</u>	<u>661,430</u>	<u>158,850</u>	<u>80,478</u>
Excess (deficiency) of revenues over expenditures	<u>13,606</u>	<u>(502,075)</u>	<u>(106,530)</u>	<u>(80,070)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,121,300	105,968	166,513
Transfers out	<u>(13,533)</u>	<u>(489,138)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(13,533)</u>	<u>632,162</u>	<u>105,968</u>	<u>166,513</u>
Net change in fund balances	73	130,087	(562)	86,443
Fund balances - beginning	<u>663,330</u>	<u>1,095,764</u>	<u>1,506</u>	<u>23,283</u>
Fund balances - ending	<u>\$ 663,403</u>	<u>\$ 1,225,851</u>	<u>\$ 944</u>	<u>\$ 109,726</u>

Special Revenue Funds				Permanent Fund	Capital Project Funds
Library Board	Fairview Cemetery	Hunters Crossing PID	Arena	Fairview Cemetery	Park/Trail Dedication
\$ -	\$ -	\$ 297,972	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	700	-	-
-	-	-	-	-	-
-	65,505	-	500	-	-
-	-	-	-	-	-
64	5,842	989	255	-	561
5,285	-	-	-	-	2,250
-	-	-	-	-	-
<u>5,349</u>	<u>71,347</u>	<u>298,961</u>	<u>1,455</u>	<u>-</u>	<u>2,811</u>
-	-	-	-	-	-
2,930	125,435	-	14,336	-	-
-	-	354,059	-	-	-
-	-	-	55,952	-	-
<u>2,930</u>	<u>125,435</u>	<u>354,059</u>	<u>70,288</u>	<u>-</u>	<u>-</u>
<u>2,419</u>	<u>(54,088)</u>	<u>(55,098)</u>	<u>(68,833)</u>	<u>-</u>	<u>2,811</u>
1,449	-	-	93,000	-	-
-	-	-	-	-	-
<u>1,449</u>	<u>-</u>	<u>-</u>	<u>93,000</u>	<u>-</u>	<u>-</u>
3,868	(54,088)	(55,098)	24,167	-	2,811
10,161	240,588	187,892	-	383,649	119,876
<u>\$ 14,029</u>	<u>\$ 186,500</u>	<u>\$ 132,794</u>	<u>\$ 24,167</u>	<u>\$ 383,649</u>	<u>\$ 122,687</u>

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CITY OF BASTROP, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Capital Project Funds			Total Non-Major Governmental Funds
	CO Series 2010	Combination Revenue/ Tax Bond Series 2013	Grants	
REVENUES				
Property taxes	\$ -	\$ -	\$ -	\$ 297,972
Franchise taxes	-	-	-	23,899
Licenses and permits	-	-	-	2,903
Intergovernmental	-	-	461,359	463,311
Charges for services	-	-	-	216,927
Fines and forfeitures	-	-	-	235,600
Investment earnings	196	14,882	-	32,735
Contributions and donations	-	-	-	113,248
Miscellaneous	-	-	-	239
Total revenues	196	14,882	461,359	1,386,834
EXPENDITURES				
Current:				
Public safety	-	-	-	236,313
Community services	-	-	415,525	594,629
Economic development	-	9,169	-	1,216,986
Capital outlay	-	214,721	45,834	395,576
Total expenditures	-	223,890	461,359	2,443,504
Excess (deficiency) of revenues over expenditures	196	(209,008)	-	(1,056,670)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	1,488,230
Transfers out	(83,496)	(1,360,000)	-	(1,946,167)
Total other financing sources (uses)	(83,496)	(1,360,000)	-	(457,937)
Net change in fund balances	(83,300)	(1,569,008)	-	(1,514,607)
Fund balances - beginning	83,300	3,815,857	-	6,625,206
Fund balances - ending	\$ -	\$ 2,246,849	\$ -	\$ 5,110,599

CITY OF BASTROP, TEXAS

**SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

DEBT SERVICE FUND

FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 1,689,004	\$ 1,689,004	\$ 1,702,042	\$ 13,038
Contributions and donations	-	291,339	291,843	504
Investment earnings	1,000	1,000	5,822	4,822
Total revenues	<u>1,690,004</u>	<u>1,981,343</u>	<u>1,999,707</u>	<u>18,364</u>
EXPENDITURES				
Debt service:				
Principal	1,392,957	1,817,834	1,815,125	(2,709)
Interest and other	795,808	956,660	973,859	17,199
Payment to bond refunding escrow agent	-	325,000	325,000	-
Total expenditures	<u>2,188,765</u>	<u>3,099,494</u>	<u>3,113,984</u>	<u>14,490</u>
Excess (deficiency) of revenues over expenditures	<u>(498,761)</u>	<u>(1,118,151)</u>	<u>(1,114,277)</u>	<u>3,874</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	495,495	495,495	489,138	(6,357)
Issuance of bonds	-	1,440,000	1,440,000	-
Payment to bond refunding escrow agent	-	(1,505,285)	(1,505,285)	-
Premium from bond issuance	-	116,968	116,968	-
Total other financing sources (uses)	<u>495,495</u>	<u>547,178</u>	<u>540,821</u>	<u>(6,357)</u>
Net change in fund balance	(3,266)	(570,973)	(573,456)	(2,483)
Fund balance- beginning	804,205	804,205	804,205	-
Fund balance- ending	<u>\$ 800,939</u>	<u>\$ 233,232</u>	<u>\$ 230,749</u>	<u>\$ (2,483)</u>

CITY OF BASTROP, TEXAS
COMBINING STATEMENT OF NET POSITION
NONMAJOR ENTERPRISE FUNDS
SEPTEMBER 30, 2016

	Nonmajor Enterprise Funds		Total Non-Major Enterprise Funds
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	
ASSETS			
Cash and cash equivalents	\$ 508,450	\$ 422,741	\$ 931,191
Accounts receivable, net	-	-	-
Total assets	508,450	422,741	931,191
LIABILITIES			
Total liabilities	-	-	-
NET POSITION			
Restricted for capital improvements	508,450	422,741	931,191
Total net position	\$ 508,450	\$ 422,741	\$ 931,191

CITY OF BASTROP, TEXAS

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

NONMAJOR ENTERPRISE FUNDS

FOR THE YEAR END SEPTEMBER 30, 2016

	Nonmajor Enterprise Funds		Total Non-Major Enterprise Funds
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	
Operating revenues:			
Charges for services	\$ 336,791	\$ -	\$ 336,791
Total operating revenues	336,791	-	336,791
Operating expenses:			
Supplies and maintenance	-	-	-
Services and other	36,186	-	36,186
Total operating expenses	36,186	-	36,186
Operating income (loss)	300,605	-	300,605
Nonoperating revenues (expenses)			
Investment earnings	2,237	2,733	4,970
Total nonoperating revenues (expenses)	2,237	2,733	4,970
Income before transfers	302,842	2,733	305,575
Transfers out	(632,988)	(169,215)	(802,203)
Change in net position	(330,146)	(166,482)	(496,628)
Net position- beginning	838,596	589,223	1,427,819
Net position- ending	\$ 508,450	\$ 422,741	\$ 931,191

CITY OF BASTROP, TEXAS
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2016

	Nonmajor Enterprise Funds		Total
	Community Impact Fee Fund	Accelerated Recovery Fee Fund	Non-Major Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	\$ 336,791	\$ -	\$ 336,791
Payments to suppliers and service providers	(38,166)	-	(38,166)
Net cash provided by operating activities	298,625	-	298,625
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers out to other funds	(632,988)	(169,215)	(802,203)
Net cash used by noncapital noncapital financing activities	(632,988)	(169,215)	(802,203)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on investments	2,237	2,733	4,970
Net cash provided by investing activities	2,237	2,733	4,970
Net increase (decrease) in cash and cash equivalents	(332,126)	(166,482)	(498,608)
Cash and cash equivalents - beginning	840,576	589,223	1,429,799
Cash and cash equivalents - ending	508,450	422,741	931,191
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	300,605	-	300,605
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Increase (decrease) in accounts payable	(1,980)	-	(1,980)
Net cash provided by (used for) operating activities	\$ 298,625	\$ -	\$ 298,625

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STATISTICAL SECTION

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STATISTICAL SECTION

(Unaudited)

This part of City of Bastrop, Texas' comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the City's financial performance has changed over time.	71 – 79
Revenue Capacity These schedules contain trend information to help the reader assess the factors affecting the City's ability to generate its electric utility, sales tax and property tax revenues.	80 – 86
Debt Capacity These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and its ability to issue additional debt in the future.	87 – 92
Economic and Demographic Indicators These schedules contain economic and demographic information to help the reader understand the environment within which the City's financial activities take place.	93 – 95
Operating Information These schedules contain information about the City's operations and resources to help the reader understand how the City's financial information relates to the services the City provides and the activities it performs.	96 – 98

CITY OF BASTROP, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

	Fiscal Year			
	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:				
Net investment in capital assets	\$ 439,746	\$ 1,437,927	\$ 2,155,157	\$(4,960,857)
Restricted	4,087,610	2,363,723	986,735	9,380,765
Unrestricted	<u>3,320,445</u>	<u>4,276,758</u>	<u>4,033,594</u>	<u>(236,597)</u>
Total governmental activities net position	<u>\$ 7,847,801</u>	<u>\$ 8,078,408</u>	<u>\$ 7,175,486</u>	<u>\$ 4,183,311</u>
Business-type activities:				
Net investment in capital assets	\$ 9,586,381	\$ 4,850,207	\$ 16,335,785	\$ 19,320,722
Restricted	3,476,113	3,476,113	-	-
Unrestricted	<u>5,277,302</u>	<u>12,960,782</u>	<u>5,767,731</u>	<u>6,658,219</u>
Total business-type activities net position	<u>\$ 18,339,796</u>	<u>\$ 21,287,102</u>	<u>\$ 22,103,516</u>	<u>\$ 25,978,941</u>
Primary government:				
Net investment in capital assets	\$ 10,026,127	\$ 6,288,134	\$ 18,490,942	\$ 14,359,865
Restricted	7,563,723	5,839,836	986,735	9,380,765
Unrestricted	<u>8,597,747</u>	<u>17,237,540</u>	<u>9,801,325</u>	<u>6,421,622</u>
Total primary government net position	<u>\$ 26,187,597</u>	<u>\$ 29,365,510</u>	<u>\$ 29,279,002</u>	<u>\$ 30,162,252</u>

TABLE 1

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 5,875,370	\$ 10,566,114	\$ 11,429,156	\$ 9,963,117	\$ 11,651,156	\$ 11,918,463
6,046,673	7,373,576	4,910,969	9,159,680	8,756,852	8,066,547
(2,389,362)	(854,428)	2,499,071	2,209,515	5,446,370	5,326,377
<u>\$ 9,532,681</u>	<u>\$ 17,085,262</u>	<u>\$ 18,839,196</u>	<u>\$ 21,332,312</u>	<u>\$ 25,854,378</u>	<u>\$ 25,311,387</u>
\$ 16,135,372	\$ 13,211,924	\$ 11,738,002	\$ 12,316,742	\$ 13,333,175	\$ 15,553,195
-	-	2,660,151	669,651	838,596	931,191
<u>5,594,939</u>	<u>7,391,011</u>	<u>5,210,587</u>	<u>8,546,144</u>	<u>8,571,980</u>	<u>8,127,577</u>
<u>\$ 21,730,311</u>	<u>\$ 20,602,935</u>	<u>\$ 19,608,740</u>	<u>\$ 21,532,537</u>	<u>\$ 22,743,751</u>	<u>\$ 24,611,963</u>
\$ 22,010,742	\$ 23,778,038	\$ 23,167,158	\$ 22,279,859	\$ 24,984,331	\$ 27,471,658
6,046,673	7,373,576	7,571,120	9,829,331	9,595,448	8,997,738
<u>3,205,577</u>	<u>6,536,583</u>	<u>7,709,658</u>	<u>10,755,659</u>	<u>14,018,350</u>	<u>13,453,954</u>
<u>\$ 31,262,992</u>	<u>\$ 37,688,197</u>	<u>\$ 38,447,936</u>	<u>\$ 42,864,849</u>	<u>\$ 48,598,129</u>	<u>\$ 49,923,350</u>

CITY OF BASTROP, TEXAS

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
EXPENSES				
Governmental activities:				
General government	\$ 3,970,038	\$ 4,607,153	\$ 5,150,600	\$ 6,394,947
Public safety	1,603,169	1,816,490	2,356,890	2,464,313
Developmental services	-	-	-	-
Community development	1,329,794	1,411,904	1,567,019	1,773,439
Health	71,027	71,026	79,169	76,812
Economic development & assistance	-	-	-	-
Cemetery	-	-	15,816	-
Interest on long-term debt	620,935	738,485	810,338	986,607
Depreciation	523,803	480,223	-	-
Total governmental activities expenses	<u>8,118,766</u>	<u>9,125,281</u>	<u>9,979,831</u>	<u>11,696,118</u>
Business-type activities:				
Water and wastewater utilities	2,226,170	2,443,594	2,654,152	2,790,906
Electric utility	4,567,889	5,437,279	6,049,776	5,727,753
Other nonmajor	25,166	83,312	3,619	67,305
Total business-type activities expenses	<u>6,819,225</u>	<u>7,964,185</u>	<u>8,707,547</u>	<u>8,585,964</u>
Total primary government program expenses	<u>\$ 14,937,991</u>	<u>\$ 17,089,466</u>	<u>\$ 18,687,378</u>	<u>\$ 20,282,082</u>
PROGRAM REVENUES				
Governmental activities:				
Charges for services:				
General government	\$ 21,075	\$ 40,943	\$ 1,087,944	\$ 1,255,484
Public safety	319,321	422,094	295,240	256,551
Community services	-	-	-	-
Health	-	-	27,932	-
Economic development & assistance	-	-	-	-
Operating grants and contributions	1,170,248	854,313	91,918	249,725
Capital grants and contributions	-	-	577,643	-
Total governmental activities program revenues	<u>1,510,644</u>	<u>1,317,350</u>	<u>2,080,677</u>	<u>1,761,760</u>
Business-type activities:				
Charges for services:				
Water and wastewater utilities	2,209,693	2,764,742	3,111,828	3,071,126
Electric utility	5,473,645	6,231,334	7,071,534	6,771,854
Other nonmajor	-	-	295,177	195,354
Capital grants and contributions	-	-	-	-
Total business-type activities program revenues	<u>7,683,338</u>	<u>8,996,076</u>	<u>10,478,539</u>	<u>10,038,334</u>
Total primary government program revenues	<u>\$ 9,193,982</u>	<u>\$ 10,313,426</u>	<u>\$ 12,559,216</u>	<u>\$ 11,800,094</u>
NET (EXPENSE) REVENUES				
Governmental activities	\$(6,608,122)	\$(7,807,931)	\$(7,899,154)	\$(9,934,358)
Business-type activities	864,113	1,031,891	1,770,992	1,452,370
Total primary government net expense	<u>\$(5,744,009)</u>	<u>\$(6,776,040)</u>	<u>\$(6,128,162)</u>	<u>\$(8,481,988)</u>

TABLE 2

		Fiscal Year									
		2011	2012	2013	2014	2015	2016				
\$	6,295,882	\$	8,045,054	\$	3,714,276	\$	2,823,226	\$	3,000,666	\$	4,461,447
	2,648,635		2,792,144		3,784,611		3,744,040		3,589,294		4,342,768
	-		-		-		-		711,905		923,089
	1,997,802		1,983,502		3,071,077		3,214,589		3,207,923		2,914,278
	75,991		78,982		-		-		-		-
	-		-		2,865,227		4,067,024		2,976,087		2,497,292
	-		-		-		-		-		-
	1,403,348		1,065,553		680,369		1,008,265		1,030,527		926,159
	-		-		-		-		-		-
	<u>12,421,658</u>		<u>13,965,235</u>		<u>14,115,560</u>		<u>14,857,144</u>		<u>14,516,402</u>		<u>16,065,033</u>
	3,061,719		3,174,942		3,748,334		3,694,129		3,882,671		3,960,331
	5,871,322		6,198,430		6,188,383		6,673,346		6,861,785		6,184,527
	19,207		129,198		620,614		683,574		47,028		36,186
	<u>8,952,248</u>		<u>9,502,570</u>		<u>10,557,331</u>		<u>11,051,049</u>		<u>10,791,484</u>		<u>10,181,044</u>
\$	<u>21,373,906</u>	\$	<u>23,467,805</u>	\$	<u>24,672,891</u>	\$	<u>25,908,193</u>	\$	<u>25,307,886</u>	\$	<u>26,246,077</u>
\$	1,318,457	\$	1,351,258	\$	1,437,935	\$	413,374	\$	1,035,377	\$	1,061,694
	275,307		230,014		1,067,556		925,131		932,848		266,292
	65,615		69,011		293,186		86,472		36,480		66,705
	-		-		-		-		-		-
	-		-		133,686		130,920		137,891		153,125
	393,095		200,007		130,520		390,712		428,497		278,349
	<u>173,903</u>		<u>3,404,918</u>		<u>408,312</u>		<u>2,988,454</u>		<u>1,878,711</u>		<u>629,416</u>
	<u>2,226,377</u>		<u>5,255,208</u>		<u>3,471,195</u>		<u>4,935,063</u>		<u>4,449,804</u>		<u>2,455,581</u>
	3,445,382		3,610,941		3,851,172		3,960,434		4,288,849		4,654,955
	6,966,650		7,395,021		6,854,109		7,304,225		7,415,588		6,446,305
	96,354		893,389		789,918		893,112		261,102		336,791
	-		-		-		600,000		47,889		-
	<u>10,508,386</u>		<u>11,899,351</u>		<u>11,495,199</u>		<u>12,757,771</u>		<u>12,013,428</u>		<u>11,438,051</u>
\$	<u>12,734,763</u>	\$	<u>17,154,559</u>	\$	<u>14,966,394</u>	\$	<u>17,692,834</u>	\$	<u>16,463,232</u>	\$	<u>13,893,632</u>
\$	(10,195,281)	\$	(8,710,027)	\$	(10,644,365)	\$	(9,922,081)	\$	(10,066,598)	\$	(13,609,452)
	<u>1,556,138</u>		<u>2,396,781</u>		<u>937,868</u>		<u>1,706,722</u>		<u>1,221,944</u>		<u>1,257,007</u>
\$	<u>(8,639,143)</u>	\$	<u>(6,313,246)</u>	\$	<u>(9,706,497)</u>	\$	<u>(8,215,359)</u>	\$	<u>(8,844,654)</u>	\$	<u>(12,352,445)</u>

CITY OF BASTROP, TEXAS

GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
NET EXPENSES				
Governmental activities:	\$(6,608,122)	\$(7,807,931)	\$(7,899,154)	\$(9,934,358)
Business-type activities:	<u>382,799</u>	<u>293,518</u>	<u>1,626,056</u>	<u>1,452,370</u>
Total primary government net expense	<u>\$(6,225,323)</u>	<u>\$(7,514,413)</u>	<u>\$(6,273,098)</u>	<u>\$(8,481,988)</u>
GENERAL REVENUES AND OTHER				
Governmental activities:				
Taxes				
Property taxes	\$ 2,846,719	\$ 2,842,170	\$ 3,182,745	\$ 3,362,419
Sales taxes	2,170,754	2,371,361	2,508,969	2,606,584
Franchise taxes	294,684	350,299	365,838	375,077
Other taxes	1,837,439	2,119,224	2,202,096	2,172,473
Penalty and interest	61,700	66,304	63,574	73,518
Grants and contributions not rest.	-	-	91,076	122,691
Miscellaneous revenue	645,063	693,273	135,334	511,770
Investment earnings	392,083	266,109	97,964	76,892
Special item - resource	-	-	47,821	37,782
Special item (use)	-	-	4,423	4,065
Transfers in (out)	<u>(1,666,810)</u>	<u>(670,202)</u>	<u>(1,431,720)</u>	<u>(2,401,089)</u>
Total governmental activities general revenues and other	<u>6,581,632</u>	<u>8,038,538</u>	<u>7,268,120</u>	<u>6,942,182</u>
Business-type activities:				
Sales taxes	1,085,214	1,185,502	-	-
Miscellaneous revenue	298,016	505,558	230,872	-
Investment earnings	369,894	292,526	68,051	21,968
Special item (use)	-	-	-	-
Transfers in (out)	<u>1,666,810</u>	<u>670,202</u>	<u>1,251,118</u>	<u>2,401,088</u>
Total business-type activities general revenues and other	<u>3,419,934</u>	<u>2,653,788</u>	<u>1,550,041</u>	<u>2,423,056</u>
Total primary government general revenues	<u>\$ 10,001,566</u>	<u>\$ 10,692,326</u>	<u>\$ 8,818,161</u>	<u>\$ 9,365,238</u>
CHANGE IN NET POSITION				
Governmental activities	\$(26,490)	\$ 230,607	\$(631,034)	\$(2,992,176)
Business-type activities	<u>3,802,733</u>	<u>2,947,306</u>	<u>3,176,097</u>	<u>3,875,426</u>
Total primary government	<u>\$ 3,776,243</u>	<u>\$ 3,177,913</u>	<u>\$ 2,545,063</u>	<u>\$ 883,250</u>

TABLE 3

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$(10,195,282)	\$(8,710,027)	\$(10,644,365)	\$(9,922,081)	\$(10,066,598)	\$(13,609,452)
<u>1,556,138</u>	<u>2,396,781</u>	<u>937,868</u>	<u>1,706,722</u>	<u>1,221,944</u>	<u>1,263,408</u>
<u>\$(8,639,144)</u>	<u>\$(6,313,246)</u>	<u>\$(9,706,497)</u>	<u>\$(8,215,359)</u>	<u>\$(8,844,654)</u>	<u>\$(12,346,044)</u>
\$ 3,557,551	\$ 3,947,319	\$ 4,294,978	\$ 4,619,684	\$ 4,806,931	\$ 5,671,902
2,722,333	3,194,452	3,352,264	3,538,097	4,021,662	4,325,273
404,582	431,129	412,730	454,377	486,694	495,709
2,512,219	2,568,635	2,501,546	2,737,816	2,850,062	2,777,935
58,562	72,164	-	-	-	-
98,733	-	205,651	-	-	-
296,242	892,755	126,303	64,532	46,176	79,626
31,639	86,562	20,427	18,787	19,380	74,232
40,431	44,774	-	-	-	-
3,179	7,344	(9,537)	-	3,330,054	-
<u>928,594</u>	<u>(1,201,295)</u>	<u>(2,469,672)</u>	<u>439,179</u>	<u>500,248</u>	<u>(358,216)</u>
<u>10,654,065</u>	<u>10,043,839</u>	<u>8,434,690</u>	<u>11,872,472</u>	<u>16,061,207</u>	<u>13,066,461</u>
-	-	-	-	-	-
-	3,353	98,600	52,672	150,808	181,324
14,412	14,066	11,910	9,064	14,490	65,264
-	-	-	-	627,566	-
<u>(928,594)</u>	<u>1,201,295</u>	<u>2,469,672</u>	<u>(439,179)</u>	<u>(500,248)</u>	<u>358,216</u>
<u>(914,182)</u>	<u>1,218,714</u>	<u>2,580,182</u>	<u>(377,443)</u>	<u>292,616</u>	<u>604,804</u>
<u>\$ 9,739,883</u>	<u>\$ 11,262,553</u>	<u>\$ 11,014,872</u>	<u>\$ 11,495,029</u>	<u>\$ 16,353,823</u>	<u>\$ 13,671,265</u>
\$ 458,783	\$ 1,333,812	\$(2,209,675)	\$ 1,950,391	\$ 5,994,609	\$(542,991)
<u>641,956</u>	<u>3,615,495</u>	<u>3,518,050</u>	<u>1,329,279</u>	<u>1,514,560</u>	<u>1,868,212</u>
<u>\$ 1,100,739</u>	<u>\$ 4,949,307</u>	<u>\$ 1,308,375</u>	<u>\$ 3,279,670</u>	<u>\$ 7,509,169</u>	<u>\$ 1,325,221</u>

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TABLE 4

CITY OF BASTROP, TEXAS

FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,362	\$ 56,011	\$ 136,887	\$ 82,553
Restricted	76,039	77,637	-	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-	-	-	89,868
Unassigned	2,048,836	2,277,834	2,187,883	2,515,443	2,059,480	3,294,416	3,530,544	4,707,026	5,365,120	3,661,166
Total general fund	<u>\$ 2,124,875</u>	<u>\$ 2,355,471</u>	<u>\$ 2,187,883</u>	<u>\$ 2,515,443</u>	<u>\$ 2,059,480</u>	<u>\$ 3,294,416</u>	<u>\$ 3,575,906</u>	<u>\$ 4,763,037</u>	<u>\$ 5,502,007</u>	<u>\$ 3,833,587</u>
All other governmental funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 512	\$ 83,913	\$ 383,789
Restricted for:										
Capital projects	2,613,207	-	-	-	-	-	755,047	5,297,045	4,019,033	2,369,536
Debt service	1,006,310	986,734	-	-	-	-	707,322	736,729	804,205	230,749
Other restricted	-	-	5,604,401	9,380,765	5,926,375	7,269,212	-	57,463	19,959	24,026
Cemetery	-	-	-	-	-	-	607,655	648,832	558,234	186,500
Public improvement district	-	-	-	-	-	-	87,098	161,579	187,892	132,794
Traffic safety	-	-	-	-	-	-	639,090	621,945	631,613	639,377
Culture & recreation	-	-	-	-	-	-	114,949	121,182	46,708	124,559
Economic development	-	-	-	-	-	-	1,905,557	2,148,817	2,015,834	2,265,766
Committed for:										
Economic development	-	-	-	-	-	-	1,038,897	1,044,994	1,077,854	1,225,851
Arena	-	-	-	-	-	-	-	-	-	24,167
Unassigned	1,555,496	3,168,641	2,412,513	167,536	1,034,177	1,102,144	-	-	-	-
Total all other governmental funds	<u>\$ 5,175,013</u>	<u>\$ 4,155,375</u>	<u>\$ 8,016,914</u>	<u>\$ 9,548,301</u>	<u>\$ 6,960,552</u>	<u>\$ 8,371,356</u>	<u>\$ 5,855,615</u>	<u>\$ 10,839,098</u>	<u>\$ 9,445,245</u>	<u>\$ 7,607,114</u>

CITY OF BASTROP, TEXAS

CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
REVENUES										
Property taxes	\$ 2,904,316	\$ 2,908,474	\$ 3,326,158	\$ 3,668,631	\$ 3,859,531	\$ 4,266,992	\$ 4,243,734	\$ 4,536,737	\$ 4,741,831	\$ 4,998,616
Sales taxes	2,170,754	2,371,361	2,508,969	2,606,584	2,722,333	3,194,452	3,352,264	3,538,097	4,021,662	4,371,880
Hotel/motel taxes	1,837,439	2,119,224	2,202,096	1,970,512	2,247,985	2,276,444	2,501,546	2,737,816	2,850,062	2,777,935
Franchise taxes	294,684	350,299	365,838	375,077	404,582	431,129	412,730	454,377	486,694	495,709
Licenses and permits	242,043	235,490	150,664	104,149	97,305	135,408	143,768	153,841	213,904	187,729
Intergovernmental	1,230,269	854,313	1,614,689	1,231,197	1,691,978	1,625,928	1,960,454	531,182	728,094	656,385
Service fees	21,075	40,943	72,172	70,418	90,526	278,350	269,570	263,304	709,339	745,419
Fines and forfeitures	319,321	422,094	323,673	324,465	346,568	366,040	1,080,535	1,144,202	653,730	563,971
Investments earnings	392,084	266,109	97,964	76,854	31,640	26,315	20,427	18,788	19,380	70,100
Miscellaneous	371,146	457,763	145,889	667,249	394,975	2,124,631	197,675	348,371	443,233	530,322
Total revenues	<u>9,783,131</u>	<u>10,026,070</u>	<u>10,808,112</u>	<u>11,095,136</u>	<u>11,887,423</u>	<u>14,725,689</u>	<u>14,182,703</u>	<u>13,726,715</u>	<u>14,867,929</u>	<u>15,398,066</u>
EXPENDITURES										
Current:										
General government	3,961,515	4,594,555	1,805,523	2,233,336	2,591,833	2,659,338	2,587,881	1,498,735	2,695,518	4,195,350
Public safety	1,599,829	1,804,708	2,470,393	2,196,265	2,433,848	2,776,805	3,218,590	3,424,029	3,349,118	3,558,802
Development services	71,027	71,027	2,074,168	3,035,287	2,430,328	2,818,297	614,744	670,992	708,518	896,180
Public works	1,326,446	1,420,520	1,505,497	1,640,182	2,355,876	1,808,697	-	-	-	-
Community service	-	-	560,947	555,892	609,360	650,615	2,456,957	2,370,344	2,464,526	2,096,550
Economic development	-	-	-	-	-	-	2,512,066	3,846,172	2,743,266	2,266,449
Capital outlay	2,700,721	2,230,134	836,126	2,155,806	3,470,556	2,577,411	424,088	2,304,424	1,700,223	1,180,847
Debt service:										
Principal	897,461	1,129,328	1,066,729	1,457,967	1,519,243	1,520,438	1,422,705	1,326,185	1,439,775	1,815,125
Interest and other	585,168	749,638	1,135,654	1,002,209	1,474,101	1,162,345	721,877	1,111,724	1,068,183	973,859
Payments to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	325,000
Total expenditures	<u>11,142,167</u>	<u>11,999,910</u>	<u>11,455,037</u>	<u>14,276,944</u>	<u>16,885,145</u>	<u>15,973,946</u>	<u>13,958,908</u>	<u>16,552,605</u>	<u>16,169,127</u>	<u>17,308,162</u>

CITY OF BASTROP, TEXAS

**CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

(Continued)

LAST TEN FISCAL YEARS

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (1,359,036)</u>	<u>\$ (1,973,840)</u>	<u>\$ (646,925)</u>	<u>\$ (3,181,808)</u>	<u>\$ (4,997,722)</u>	<u>\$ (1,248,257)</u>	<u>\$ 223,795</u>	<u>\$ (2,825,890)</u>	<u>\$ (1,301,198)</u>	<u>\$ (1,910,096)</u>
OTHER FINANCING SOURCES (USES)										
Transfers in	2,009,370	1,338,208	1,218,690	1,127,753	2,657,927	2,673,323	2,426,820	2,387,025	2,856,260	2,554,732
Transfers out	(3,676,179)	(2,008,410)	(2,650,410)	(3,528,663)	(1,729,333)	(3,874,618)	(4,896,492)	(1,947,846)	(2,356,012)	(4,182,948)
Issuance of long-term debt	4,825,000	1,855,000	6,135,000	7,400,000	4,260,000	6,315,000	-	7,392,000	1,695,558	1,440,000
Premium of long-term debt	-	-	121,803	-	179,469	460,848	-	127,985	185,830	116,968
Other resources	-	-	47,821	37,782	40,431	44,774	-	475,000	-	-
Payments to refunded bond escrow agent	-	-	-	-	(4,300,560)	(1,732,675)	-	-	(1,819,234)	(1,505,285)
Insurance recoveries	-	-	-	-	-	-	-	-	-	51,757
Sale of capital assets	-	-	4,423	4,065	3,179	7,344	11,626	19,615	-	12,234
Total other financing sources (uses)	<u>3,158,191</u>	<u>1,184,798</u>	<u>4,877,327</u>	<u>5,040,937</u>	<u>1,111,113</u>	<u>3,893,996</u>	<u>(2,458,046)</u>	<u>8,453,779</u>	<u>562,402</u>	<u>(1,512,542)</u>
NET CHANGE IN FUND BALANCES	<u>\$ 1,799,155</u>	<u>\$ (789,042)</u>	<u>\$ 4,230,402</u>	<u>\$ 1,859,129</u>	<u>\$ (3,886,609)</u>	<u>\$ 2,645,739</u>	<u>\$ (2,234,251)</u>	<u>\$ 5,627,889</u>	<u>\$ (738,796)</u>	<u>\$ (3,422,638)</u>
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	17.6%	19.2%	18.7%	19.4%	21.1%	18.2%	15.8%	17.1%	17.2%	17.3%

CITY OF BASTROP, TEXAS
TAXABLE SALES BY CATEGORY
LAST TEN FISCAL YEARS (UNAUDITED)

Function/Program	Fiscal Year			
	2007	2008	2009	2010
Agriculture/Forestry/Fishing/Hunting	\$ -	\$ -		\$ 38,325
Construction	642,769	928,716	772,931	548,569
Manufacturing	483,658	735,263	519,926	502,894
Wholesale trade	2,190,599	1,941,359	2,064,535	1,537,429
Retail trade	145,167,362	158,632,371	171,365,676	182,220,911
Transportation/warehousing	4,500	3,400		
Information	468,181	656,160	1,162,003	1,435,657
Finance/insurance	958,008	1,049,129	1,117,241	1,251,733
Professional/scientific/technical	985,762	805,327	604,404	566,407
Real estate/rental/leasing	2,301,601	1,180,657	2,449,809	1,993,012
Admin/support/Waste Mgmt/Remediation Srvs	862,385	471,492	459,068	415,289
Educational Services	19,981	23,464	8,029	6,502
Health Care/Social Assistance	68,941	61,585	16,296	84,316
Arts/Entertainment/Recreation	585,087	755,058	925,762	884,721
Accommodation/Food Services	31,337,923	33,558,943	34,293,028	35,011,335
Other Services (except Public Admin)	4,185,036	4,836,668	4,872,634	4,787,520
Public Administration	528,562	508,278	-	-
Other	-	-	-	-
Total	\$ 190,790,355	\$ 206,147,870	\$ 220,631,342	\$ 231,284,620
City Direct Sales Tax Rate	1%	1%	1%	1%

Source: Texas Comptroller

(1) Only information for 3 quarters is available

TABLE 6

Fiscal Year					
2011	2012	2013	2014	2015	2016 (1)
\$ 49,454	\$ 51,436	\$ 49,046	\$ 52,808	\$ 52,920	\$ 38,040
2,529,176	612,692	733,996	813,098	761,185	656,495
609,479	1,113,311	567,873	1,038,367	1,205,357	572,447
1,532,664	1,897,020	2,180,790	2,151,794	1,822,898	1,410,224
191,434,598	227,250,051	231,643,120	238,982,499	277,256,866	224,686,355
	5,480	58,825	64,042	42,575	41,957
1,451,985	1,886,983	2,268,905	5,165,014	6,285,357	4,717,838
1,277,053	1,334,575	1,430,714	1,441,582	1,499,365	1,133,011
619,830	688,357	939,161	586,683	600,935	521,609
1,240,362	1,006,683	1,062,877	894,945	1,284,457	987,768
377,390	536,628	608,223	546,942	552,963	445,508
7,479	5,424	11,445	33,522	24,482	42,943
108,373	265,225	146,756	134,592	155,984	150,870
868,901	819,934	817,189	660,179	487,662	529,062
37,095,419	41,461,897	46,836,570	51,668,983	60,429,758	48,776,972
5,338,783	5,448,774	5,089,936	5,622,266	6,609,898	5,650,349
1,361,039	2,728,196	2,959,497	2,987,696	3,160,468	2,118,522
-	-	-	-	-	-
<u>\$ 245,901,985</u>	<u>\$ 287,112,666</u>	<u>\$ 297,404,923</u>	<u>\$ 312,845,012</u>	<u>\$ 362,233,130</u>	<u>\$ 292,479,970</u>
1%	1%	1%	1%	1%	1%

TABLE 7

**CITY OF BASTROP, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Tax Year	Real Property	Personal Property	Less Exempt Property	Less Other (1)	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
2007	2006	534,005,461	67,961,872	(95,264,326)	(59,591,491)	447,111,516	0.5835	447,111,516	100.00%
2008	2007	574,267,963	74,825,034	(103,636,206)	(62,093,889)	483,362,902	0.5350	483,362,902	100.00%
2009	2008	642,672,510	92,109,942	(110,409,715)	(75,953,047)	548,419,690	0.5540	548,419,690	100.00%
2010	2009	683,627,607	83,978,203	(117,951,584)	(82,207,662)	567,446,564	0.5540	567,446,564	100.00%
2011	2010	749,216,172	82,203,043	(135,123,943)	(89,217,278)	607,077,994	0.0554	607,077,994	100.00%
2012	2011	779,056,911	81,672,766	(146,849,465)	(86,623,396)	627,256,816	0.0584	627,256,816	100.00%
2013	2012	792,557,307	89,185,540	(147,350,585)	(98,583,801)	635,808,461	0.0584	635,808,461	100.00%
2014	2013	816,067,208	101,281,545	(143,609,524)	(103,017,981)	670,721,248	0.0584	670,721,248	100.00%
2015	2014	863,574,836	110,674,924	(150,322,357)	(86,004,438)	737,922,965	0.5640	737,922,965	100.00%
2016	2015	929,201,260	121,017,621	(158,570,133)	(108,720,698)	782,928,050	0.5640	782,928,050	100.00%

Source: Central Appraisal District of Bastrop County certified roll

(1) Other includes Homestead Cap Adjustment, Productivity Loss, Exemptions, 065 Freeze/Transfer and DP Freeze.

CITY OF BASTROP, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	City Direct Rates			Overlapping Rates		Other
	Basic Rate	General Obligation Debt Service	Total Direct Rate	Bastrop Independent School District	Bastrop County/ County Road	Hunter's Crossing PID Fixed \$ amount
2007	\$ 0.1834	\$ 0.4001	\$ 0.5835	\$ 1.6221	\$ 0.6283	\$ 226.00
2008	0.1952	0.3398	0.5350	1.5010	0.6192	226.00
2009	0.1992	0.3548	0.5540	1.4810	0.6192	226.00
2010	0.2292	0.3248	0.5540	1.4810	0.6192	238.00
2011	0.2889	0.2651	0.5540	1.4810	0.6192	271.00
2012	0.3203	0.2637	0.5840	1.4810	0.6175	289.52
2013	0.3504	0.2336	0.5840	1.4810	0.6314	308.16
2014	0.3638	0.2202	0.5840	1.4610	0.6290	324.16
2015	0.3598	0.2042	0.5640	1.4410	0.6290	324.16
2016	0.3596	0.2044	0.5640	1.4410	0.6190	324.16

(1) Source: City of Bastrop Budget, County and BISD websites
(2) Basis for property tax rate is per \$100 of taxable valuation.

CITY OF BASTROP, TEXAS
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Bastrop Retail Partners	\$ 29,930,566	1	3.82%	\$ -	-	-
H E Butt Grocery Company	16,965,966	2	2.17%	9,113,405	4	2.04%
Covert Chevrolet	15,246,642	3	1.95%	11,162,053	3	2.50%
Bastrop Walnut Ridge Apartments	11,645,786	4	1.49%	-	-	-
Buc-ee's LTD	9,785,774	5	1.25%	-	-	-
The Home Depot	9,081,982	6	1.16%	11,637,220	2	2.60%
Walmart Real Estate Bus Trust	8,678,608	7	1.11%	13,420,478	1	3.00%
Soft Hotels LLC	6,859,956	8	0.88%	-	-	-
First National Bank of Bastrop	6,627,561	9	0.85%	6,072,279	8	1.36%
Lowe's Home Center Inc.	6,025,000	10	0.77%	-	-	-
Total	\$ 120,847,841		15.44%	\$ 51,405,435		11.50%

(1) Source: Central Appraisal District of Bastrop County

TABLE 10

**CITY OF BASTROP, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year Ended September 30	Taxes Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 2,819,407	\$ 2,749,328	97.51%	\$ 56,097	\$ 2,805,426	99.50%
2008	2,800,288	2,736,004	97.70%	75,325	2,794,059	99.78%
2009	3,278,876	3,185,516	97.15%	76,075	3,261,591	99.47%
2010	3,404,859	3,327,953	97.74%	52,298	3,380,251	99.28%
2011	3,609,482	3,517,945	97.46%	66,308	3,584,253	99.30%
2012	3,915,501	3,863,585	98.67%	31,277	3,894,862	99.47%
2013	3,977,570	3,928,876	98.78%	33,687	3,962,563	99.62%
2014	4,192,486	4,147,083	98.92%	29,036	4,176,119	99.61%
2015	4,356,620	4,321,311	99.19%	8,767	4,330,078	99.39%
2016	4,704,126	4,683,239	99.56%	-	4,683,239	99.56%

Source: Tax-Assessor/Collector Annual Report

1. Due to variances allowed by Bastrop County Appraisal District the total Collections to Date exceed the Original Taxes Levied

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TABLE 11

**CITY OF BASTROP, TEXAS
DIRECT AND OVERLAPPING SALES TAX REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)**

<u>Fiscal Year</u>	<u>City Direct Rate</u>	<u>Bastrop Economic Development Corporation</u>	<u>Bastrop County</u>	<u>State of Texas</u>
2007	1.00%	0.50%	0.50%	6.25%
2008	1.00%	0.50%	0.50%	6.25%
2009	1.00%	0.50%	0.50%	6.25%
2010	1.00%	0.50%	0.50%	6.25%
2011	1.00%	0.50%	0.50%	6.25%
2012	1.00%	0.50%	0.50%	6.25%
2013	1.00%	0.50%	0.50%	6.25%
2014	1.00%	0.50%	0.50%	6.25%
2015	1.00%	0.50%	0.50%	6.25%
2016	1.00%	0.50%	0.50%	6.25%

Source: Texas Comptroller

CITY OF BASTROP, TEXAS
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	General Bonded Debt				Business-type Activities			Total Primary Government	Population	Per Capita Income (1)	Personal Income
	General Obligation Bonds	Tax Notes	Notes Payable	Certificates of Obligation	General Obligation Bonds	Notes Payable	Certificates of Obligations				
2007	\$ 18,301,929	\$ 210,028	\$ -	\$ 4,392,476	\$ -	\$ -	\$ -	\$ 22,904,433	6,649	\$ 23,222	\$ 154,403,078
2008	16,921,679	901,817	-	4,167,729	-	-	1,772,530	23,763,755	6,836	23,782	162,573,752
2009	19,169,975	631,741	-	3,871,132	3,143,097	-	7,190,976	34,006,921	7,023	24,337	170,918,751
2010	17,797,138	473,072	-	1,848,435	2,965,593	-	17,887,129	40,971,367	7,218	26,527	191,471,886
2011	15,710,244	349,047	642,839	1,939,055	2,755,453	-	16,998,811	38,395,449	7,306	28,507	208,272,142
2012	14,430,240	218,856	688,171	11,435,550	4,862,938	-	10,321,157	41,956,912	7,394	29,077	214,995,338
2013	13,197,037	92,754	570,384	10,723,722	4,499,232	-	9,768,175	38,851,304	7,483	29,658	221,930,814
2014	12,218,133	-	960,513	22,663,741	4,132,955	600,000	24,096,343	64,671,685	7,649	26,883	205,628,067
2015	13,495,677	-	819,821	19,327,660	4,599,140	540,000	22,114,323	60,896,621	7,900	30,383	240,025,700
2016	10,787,319	-	388,915	13,010,913	2,621,276	480,000	16,763,677	44,052,100	8,600	30,991	266,519,676

(1) Information from 2000 census, 2010 census and modified by City staff estimates.

TABLE 13

**CITY OF BASTROP, TEXAS
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	General Bonded Debt Outstanding				Percentage Actual Taxable Property Value (a)	Per Capita (b)
	General Obligation Bonds	Tax Notes	Certificates of Obligation	Total		
2007	\$ 18,301,929	\$ 210,028	\$ 4,392,476	\$ 22,904,433	5.12%	\$ 3,544
2008	16,921,679	901,817	4,167,729	21,991,225	4.55%	3,307
2009	19,169,975	631,741	3,871,132	23,672,848	4.32%	3,463
2010	17,797,138	473,072	1,848,435	20,118,645	3.55%	2,787
2011	15,710,244	349,047	1,939,055	17,998,346	2.96%	2,464
2012	14,430,240	218,856	11,435,550	26,084,646	4.16%	3,528
2013	13,197,037	92,754	10,723,722	24,013,513	3.78%	3,209
2014	12,218,133	-	22,663,741	34,881,874	5.20%	4,560
2015	13,495,677	-	19,327,660	32,823,337	4.45%	4,155
2016	10,787,319	-	13,010,913	23,798,232	3.04%	3,012

(a) See Table 7 for Taxable Property Value

(b) See Table 12 for Per Capita

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TABLE 14

**CITY OF BASTROP, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
(UNAUDITED)**

<u>Taxing Jurisdiction</u>	<u>Total Direct Debt</u>	<u>Estimated % Applicable</u>	<u>City's Overlapping Tax Supported Debt as of 09/30/2016</u>	<u>Subtotals</u>
City of Bastrop	\$ 24,187,147 (1)	100.00%	\$ 24,187,147	
Total Direct Debt				\$ 24,187,147
Bastrop County	35,180,000	14.92%	5,248,856	
Bastrop Independent School District	163,257,566	25.56%	41,728,634	
Total Indirect Debt				46,977,490
Total Direct and Overlapping Tax Supported Debt				71,164,637
Ratio of Direct and Overlapping Bonded Debt to Taxable Assessed Valuation (a)				9.09%
Per Capita Direct and Overlapping Debt (b)				\$ 8,275

Source : Texas Municipal Reports published by the Municipal Advisory Council of Texas
 (1) Excludes self-supporting ad valorem tax debt
 (a) See Table 7 for Taxable Property Value
 (b) See Table 12 for Per Capita

CITY OF BASTROP, TEXAS
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2007	2008	2009	2010
Assessed Valuation	\$ 447,111,516	\$ 483,362,902	\$ 548,419,690	\$ 567,446,564
Limit on Amount Designated for Debt Service:				
\$1.50 per \$100 assessed valuation	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>
Legal Annual Maximum Debt Payment	<u>\$ 6,706,673</u>	<u>\$ 7,250,444</u>	<u>\$ 8,226,295</u>	<u>\$ 8,511,698</u>
Actual Amount Expended for General Obligation Debt Service During the Fiscal Year	<u>1,476,257</u>	<u>1,878,966</u>	<u>2,039,796</u>	<u>1,900,868</u>
Legal Debt Margin for Annual Debt Service Requirements	<u>\$ 5,230,416</u>	<u>\$ 5,371,478</u>	<u>\$ 6,186,499</u>	<u>\$ 6,610,830</u>
Total Net Debt Applicable to the Limit				
As a percentage of Debt Limit	22.01%	25.92%	24.80%	22.33%

Source: Central Appraisal District of Bastrop County
Audited Financial Statements of the City of Bastrop
BCAD - Assessment Roll Grand Totals Report

TABLE 15

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 607,077,994	\$ 627,256,816	\$ 635,808,461	\$ 670,721,248	\$ 737,922,965	\$ 782,928,050
<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>	<u>x 1.5</u>
<u>\$ 9,106,170</u>	<u>\$ 9,408,852</u>	<u>\$ 9,537,127</u>	<u>\$ 10,060,819</u>	<u>\$ 11,068,844</u>	<u>\$ 11,743,921</u>
<u>1,871,190</u>	<u>2,508,842</u>	<u>2,147,495</u>	<u>2,437,909</u>	<u>2,277,309</u>	<u>2,244,952</u>
<u>\$ 7,234,980</u>	<u>\$ 6,900,010</u>	<u>\$ 7,389,632</u>	<u>\$ 7,622,910</u>	<u>\$ 8,791,535</u>	<u>\$ 9,498,969</u>
20.55%	26.66%	22.52%	24.23%	20.57%	19.12%

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TABLE 16

CITY OF BASTROP, TEXAS
PLEDGED-REVENUE COVERAGE
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year	Water Revenue Bonds					Revenue Bond Coverage
	Gross Revenue (1)	Less: Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements Principle & Interest		
2006	\$ 2,502,526	\$ 1,563,948	\$ 938,578	\$ 300,788		3.120
2007	2,288,916	1,810,031	478,885	160,634		2.981
2008	2,842,989	2,027,077	815,912	243,666		3.348
2009	3,236,870	2,033,125	1,203,745	389,082		3.094
2010	3,071,126	2,603,978	467,148	438,917		1.064
2011	3,445,382	2,524,850	920,532	563,808		1.633
2012	3,610,941	2,443,648	1,167,293	571,497		2.043
2013	3,986,051	2,818,231	1,167,820	759,350		1.538
2014	3,971,117	2,469,599	1,501,518	928,595		1.617
2015	4,353,611	2,513,833	1,839,778	1,475,046		1.247
2016	4,703,546	3,347,215	1,356,331	1,424,776		0.952

(1) Water and Wastewater Fund operating and non-operating revenues.

(2) Water and Wastewater Fund operating expenses, less depreciation expense.

CITY OF BASTROP, TEXAS
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

	Fiscal Year			
	2007	2008	2009	2010
Population (1)	6,462	6,649	6,836	7,218
Median Household Income (1)	\$ 48,064	\$ 48,064	\$ 48,486	\$ 48,486
Per Capita Income (1)	22,662	23,222	25,839	25,839
Median Age	33.4	33.4	33.4	33.4
Education Level in Years of Schooling (at 18 years and over) (2)				
Less than high school graduate	670	670	670	670
High school graduate (or equivalent)	1,291	1,291	1,291	1,291
Some college, no degree	1,626	1,626	1,626	1,626
Associate degree or higher	190	190	190	190
Bachelor's degree or higher	717	717	717	717
Graduate degree or higher	459	459	459	459
School Enrollment (3)	4,597	4,658	4,825	4,825
Unemployment Rate (4)	4.2%	5.4%	8.1%	7.8%

(1) Information from 2000 census, 2010 census and modified by City staff estimates.

(2) US Census Bureau - American Community Survey 2015

(3) Bastrop Independent School District - Only Schools located with in City limits
not all enrolled live within the City limits

(4) Unemployment rates from TWC website (www.twc.state.tx.us). Bastrop County rate only one available.

TABLE 17

		Fiscal Year					
		2011	2012	2013	2014	2015	2016
		7,306	7,394	7,483	7,557	7,900	8,600
\$		48,486	\$ 48,486	\$ 48,486	\$ 49,456	\$ 52,886	\$ 53,889
		25,839	25,839	26,356	26,356	28,930	29,509
		33.4	33.6	36.9	36.9	38.9	38.7
		670	670	800	800	987	881
		1,291	1,291	1,285	1,285	1,410	1,479
		1,626	1,626	1,570	1,570	1,273	1,462
		190	190	261	261	378	387
		717	717	571	571	679	679
		459	459	421	421	302	325
		4,344	3,949	3,764	3,663	3,942	4,123
		8.6%	7.8%	6.4%	4.2%	3.8%	3.4%

TABLE 18

CITY OF BASTROP, TEXAS
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

Employer	2016			2007		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
Bastrop ISD	1,100	1	3.07%	1,130	1	3.69%
Hyatt Regency Lost Pines Resort	675	2	1.88%	600	2	1.96%
Bastrop County	460	3	1.28%	409	4	1.34%
MD Anderson Cancer Center	430	4	1.20%	255	6	0.83%
HEB Food Stores	400	5	1.11%	125	9	0.41%
Walmart	320	6	0.89%	415	3	1.35%
Bastrop FCI	284	7	0.79%	294	5	0.96%
Buc-ee's	173	8	0.48%	-		-
Bluebonnet Electric Co-op	154	9	0.43%	-		-
Southside Market & BBQ	150	10	0.42%	-		-
Agilent/Stratagene	140	11	0.39%	133	7	-
Lowe's	133	12	0.37%	-		-
Griffin Industries	125	13	0.35%	-		-
Total	<u>4,544</u>		<u>12.66%</u>	<u>3,361</u>		<u>10.54%</u>
Total County Employment	35,884			30,631		

Source: Texas Workforce Commission

TABLE 19

CITY OF BASTROP, TEXAS
FULL-TIME EQUIVALENT EMPLOYERS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

Function/Program	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
City Manager's Office	2.00	2.00	2.00	2.00	2.60	2.60	2.63	2.63	2.63	2.63
City Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	4.00	4.00	4.30	4.30	4.30	4.45	4.45	4.45
Utility Billing	5.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	5.00
Human Resources	1.00	1.00	1.00	1.10	1.00	1.00	1.00	1.10	1.10	1.50
Information Technology	-	-	-	1.00	1.00	1.00	1.00	1.00	1.63	2.00
Municipal Court	4.00	4.50	4.50	4.50	5.50	5.50	5.50	5.50	5.50	4.50
Building Maintenance	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Police Department										
Officers	20.00	20.00	20.00	20.00	20.00	20.00	20.00	20.00	22.00	22.00
Civilian	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Code Enforcement	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.50
Animal Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	0.50
Fire Department										
Chief	-	-	-	-	-	-	-	-	-	1.00
Development Services										
Planning	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Building Inspections	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Works										
Administration	2.00	2.00	2.00	2.00	2.20	2.20	2.00	1.00	1.00	1.00
Streets	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Other	-	-	1.40	0.40	-	-	-	-	-	-
Community Services										
Parks Department	9.00	9.00	9.60	9.60	11.00	11.00	11.00	11.00	11.00	11.00
Library	8.30	8.30	8.30	8.80	9.80	9.80	9.80	9.80	9.80	9.80
Proprietary Funds										
Water/ Wastewater	12.00	12.00	12.00	12.00	13.00	13.00	13.00	12.50	12.50	12.50
Electric	8.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00
Other Funds										
Convention Center	-	-	-	-	4.00	4.20	4.20	4.20	5.50	4.50
Economic Development Corp.	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.50
Fairview Cemetery	-	-	-	-	0.50	0.50	0.50	1.50	1.50	1.00
Main Street	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Total	<u>101.80</u>	<u>105.30</u>	<u>107.30</u>	<u>107.90</u>	<u>118.40</u>	<u>118.60</u>	<u>119.43</u>	<u>119.18</u>	<u>122.10</u>	<u>120.88</u>

TABLE 20

CITY OF BASTROP, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Government										
Building Permits Issued	219	207	91	128	101	139	141	158	157	100
Building Permits Value (thousands)	\$ 18,507,556	\$ 25,820,447	\$ 22,822,734	\$ 16,408,290	\$ 11,051,550	\$ 15,305,041	\$ 16,984,537	\$ 21,690,642	\$ 17,654,706	\$ 16,076,498
Police										
Physical Arrests	813	700	537	941	829	834	769	816	700	781
Violations Issued	4,671	5,963	6,491	3,955	3,643	3,678	3,606	4,125	4,000	4,869
Accident Investigations	352	271	487	253	304	383	316	448	450	552
Fire										
Incident Volume	613	843	826	717	980	1,040	1,125	1,150	1,140	921
Priority Calls Answered	300	450	433	336	430	325	398	450	530	444
Court										
Cases Filed	-	-	-	2,968	2,375	2,006	1,990	2,012	1,679	3,155
Warrants Issued	-	-	-	1,261	1,398	1,097	924	1,063	802	1,673
Public Works										
Paved Streets (miles)	49	49	50	52	53	53	54	55	56	56
Open Drainage Ditches (miles)	52	52	52	52	50	50	50	50	50	50
Storm Sewer Lines (miles)	65	65	66	66	67	67	67	67	67	67
Number of Street Signs	1,380	1,380	1,400	1,425	1,425	1,425	1,425	1,425	1,435	1,435
Parks and Recreation										
Pavilion Rentals	86	86	85	90	95	95	96	96	96	51
New Trees Planted	313	313	150	120	75	75	50	50	50	7
Special Events	16	16	18	22	18	22	24	56	56	57
Library										
Volumes in Collection	43,714	46,451	49,699	50,093	50,211	50,504	50,157	50,765	52,132	53,566
Total Circulation	156,116	171,360	192,700	205,177	193,529	163,577	165,667	167,324	162,900	152,111
Story Time & Program Attendance	7,978	9,989	10,024	10,446	12,979	12,562	13,161	13,500	12,000	11,748
Water										
Treated Water Prod (in millions of gal)	459.607	469.258	490.050	495.344	445.269	454.174	476.704	486.706	495.797	481.745
Line Leaks and Breaks	148	148	222	206	210	69	254	259	118	133
Wastewater										
Millions of gallons treated	243.266	222.171	235.284	210.239	229.610	312.842	319.099	325.480	325.737	350.635
Sewer Stops	94	94	80	90	92	45	176	180	53	55

TABLE 21

CITY OF BASTROP, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS (UNAUDITED)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Bastrop Public Library	1	1	1	1	1	1	1	1	1	1
Other Public Works										
Paved Streets (miles)	49	49	50	52	53	53	54	55	56	56
Open Drainage Ditches (miles)	52	52	52	52	50	50	50	50	50	50
Storm Sewer Lines (miles)	65	65	66	66	67	67	67	67	67	67
Parks and Recreation										
Acreage (maintained)	#REF!	89	120	120	120	120	120	120	120	120
Right of Ways	52	52	52	54	55	55	55	55	55	55
Playgrounds	3	3	4	4	4	4	4	4	4	4
Basketball Courts	3	3	4	4	4	4	6	6	4	4
Ball Fields	7	7	7	7	7	7	7	7	7	7
Sand Volleyball			1	1	1	1	1	1	1	1
Water										
Number of service connections	2,689	2,689	2,762	2,770	2,825	2,889	2,960	3,029	3,091	3,140
Wastewater										
Number of Wastewater Customers	2,409	2,404	2,448	2,502	2,540	2,564	2,625	2,678	2,754	2,781
Number of Lift Stations	15	15	18	18	18	18	18	18	18	18

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P A T T I L L O , B R O W N & H I L L , L . L . P .
CERTIFIED PUBLIC ACCOUNTANTS ■ BUSINESS CONSULTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Honorable Mayor
and City Council of the
City of Bastrop, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Bastrop, Texas, as of and for the year ended September 30, 2016, and the related notes to the financial statements, which collectively comprise the City of Bastrop, Texas' basic financial statements, and have issued our report thereon dated February 15, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City of Bastrop, Texas' internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of Bastrop, Texas' internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Bastrop, Texas' internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Bastrop, Texas' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

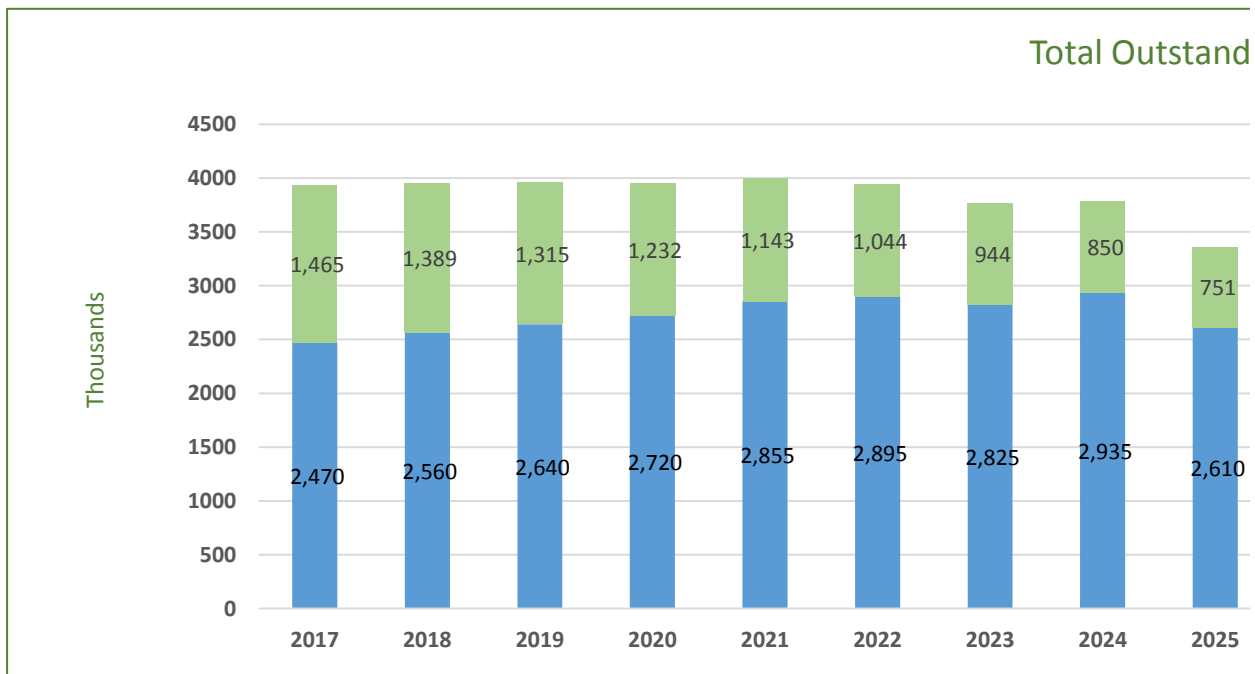
Pattillo, Brown & Hill, L.L.P.

Waco, Texas
February 15, 2017

Total Outstanding Debt as of October 1, 2016

Series	Principle	Interest	Total	Fiscal Year
2005 GO	1,365,000	238,091	1,603,091	2017
2006 GO	220,000	49,184	269,184	2018
2006 CO	310,000	69,135	379,135	2019
2007 GO	815,000	196,554	1,011,554	2020
2007 CO	1,555,000	370,165	1,925,165	2021
2008 CO	70,000	5,031	75,031	2022
2008 GO	105,000	4,830	109,830	2023
2008A CO	540,000	130,251	670,251	2024
2010 CO	6,005,000	1,845,236	7,850,236	2025
2010 GO Refunding	1,595,000	275,520	1,870,520	2026
2011 GO Refunding	2,105,000	255,250	2,360,250	2027
2012 GO Refunding	1,760,000	238,500	1,998,500	2028
2012 CO	3,720,000	1,151,000	4,871,000	2029
2013 CO	10,515,000	4,570,688	15,085,688	2030
2014 CO	6,480,000	2,047,263	8,527,263	2031
2014 GO Refunding	2,275,000	915,050	3,190,050	2032
2016 GO Refunding	2,525,000	604,400	3,129,400	2033
TOTAL ALL	\$ 41,960,000	\$ 12,966,148	\$ 54,926,148	2034

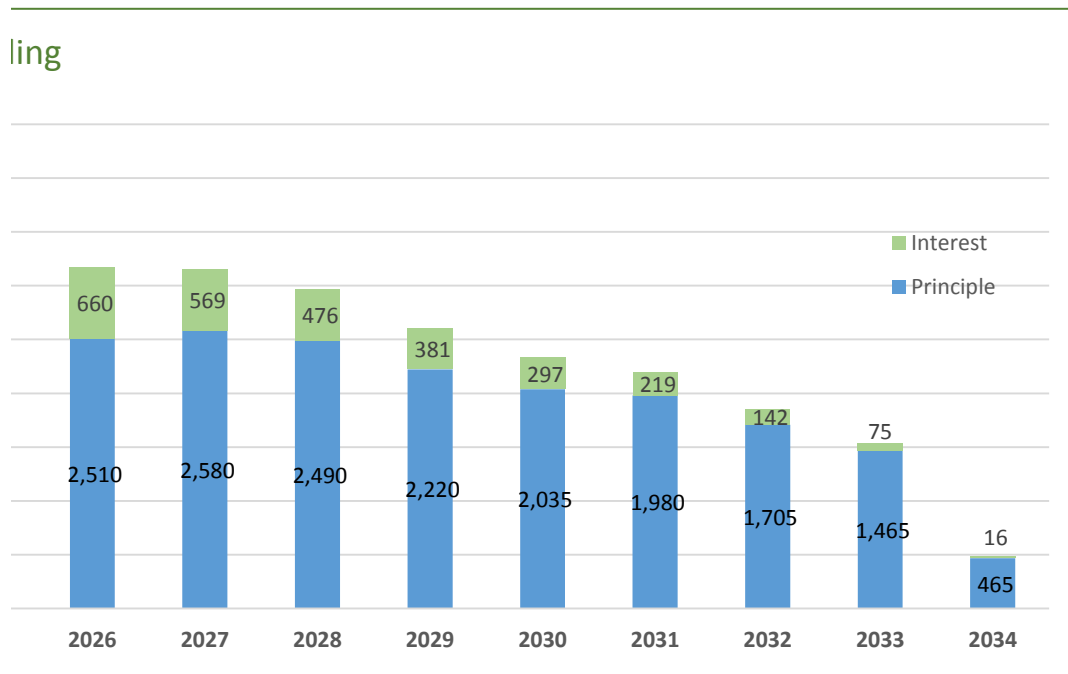
TOTAL ALL



Total Outstanding Debt All Issues

Principle	Interest	Total
2,470,000	1,464,847	3,934,847
2,560,000	1,388,559	3,948,559
2,640,000	1,314,816	3,954,816
2,720,000	1,232,002	3,952,002
2,855,000	1,142,544	3,997,544
2,895,000	1,044,203	3,939,203
2,825,000	943,504	3,768,504
2,935,000	849,644	3,784,644
2,610,000	750,744	3,360,744
2,510,000	659,727	3,169,727
2,580,000	568,508	3,148,508
2,490,000	475,783	2,965,783
2,220,000	381,113	2,601,113
2,035,000	297,338	2,332,338
1,980,000	218,975	2,198,975
1,705,000	142,400	1,847,400
1,465,000	75,163	1,540,163
465,000	16,282	481,282
\$ 41,960,000	\$ 12,966,148	\$ 54,926,148

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BONDED DEBT AS OF 9/30/2016

**Long-Term Debt Obligations
Tax Supported**

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/16	Per Capita
General Obligation Bonds, Series 2005	2005	2,445,000	3.67%	2025	1,365,000	159
General Obligation Bonds, Series 2006	2006	345,000	4.24%	2026	220,000	26
Cert. of Obligation, Series 2006 (31.4% of issue)	2006	227,650	4.19%	2006	97,340	11
General Obligation Bonds, Series 2007	2007	1,220,000	4.08%	2027	815,000	95
Cert. of Obligation, Series 2007 (11.42% of issue)	2007	264,944	4.04%	2027	177,581	21
Cert. of Obligation, Series 2008	2008	1,195,000	3.87%	2018	70,000	8
General Obligation Bonds, Series 2008	2008	2,110,000	4.60%	2028	105,000	12
Comb. Tax & Rev. CO, Series 2008A (58.69% of issue)	2008	2,362,273	4.20-5.0%	2028	460,000	53
Cert. of Obligation, Series 2010 (83.1% of issue)	2010	6,149,400	3.50-4.25%	2029	4,990,155	580
General Obligation Refunding Bonds, Series 2010 (9.37% of issue)	2010	239,872	2.0-4.0%	2024	149,451	17
General Obligation Refunding Bonds, Series 2011	2011	4,260,000	2.0-4.0%	2022	2,105,000	245
General Obligation Refunding & Imp Bonds, Series 2012	2012	2,015,000	2.0-3.0%	2024	1,760,000	205
Comb. Tax & Revenue, CO Series 2013 (67.2% of issue)	2013	7,392,000	3.0-4.25%	2033	7,067,000	822
General Obligation Refunding, Series 2014 (74.53%)	2014	1,695,558	2.0-4.0%	2031	2,275,000	265
General Obligation Refunding, Series 2016 (57%)	2016	1,440,000	2.0-4.0%	2028	<u>1,440,000</u>	<u>167</u>
					23,096,527	2,686

Revenue Supported (Water/Wastewater and Electric)

Type	Sale Date	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding 9/30/16	Per Capita
Cert. of Obligation, Series 2006 (68.6% of issue)	2006	497,350	4.19%	2026	212,660	25
Cert. of Obligation, Series 2007 (88.58% of issue)	2007	2,055,056	4.04%	2027	1,377,419	160
Comb. Tax & Rev. CO, Series 2008A (41.31% of issue)	2010	1,662,728	4.20-5.0%	2028	80,000	9
General Obligation Refunding Bonds, Series 2010 (90.63% of issue)	2010	2,320,128	2.0-4.0%	2024	1,445,547	168
Cert. of Obligation, Series 2010 (16.9% of issue)	2010	1,250,600	3.50-4.25%	2029	1,014,845	118
Comb. Tax & Rev Cert of Obligation, Series 2012	2012	4,300,000	2.0-4.0%	2032	3,720,000	433
Comb. Tax & Revenue CO, Series 2013 (32.8% of issue)	2013	3,608,000	3.0-4.25%	2033	3,448,000	401
Comb. Tax & Revenue CO, Series 2014	2014	7,000,000	2.0-3.5%	2034	6,480,000	753
General Obligation Refunding, Series 2016 (43%)	2016	1,085,000	2.0-4.0%	2028	<u>1,085,000</u>	<u>126</u>
					18,863,471	2,193

Revised 12/7/2016



H10 TOTAL POPULATION IN OCCUPIED HOUSING UNITS
Universe: Population in occupied housing units
2010 Census Summary File 1

NOTE: For information on confidentiality protection, nonsampling error, and definitions, see <http://www.census.gov/prod/cen2010/doc/sf1.pdf>.

	Census Tract 9503 (part), Bastrop County (part), Bastrop city, Texas	Census Tract 9504 (part), Bastrop County (part), Bastrop city, Texas
Total	2,148	4,543

Source: U.S. Census Bureau, 2010 Census.

STATE OF TEXAS §
§
COUNTY OF Bastrop §

GROUND WATER AFFIDAVIT

Before me, the undersigned notary, on this day personally appeared Trey Job, a person whose identity is known to me. After I administered an oath to him/her, upon his/her oath he/she said:

1. I am over 18 years of age, of sound mind, and capable of making this affidavit. The facts stated in this affidavit are within my personal knowledge and are true and correct.
2. I am an authorized representative of ~~Trey Job~~ The City of Bastrop, an entity that has filed an application for financial assistance with the Texas Water Development Board for a project that proposes the development of a new groundwater supply source.

3. Does the applicant own the proposed well site(s)?

Yes No

- (a) Attach a copy of the property deed(s), contracts or other legal instrument documenting the ownership of the project site(s).

Item attached: Yes No

- (b) Were the groundwater water rights conveyed or otherwise transferred by a predecessor in title prior to the applicant's acquisition of the project site(s)?

Yes No

4. Does the applicant intend to acquire title to the proposed well site(s)?

Yes No

Attach a copy of a notice of intent to acquire property, a draft purchase agreement, an option to purchase property or other document showing that the applicant is in the process of acquiring the property on which the well Site(s) is to be located.

Item attached: Yes No

5. Does the applicant lease the proposed well site(s)?

Yes No

Attach a copy of the executed lease agreement(s) or other contractual arrangement documenting that the applicant has the right to drill for and produce groundwater at the project site(s).

Item attached: Yes No

6. Does the applicant intend to lease the proposed well site(s)?

Yes No

Attach a copy of the draft lease agreement(s) or other contractual arrangement documenting that the applicant is in the process of acquiring the contractual right to drill for and produce groundwater at the project site(s).

Item attached: Yes No

7. Is the project located within the boundaries of a groundwater conservation district?

Yes No

- (a) Attach all groundwater district permits issued by the district authorizing groundwater production from the proposed groundwater well(s).

Item attached: Yes No

- (b) Attach copies of all applications filed with a groundwater conservation district for any permit(s) required for the proposed groundwater well(s).

Item attached: Yes No

Signed the 5TH day of MAY, 20 17.

Name Trey Job
Title Director of Public Works

Sworn to and subscribed before me by Trey Job

on MAY, 20 17.



Traci H Chavez
Notary Public in and for the State of Texas

[SEAL]

STATE OF TEXAS

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COUNTY OF Bastrop

**SITE
CERTIFICATE**

Before me, the undersigned notary, on this day personally appeared Trey Job, a person whose identity is known to me or who has presented to me a satisfactory proof of identity. After I administered an oath, this person swore to the following:

- (1) My name is Trey Job. I am over 18 years of age and I am of sound mind, and capable of swearing to the facts contained in this Site Certificate. The facts stated in this certificate are within my personal knowledge and are true and correct.
- (2) I am an authorized representative of City of Bastrop, an entity that has filed an application for financial assistance with the Texas Water Development Board for a (water) (wastewater) project.

Please complete only those sections that apply to your project:

LEGAL CERTIFICATION – LEASE/CONTRACT

I certify that: City of Bastrop
(Legal Name of Applicant, i.e., City, District, etc.)

has executed a written lease or other contractual agreement to use the property needed for this (water)(wastewater) project that extends through July 2018 (date), the life of the Texas Water Development Board loan or grant that will be used to finance this project, either in whole or in part. A copy of this lease or agreement is attached hereto.

LEGAL CERTIFICATION – PROPERTY EASEMENT

I certify that: City of Bastrop
(Legal Name of Applicant, i.e., City, District, etc.)

has executed an express easement to use the property needed for this (water) (wastewater) project that extends through the life of the Texas Water Development Board loan or grant that will be used to finance this project, either in whole or in part. The express easement to use the property needed for this (water) (wastewater) project extends through July 2018 (date). A copy of the express easement agreement is attached hereto.

LEGAL CERTIFICATION – OWNERSHIP INTEREST

I certify that City of Bastrop
(Legal Name of Applicant, e.g. City, District, etc.)

Option A: has acquired the necessary real property interest, as evidenced by fee simple purchase, deed, fully executed earnest money contracts, or completion of eminent domain proceedings; that such acquisition will guarantee access and egress; and such interest will contain the necessary easements, rights of way, or unrestricted use as is required for the project being financed by the Texas Water Development Board. The legal description is referenced below.

Option B: is in the process of acquiring the necessary real property interest, as evidenced by earnest money contracts, contracts for sale, firm option agreements to purchase the subject property, or the initiation of eminent domain procedures; that such acquisition will guarantee access and egress; and such interest will contain the necessary easements, rights of way, or unrestricted use as is required for the project being financed by the Texas Water Development Board. The legal description is referenced below. The anticipated date of acquisition is:
_____.

The property has been/will be acquired with the use of eminent domain: True False

Location and Description of Property Interests acquired for Project:

Any deeds or other instruments required to be recorded to protect the title(s) held by Bastrop County (Legal Name of Applicant) have been recorded or filed for the record in the County deed records or other required location. The following documents are attached hereto:

Description of documents that were used or will be used to acquire the property:

EXECUTED this 5TH day of May, 20 17.

Trey Job (Signature)

Trey Job (Print Name)

Director of Public Works (Title)

Sworn to and subscribed before me by Trey Job on this 5TH day of MAY, 20 17.

Traci H. Chavez (Notary Public in and for the State of Texas)



[SEAL]

STATE OF TEXAS

COUNTY OF _____

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§
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SITE CERTIFICATE

Before me, the undersigned notary, on this day personally appeared _____, a person whose identify is known to me or who has presented to me a satisfactory proof of identity. After I administered an oath, this person swore to the following:

- (1) My name is _____. I am over 18 years of age and I am of sound mind, and capable of swearing to the facts contained in this Site Certificate. The facts stated in this certificate are within my personal knowledge and are true and correct.
- (2) I am an authorized representative of _____, an entity that has filed an application for financial assistance with the Texas Water Development Board for a (water) (wastewater) project.

LEGAL CERTIFICATION – OWNERSHIP INTEREST

This is to certify that _____
(Legal Name of Applicant, i.e., City, District, etc.)

has acquired or is in the process of acquiring the necessary real property interest, as evidenced by fee simple purchase or fully executed earnest money contracts, firm option agreements to purchase the subject property or the initiation of eminent domain procedures, that such acquisition will guarantee access and egress and such interest will contain the necessary easements, rights of way or unrestricted use as is required for the project being financed by the Texas Water Development Board. The legal description is referenced below:

_____.

(Location, and Description of Property Interests acquired for Project)

Any deeds or other instruments required to be recorded to protect the title(s) held by

(Legal Name of Applicant)

have been recorded or filed for the record in the County deed records or other required location.

LEGAL CERTIFICATION – LEASE/CONTRACT

In the alternative, I certify that _____
(Legal Name of Applicant, i.e., City, District, etc.)

has executed a written lease or other contractual agreement to use the property needed for this (water) (wastewater) project that extends through _____, the life of the Texas Water Development Board loan or grant that will be used to finance this project, either in whole or in part. A copy of this lease or agreement is attached hereto.

LEGAL CERTIFICATION – PROPERTY EASEMENT

In the alternative, I certify that _____
(Legal Name of Applicant, i.e., City, District, etc.)

has executed an express easement to use the property needed for this (water) (wastewater) project that extends through _____, the life of the Texas Water Development Board loan or grant that will be used to finance this project, either in whole or in part. A copy of the express easement agreement is attached hereto.

EXECUTED this _____ day of _____, 20____.

(Signature)

(Print Name)

(Title)

Sworn to and subscribed before me by _____ on _____, 20_____.

Notary Public in and for the State of Texas

[SEAL]

My Commission expires: _____

I, James P. Foster, General Partner for Coast Range Investments, LLC, do hereby give my permission to the City of Bastrop, Texas, to drill production well #1 and monitoring well #3 as shown in Exhibit A, and grant permanent 15 ft. utility easement and temporary 60 ft. roadway and access agreement for construction of the above aforementioned wells and access to ancillary infrastructure as shown in Exhibits B and C.

XS RANCH FUND VI, L.P.

BY: XS Ranch VI Manager, L.P., its general partner

BY: Coast Range Investments, LLC, its general partner

BY: *James P. Foster*
James P. Foster Manager

Date: 3/8/17

STATE OF TEXAS
COUNTY OF BASTROP

BEFORE ME, the undersigned authority, on this day personally appeared James P. Foster known to me to be the Manager and general partner for Coast Range Investments, LLC, and the person whose name appears on the foregoing instrument, and acknowledged to me that he executed same for the purpose and consideration therein express, as the act and deed of the said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 8TH day of March, 2017

Traci H. Chavez
Notary Public, State of Texas



EXHIBIT A

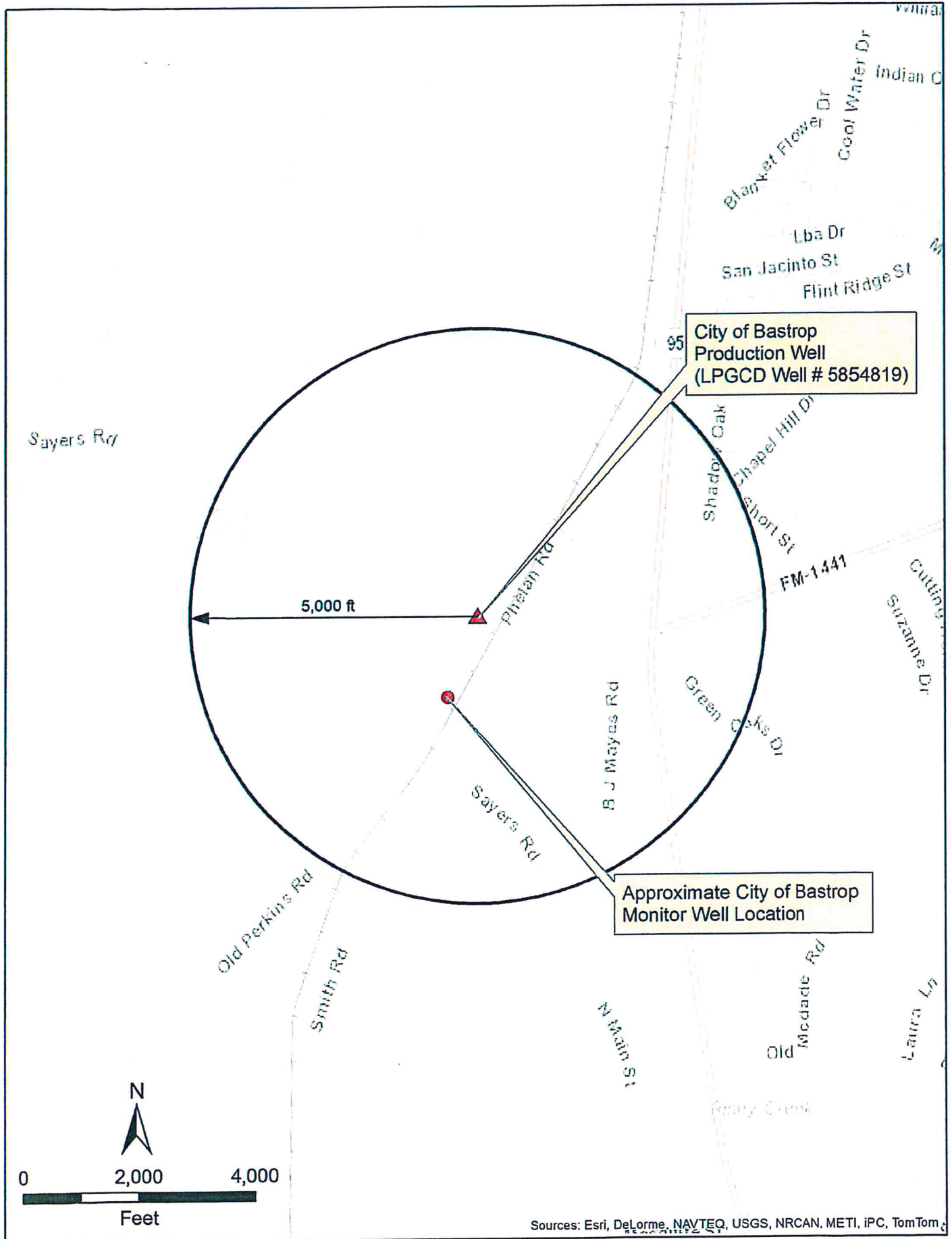


EXHIBIT B

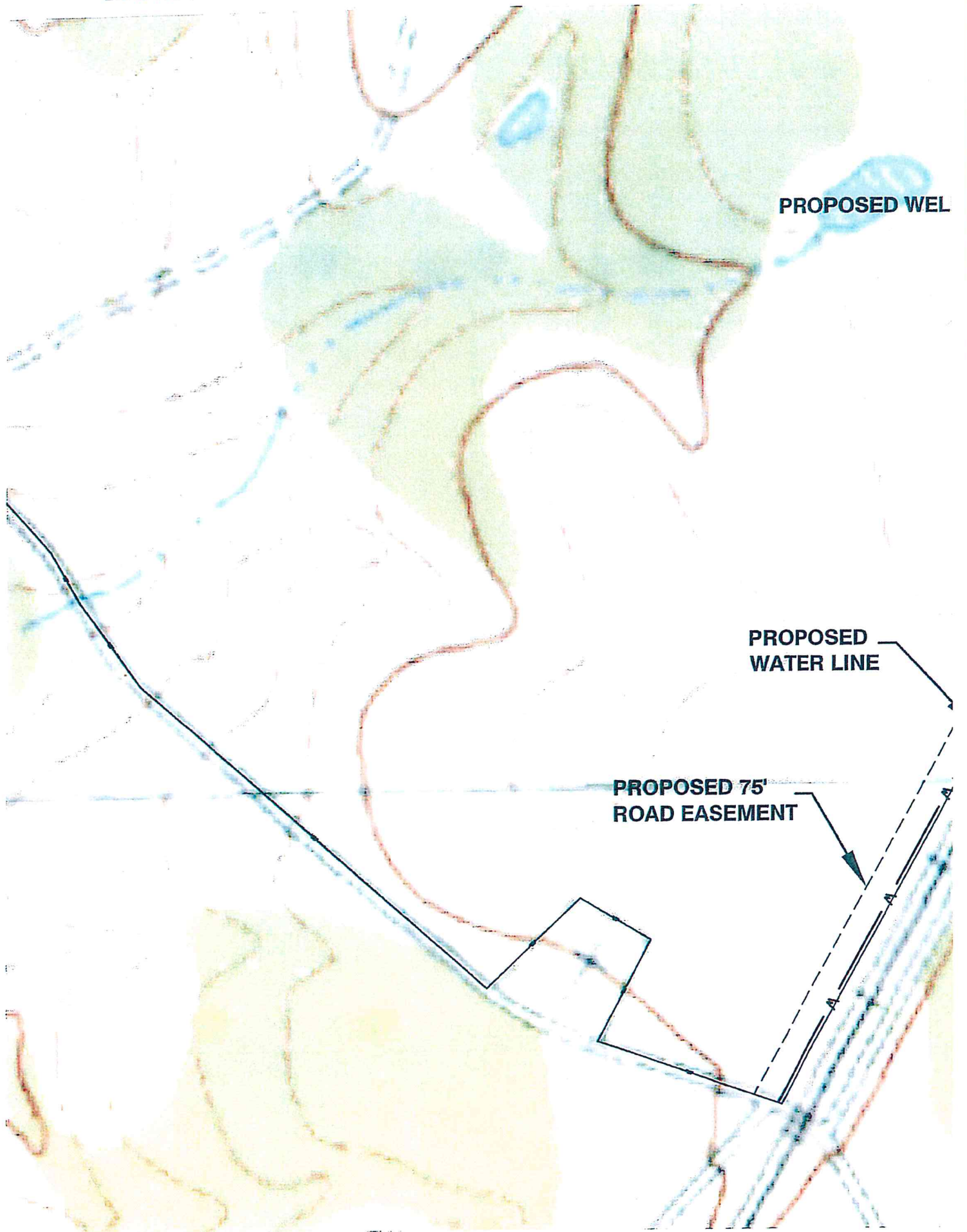


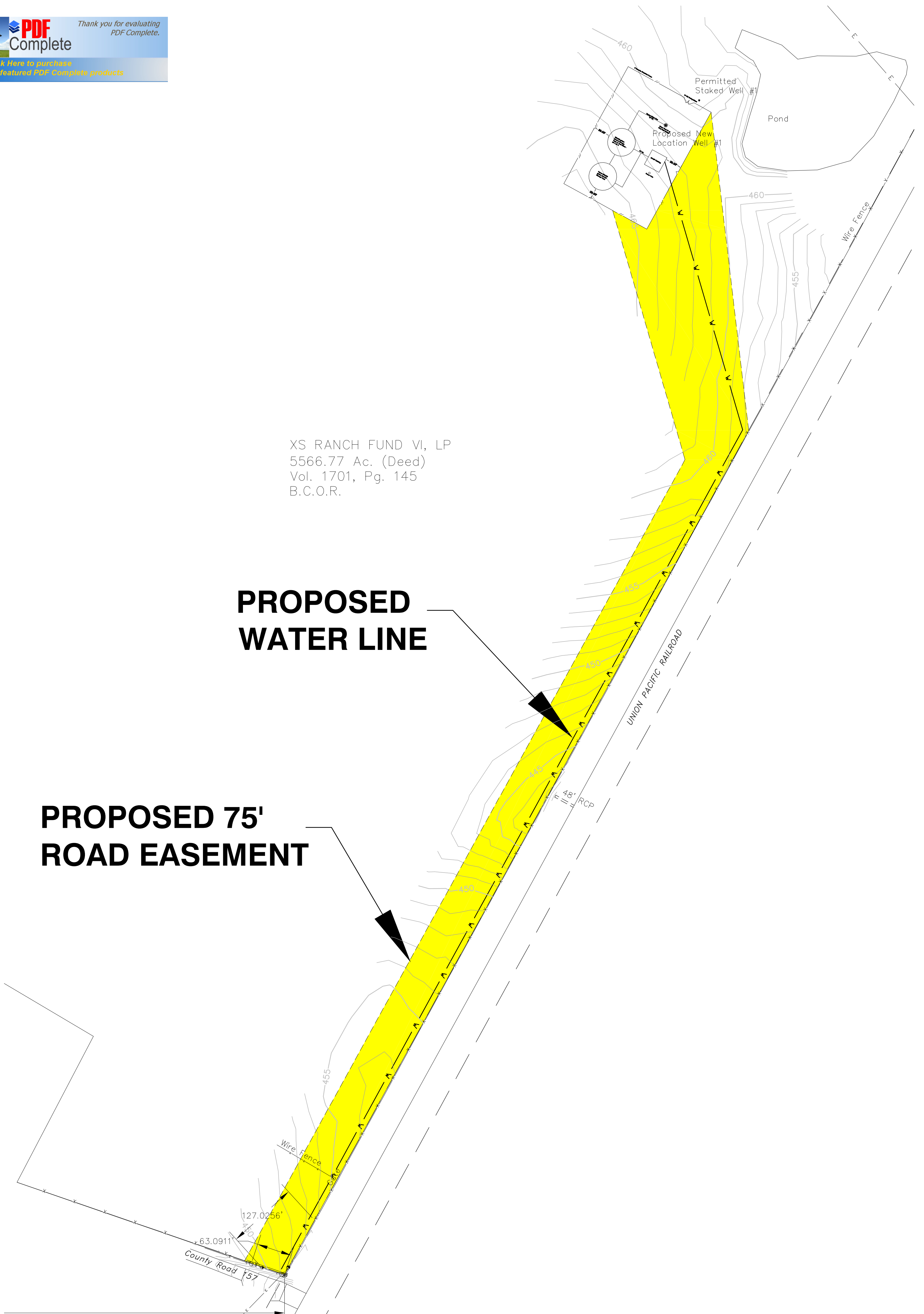
EXHIBIT C



XS RANCH FUND VI, LP
5566.77 Ac. (Deed)
Vol. 1701, Pg. 145
B.C.O.R.

**PROPOSED
WATER LINE**

**PROPOSED 75'
ROAD EASEMENT**





GROUNDWATER RIGHTS PURCHASE AGREEMENT

This Groundwater Rights Purchase Agreement (“Agreement”) is entered into between XS Water Company L.L.C., a Texas limited liability company, as Seller, and the City of Bastrop, a Texas Home Rule City, as Buyer, this 14 day of May, 2014 (the “Effective Date”).

RECITALS

Buyer is a supplier of potable water service to customers located in Bastrop County, Texas, pursuant to Certificate of Convenience and Necessity (“CCN”) No. 11198 issued by the Texas Commission on Environmental Quality (“TCEQ”).

Seller owns certain groundwater resources in the vicinity of Buyer’s CCN service area as described in those certain groundwater conveyance documents of record in the Official Records of Bastrop County in Document Nos. 200717416, 201109619, 201103068 and 201405530 (“Seller’s Total Groundwater Rights”). Buyer acknowledges it has received copies of said conveyance documents and that any subsequent sale by Seller of any portion of Seller’s Total Groundwater Rights is subject to the terms of such recorded conveyance documents. Seller’s Total Groundwater Rights pertain to the property described in **Exhibit “A”** hereto (the “Seller’s Total Groundwater Rights Property”). The Total Groundwater Rights Property is currently owned by Seller’s affiliate, XS Ranch Fund VI, LP (“XS Ranch”).

Buyer desires to purchase from Seller a portion of Seller’s Total Groundwater Rights sufficient to supply up to 3,000 acre-feet per year of groundwater from that part of Seller’s Total Groundwater Rights in the Simsboro Aquifer and the Alluvium Aquifer (collectively the “Aquifers”) (the “Groundwater Rights” as hereafter described) over that portion of Seller’s Total Groundwater Rights Property described in **Exhibit “B”** hereto (the “Groundwater Rights Property”) as currently required by rules of the Lost Pines Groundwater Conservation District (the “District”) to help meet the demands of Buyer’s customers in the Buyer’s Service Area and Seller is agreeable to reserving for, and selling to, Buyer the Groundwater Rights subject to the terms and conditions of this Agreement.

In addition, Buyer and Seller have agreed to terms related to the future purchase of an additional 3,000 acre feet per year of groundwater by the Buyer, as set forth in an Offer Letter dated April 10, 2014, from Coast Range Investments (affiliate of XS Ranch and Seller) and accepted by the City of Bastrop, a copy of which is attached as **Exhibit “C”** hereto, with such future groundwater option referred to therein as “Additional Water,” in the provisions set forth in Para. 3(2), *et seq.* (the “Additional Groundwater Rights”).

1. Groundwater Rights.

The Groundwater Rights to be conveyed hereunder are limited to (i) groundwater from the Aquifers, (ii) withdrawal of that groundwater from the Groundwater Rights Property; and (iii) groundwater produced pursuant to those two certain Groundwater wells described on **Exhibit “D,”** attached hereto, for Wells 1 and 2 and the associated permit applications which are currently on file with the District by Buyer and Seller.

2. Purchase of Groundwater Rights.

2.1. On or before May 14, 2014, Buyer shall pay Seller \$2,000,000 for the transfer of the Groundwater Rights and the associated applications for Permits 1 and 2 which shall include the right to take up to, but not in excess of, 3,000 acre-feet of water per year, from the Aquifers underlying the Groundwater Rights Property. Upon payment by Buyer, Seller shall execute and deliver to Buyer a deed in the form of Exhibit "E," attached hereto, conveying the Groundwater Rights and the Seller's interest in the applications for Permits 1 and 2, associated with the Groundwater Rights.

2.2. Seller and Buyer agree to the terms of the Offer for future Additional Water, which has been accepted by the Buyer, pursuant to the terms set forth in Exhibit "C."

2.3. Seller and the Buyer agree to cooperate in activities necessary to install a test well and/or monitoring well on the Groundwater Rights Property, to confirm the sustainability of wells for the production of the Additional Water (i.e., Permits and Wells 3 and 4 as shown on Exhibit "D"). If Buyer does not purchase the Additional Water pursuant to the terms set forth in Exhibit "C," by January 1, 2016, Section 2.3 shall no longer apply and Buyer shall convey to Seller all rights, permits, properties, easements and improvements for the test well and/or monitoring well.

3. Reserved Groundwater Rights.

3.1. Notwithstanding anything herein to the contrary, Seller reserves, and there shall be excepted from any conveyance of the Groundwater Rights to Buyer, any of Seller's Total Groundwater Rights not expressly conveyed hereunder including rights to produce groundwater (i) from aquifers or groundwater formations other than the Aquifers and (ii) (a) from the Aquifers to the extent Buyer does not purchase such rights as permitted hereunder, and (b) to the extent the Aquifers may extend to areas outside the Groundwater Rights Property.

3.2. Seller also reserves, and there shall be excepted from any conveyance of the Groundwater Rights to Buyer, all groundwater rights on behalf of Seller, or XS Ranch or individual land owners, lessees or tenants who succeed to Seller's or XS Ranch's interests in the Groundwater Rights Property for domestic, livestock, agricultural and environmental use for wells the Groundwater Rights Property producing water solely for domestic, livestock, agricultural and environmental mitigation uses in amounts not to exceed 25,000 gallons per day per domestic, livestock, agricultural and environmental use well and in accordance with the District's rules and regulations, as the same may be amended from time to time.

3.3. Seller agrees to allow the Buyer to use the Groundwater Rights Property and the Aquifers underlying same for Aquifer Storage and Recovery, as needed, for the benefit of the municipality, and in accord with the regulations of the Texas Commission on Environmental Quality ("TCEQ") and the District.

4. Conveyance of Permits 1 and 2 Well Site Tracts.

Promptly after a request by Buyer, Seller (or its affiliate, XS Ranch) shall convey fee simple title and easements (subject to the Permitted Encumbrances) to Buyer for tracts of

sufficient area to comply with the TCEQ's and District's standards and regulations and for the infrastructure necessary to access the groundwater thereby conveyed to the Buyer, around each well authorized by Permits 1 and 2, after Permits 1 and 2 are transferred to Buyer by Seller, hereunder, including a site for well-related infrastructure and a groundwater storage tank near the well associated with Permit 1. Locations of such ancillary sites shall be subject to mutual agreement of the Parties. The conveyance shall be in the form of Exhibit "F" and shall also include, 30 foot wide temporary construction easements, a 20 foot wide non-exclusive permanent ingress/egress easement across the Groundwater Rights Property for road access to the subject well tract and well related infrastructure, and a 15 foot wide non-exclusive permanent pipeline easement for conveying groundwater from each well tract to a point on the east side of the Groundwater Rights Property (the "Easement Areas"). The location of such Easement Areas shall be subject to mutual agreement of the Parties, shall be reasonably convenient for construction, access and transmission of the groundwater by Seller to Seller's Service Area and shall not unreasonably interfere with development of the Groundwater Rights Property by XS Ranch or its successors in interest. Locations of the easement areas may be changed (i) by mutual agreement of the parties consistent with the criteria described in this section or (ii) by Seller or XS Ranch, in Seller's or XS Ranch's sole discretion and at Seller's or XS Ranch's sole expense (including the cost of relocating any of Buyer's facilities in said Easement Areas), if necessary to accommodate development of the Total Groundwater Rights Property by XS Ranch. The approximate area required for such infrastructure is generally depicted on attached Exhibit "G." The Buyer agrees that it will use commercially reasonable infrastructure components to minimize any adverse visual and auditory effects on the adjacent areas of Seller's Total Groundwater Rights Property, however the parties acknowledge and agree that this effort could be necessarily limited by unreasonable adverse negative financial impacts on the City.

5. Warranty of Water Amount and Partial Warranty of Water Quality; Representations and Information.

SELLER REPRESENTS TO THE BUYER THAT UNDER STANDARD PUMPING CONDITIONS BUYER WILL BE ABLE TO PRODUCE 3000 ACFT PER YEAR OF WATER FROM ONE OR TWO WELL SITES AT LEVELS OF QUALITY THAT MEET OR EXCEED TCEQ STANDARDS (EXCEPT FOR DISINFECTION) FOR MUNICIPAL WATER SUPPLY, FOR THE CITY OF BASTROP. THE TERM "STANDARD PUMPING CONDITIONS" IS DEFINED AS PRODUCTION OF UP TO A TOTAL OF 3,000 ACFT FROM UP TO TWO WELLS OVER A ONE-YEAR INTERVAL. THE INSTANTANEOUS PRODUCTION FROM EACH WELL IS LIMITED TO A MAXIMUM OF 1,500 GALLONS PER MINUTE. THIS REPRESENTATION IS VOID AND OF NO FURTHER EFFECT IF IT IS DETERMINED THAT THE WATER QUALITY OR QUANTITY HAS BEEN ALTERED, CHANGED OR FOUND DIFFERENT THAN REPRESENTED BECAUSE OF INFLUENCES NOT UNDER THE CONTROL OF THE SELLER INCLUDING BUT NOT LIMITED TO, OTHER DRILLING ACTIVITY, MINING ACTIVITY, UNREPORTED WATER WELL PRODUCTION, REGULATORY CHANGES, GEOLOGICAL SHIFTS AND/OR ACTS OF GOD. THIS REPRESENTATION SHALL BE VOID 365 DAYS AFTER BUYER HAS RECEIVED APPROVAL FROM TCEQ THAT THE WELLS MAY BE USED AS A MUNICIPAL WATER SUPPLY. IF IT IS REASONABLY DETERMINED BY BUYER THAT THE WATER DOES NOT MEET

THIS REPRESENTED STANDARD, BUYER'S SOLE RECOURSE SHALL BE TO REQUEST THE RETURN OF THE TWO MILLION DOLLARS PAID BY BUYER UNDER THIS AGREEMENT ("THE PURCHASE AMOUNT"). THE PURCHASE AMOUNT IS DEEMED TO BE LIQUIDATED DAMAGES, AND BUYER SHALL HAVE NO OTHER REMEDY AGAINST SELLER. AT THE TIME SELLER RETURNS THE PURCHASE AMOUNT, BUYER WILL CONVEY TO SELLER ALL RIGHTS, PERMITS, PROPERTIES, EASEMENTS AND IMPROVEMENTS ON OR IN THE SELLER'S TOTAL GROUNDWATER RIGHTS PERTAINING TO THE PROPERTY DESCRIBED IN EXHIBIT "A". SUCH CONVEYANCE SHALL BE IN THE SAME FORM AND MANNER AS SELLER'S CONVEYANCE TO BUYER AND SHALL BE SUBJECT ONLY TO THE SAME EXCEPTIONS EXISTING AS OF THE DATE OF CONVEYANCE TO BUYER.

Further, Buyer has had the opportunity to perform all necessary due diligence to confirm the status of the Groundwater Rights. The Seller has provided copies of all ground water studies conducted by the Seller.

6. Groundwater District.

6.1. Seller and Buyer agree that certain "Memorandum of Understanding Regarding Water Supply Agreement", as amended (the "MOU") currently in effect between Seller and Buyer is hereby terminated. Seller will transfer any interest in the applications currently on file with the District for Permits 1 and 2 and Buyer will pay all costs of obtaining the permits for Permits 1 and 2; however, XS Ranch and Seller agree to continue to cooperate, as reasonably appropriate, with the Buyer in obtaining the permits from the District. Upon Buyer purchasing the Additional Water pursuant to the terms set forth in **Exhibit "C,"** Seller will transfer any interest in the applications currently on file with the District for Permits 3 and 4 and Buyer will pay all costs of obtaining the permits for Permits 3 and 4; however, XS Ranch and Seller agree to continue to cooperate, as reasonably appropriate, with the Buyer in obtaining the permits from the District.

6.2. Seller and Buyer shall cooperate to initiate and prosecute any proceedings relating to the Groundwater Rights as may be necessary or useful for the protection of the Groundwater Rights, including but not limited to (i) obtaining Permits 1, 2, 3 and 4 from the District, (ii) contesting the validity or amount of fees assessed to or levied upon the Groundwater Rights, or (iii) protecting, defending, and/or preserving the rights to withdraw groundwater from the Simsboro Aquifer by each party as contemplated herein.

6.3 The Parties agree that if, despite all best, reasonable and cooperative efforts by the Parties, production Permits for a minimum quantity of 1,500 ac.ft., are not issued to the Buyer by the District on or before June 30, 2016, the Buyer is entitled to request and Seller is then required to reimburse to the Buyer, within ninety (90) days of its written request for same, fifty percent (50%) of the purchase amount paid to Seller by the Buyer for the Groundwater Rights, subject to the following:

- a. If the Parties agree that progress has been made toward the permitting by June 30, 2016, but more time is required to obtain the permits, an

automatic extension of this deadline to June 30, 2017, will be implemented.

- b. In the event that the Buyer is issued permits for amounts less than a total of 1,500 ac. ft., then any reimbursement to the Buyer by Seller as per Section 6.3, will be in a pro-rated amount. By way of example, if the District ultimately issues permits to the Buyer for a total of 1,400 ac.ft., Seller will retain \$1,866,677 of the \$2,000,000 paid by the Buyer for the first 3000 ac. ft. (i.e., 93.3%), and the Buyer will have the right to receive a pro-rated reimbursement of \$133,333 (i.e., 6.7%).
- c. At such time as the District has issued permits to the Buyer in the total amount of 1,500 ac.ft., then Section 6.3 shall no longer apply.

7. Seller's Representations. Seller makes the following representations, warranties and covenants, as of the date of this Agreement, and any obligation of Buyer to pay for any portion of the Groundwater Rights shall be conditioned on the same continuing to be true as of the date of each transfer of any portion of the Groundwater Rights.

7.1. No Condemnation. Other than the pending applications for the Permits, there are no pending or threatened condemnation or similar proceedings, zoning changes or governmental assessments affecting the Groundwater Rights or any part thereof nor are any such proceedings or assessments contemplated by any governmental authority.

7.2. No Lawsuits. Other than the pending applications for the Permits, there are no pending or threatened lawsuits by adjoining landowners or others affecting the Groundwater Rights.

7.3. Title. Seller has good and marketable title to the Groundwater Rights, free and clear of all mortgages, liens, encumbrances, leases, tenancies, security interests, covenants, conditions, restrictions, rights-of-way, easements, judgments and other matters affecting title, except for (i) those that are filed of record and affect the Groundwater Rights and (ii) that a true and current survey would reveal (the "Permitted Encumbrances"). Seller will provide Buyer with a copy of a title report related to the Groundwater Rights and the Groundwater Rights Property at the time of execution hereof and Seller's obligation to close on the purchase of the Groundwater Rights is conditioned on Seller's acceptance of such Permitted Encumbrances.

7.4. No Unpaid Bills. There will be no unpaid bills or claims in connection with any work performed or material furnished relating to the Groundwater Rights.

7.5. Authority of Seller. Seller is a validly existing business entity duly formed and authorized to do all things required of it under the terms of this Agreement. The execution and delivery of this Agreement and the performance of Seller's obligations hereunder have been duly authorized by all necessary action on the part of Seller, and this Agreement constitutes the legal, valid and binding obligation of Seller. Further, Seller represents that the signatory hereto is authorized to fully bind the Seller to all terms contained herein.

7.6. No Violations. The execution by Seller of this Agreement and the consummation by Seller of the transactions contemplated hereby do not result in a breach of any of the terms or provisions of, or constitute a default or a condition which upon notice or lapse of time or both will ripen into a default under any contract, deed of trust, security agreement, indenture agreement, instrument or obligation which Seller is a party to and by which the Groundwater Rights or any portion thereof is bound.

7.7. No Adverse Information. To the best of Seller's knowledge, other than the pending applications for the Permits, there is no (a) change contemplated in any applicable laws, ordinances or restrictions, (b) judicial or administrative action, (c) or (c) natural or artificial conditions upon the Groundwater Rights Property, which would have a material adverse effect upon the Groundwater Rights.

7.8. No Existing Leases, Contracts or Options. Other than Seller or as evidenced in the Permitted Encumbrances, there are no parties presently in possession of the Groundwater Rights or having any rights to possession of the Groundwater Rights or to use water withdrawn pursuant to the Groundwater Rights (either present rights or rights in the future) and further there are no parties having an option or options to acquire all or any part of the Groundwater Rights, or contract or contracts to purchase all or any portion of the Groundwater Rights.

7.9. Compliance with Laws. Seller warrants and represents to the best of Seller's knowledge that it has at all times operated in compliance with all applicable federal, state and local laws, regulations, and ordinances regarding the Groundwater Rights. Seller shall promptly notify Buyer of any noncompliance notice relating thereto.

8. Buyer's Representations. Buyer makes the following representations, warranties, covenants, as of the date of this Agreement, all of which shall be true as of the date of each transfer of Groundwater Rights:

8.1. Authority of Buyer. Buyer represents as follows:

(a) each of the persons executing this Agreement on behalf of the Buyer is duly authorized to do so;

(b) the Buyer has full right and authority as a home rule city to enter into this Agreement and to consummate the transaction described in this Agreement;

(c) this Agreement constitutes the valid and legally binding obligation of the Buyer and is enforceable against the Buyer in accordance with its terms; and

(d) the Buyer will not enter into any other agreements that will impair its ability to comply with its obligations under this Agreement.

8.2. No Violations. The execution by Buyer of this Agreement and the consummation by Buyer of the transactions contemplated hereby will not result in a breach of any of the terms or provisions of, or constitute a default or a condition which upon notice or lapse of time or both will ripen into a default under any contract, agreement, or legal obligation which Buyer is a party to or by which it is bound.

9. Real Estate Commission. Buyer and Seller each represent to the other that there are no real estate agents or brokers entitled to a commission in connection with this purchase and sale of the Groundwater Rights.

10. Backup Water Service for XS Ranch MUD.

The XS Ranch Municipal Utility District (the "XS Ranch MUD") includes, or is contemplated to include, and will provide retail water service to, most or all of the Seller's Total Groundwater Rights Property. XS Ranch MUD is currently provided with potable water on a wholesale basis by Aqua Water Supply Corporation ("Aqua"). In the event that for whatever reason, Aqua fails to provide sufficient potable water to meet the needs of XS Ranch MUD, Buyer agrees that, to the extent that excess water is available beyond that necessary to meet the needs of the municipality and its customers, determined in the sole discretion of the Buyer, the Buyer will agree to provide potable water service to XS Ranch MUD, unless otherwise agreed upon by the Buyer, at a just, reasonable and non-discriminatory rate then-prevailing for sales of potable water by Buyer to its other customers, subject to (i) Seller providing prior written notice to Buyer specifying the amount of water needed, and (ii) Seller and Buyer cooperating to obtain any necessary regulatory approvals, if any, and Seller and Buyer identifying and/or constructing any required facilities under the then-prevailing policies of Buyer. In addition, the Parties agree that if the needs and supply of the Buyer and XS Ranch MUD are altered, over time, then the Parties agree to work cooperative to address same.

11. Dispute Resolution. The Parties agree to attempt first to resolve disputes concerning this Agreement amicably, by promptly entering into negotiations in good faith. The Parties agree that they will not refer any dispute to another dispute resolution procedure including mediation or litigation until they have first made reasonable and good faith efforts to settle their differences by joint negotiations conducted in a timely manner. If any dispute cannot be resolved through good faith negotiation, then the Parties shall endeavor to resolve the dispute by non-binding mediation, as provided herein.

In the event that a dispute is not resolved as a result of such negotiations, either Party may at any time give formal written notice to the other of a "claim." A "claim" as used herein means a demand or assertion by one of the Parties (the "claimant") seeking, as a matter of right, adjustment or interpretation of contract terms, the payment of money, an extension of time for performance or other relief with respect to the terms of this Agreement or any other dispute or matter in question among the parties arising out of or related to this Agreement. Such notice shall be in writing. After such notice is given, the dispute resolution procedure provided for below shall immediately enter into effect. The claimant shall continue with performance under this Agreement, pending results of the mediation of the dispute.

Promptly following the making of a written claim by any Party, the Parties will consult with one another to agree on the appointment of a mediator, then any Party may request the appointment of a mediator by the Center for Public Policy Dispute Resolution at the University of Texas at Austin School of Law. The Parties shall endeavor to secure such appointment from the Center for Public Policy Dispute Resolution within ten (10) business days after the request for same is made. The Parties agree to utilize the mediator appointed by the Center unless they ultimately reach agreement

The Parties agree to the following stipulations concerning the conduct of the non-binding mediation:

(a) The mediator shall be impartial among the Parties and shall have no conflict of interest.

(b) The mediator shall not have any past, present or anticipated financial interest in the Agreement or the Groundwater Rights except for the payment for services as mediator nor shall the mediator have been previously employed or acted as a consultant, attorney, employee, engineer, architect, contractor or subcontractor of any Party nor have any present or anticipated future engagement of the kind described. Before the engagement of the mediator is finalized, the mediator shall provide to the Parties a disclosure statement containing a resume of experience, a description of past, present or anticipated future relationships to the Groundwater Rights and the Parties, their engineers, contractors, subcontractors, attorneys, architects or consultants.

(c) The mediation shall be held at a time and location mutually agreeable to the Parties and the mediator provided, however, that the mediation shall commence no later than forty-five (45) business days following the confirmation of appointment.

(d) At least five (5) business days prior to the mediation, the claimant shall submit to the Parties and the mediator a statement of the claimant's position, the issues that need to be resolved and a summary of the arguments supporting the claimant's position. At least two (2) business days prior to the mediation, the responding Parties shall submit their written response to the claimant's statement and provide a summary of their arguments in response.

(e) If the Parties agree that independent expert or technical advice would be helpful in facilitating a negotiated resolution of the dispute, the mediator may make arrangements to obtain such advice, and may, with the agreement of the Parties, make arrangements for an independent expert to render a non-binding advisory opinion with respect to any technical matters in dispute after hearing the contentions of the Parties with respect thereto. The expenses of obtaining such independent advice or advisory opinion shall be borne equally by the Parties.

(f) No Party shall engage in any private interview, discussion or argument with the mediator concerning the subject matter of the mediation.

(g) The fees of the mediator and any other costs of administering the mediation shall be borne equally by the Parties unless otherwise agreed among them in writing.

(h) The mediator may promote settlement in any manner the mediator believes appropriate at one or several mediation sessions as agreed to by the Parties. The mediation shall continue only so long as desired by the Parties and with the consent of all of them.

(i) Mediation sessions shall be private unless otherwise required by law. Persons other than the representatives of the Parties may attend mediation sessions only with the permission of all Parties and the consent of the mediator.

(j) All communications made in the course of the mediation process including any advice or advisory opinions rendered shall be confidential in accordance with V.T.C.A. Civil Practice and Remedies Code, Section 154.073, and other applicable State law.

Notwithstanding the foregoing provisions of this paragraph, the parties agree that those provisions shall not be applicable in emergency situations.

12. Notices. Any notices to be given hereunder shall be given by (i) placing the notice in the United States mail, certified or registered, return receipt requested, properly stamped, (ii) fax transmission, (iii) overnight delivery service, or (iv) personal delivery, in each case addressed to the location shown below or such other addresses as the respective party may direct in writing to the other. If copies are required to be delivered to other parties, the delivery to such parties need not be made to make the delivery of notice to the Buyer or Seller (as the case may be) effective. Such notice shall be deemed effective (i) upon such placing in the mails when delivered by U.S. Mail service, (ii) upon confirmation of the completion of the fax (electronic or otherwise) when delivered by fax, (iii) on the next business day following delivery to an overnight delivery service, or (iv) upon such personal delivery:

Seller: XS WATER COMPANY, L.L.C., a Texas
limited liability company
818 Sayers Road
Bastrop, TX 78602

with copy to: Freeman & Corbett
Attn: Ronald J. Freeman
8500 Bluffstone Cove
Suite B-104
Austin, Texas 78759

Buyer: City of Bastrop
1311 Chestnut Street
P.O. Box 427
Bastrop, Texas 78602
Attn: Office of the City Manager

with copy to: Jo-Christy Brown City Attorney
1411 West Ave., Suite 100
Austin, TX 78701

and to others, as agreed.

13. Assignability of Agreement. Buyer and Seller shall each have the right to assign this Agreement only with the prior written consent of the other Party, such consent not to be unreasonably withheld, delayed or conditioned.

14. Severability. The provisions of this Agreement are severable, and if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any agency or court of competent jurisdiction to be enforceable, invalid or unlawful for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby; provided, however, in such event the parties mutually covenant and agree to attempt to implement the unenforceable, invalid or unlawful provision in a manner which is enforceable, valid or lawful.

15. Force Majeure. If either Party is rendered unable, wholly or in part, by Force Majeure, to carry out any of its obligations under this Agreement, other than the obligation to pay monies to the other party as provided herein, then such obligations of that party to the extent affected by such Force Majeure and to the extent that due diligence is being used to resume performance at all earliest practicable time, shall be suspended during the continuance of any inability so caused to the extent provided but for no longer period. Such cause, as far as possible, shall be remedied with all reasonable diligence. It is understood and agreed that the settlement of strikes and lockouts shall be entirely within the discretion of either party hereto, and that the above requirements that any Force Majeure shall be remedied with all reasonable dispatch, and shall not require the settlement of strikes and lockouts by acceding to the demand of the opposing Party or Parties when such settlement is unfavorable to it in the judgment of either Party hereto.

16. Further Assurances. Seller and Buyer shall execute and deliver to the other any other document or instrument and will take any further acts which are necessary or useful to fully carry out the transactions evidenced by this Agreement.

17. Entire Agreement. This Agreement contains all agreements between the Parties hereto and any agreement not contained herein shall not be recognized by the Parties.

18. Captions. The captions used herein are for convenience only and shall not be used to construe this Agreement. Words of gender shall be construed to include any other gender, and words in the singular number shall include the plural and vice versa unless the context requires otherwise.

19. Governing Law. This Agreement shall be governed by the laws of the State of Texas and venue shall lie in Bastrop County, Texas.

20. Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns.

21. Time of Essence. Time is of the essence in the performance of the terms of this Agreement.

EXECUTED by Seller this 14 day of May, 2014.

SELLER:


XS WATER COMPANY, L.L.C.

By: 

EXECUTED by Buyer this 14 day of May, 2014.

BUYER:

THE CITY OF BASTROP

By: 

STATE OF Texas

COUNTY OF Bastrop

This instrument was acknowledged before me on the 14TH day of MAY, 2014, by

James P. Foster, Manager of Coast Range Investments, LLC, general partner of XS Ranch VI Manager, LP, general partner of XS Ranch VI Manager, LP, general partner of XS RANCH FUND VI, LP, a Delaware limited partnership, on behalf of said company and limited partnerships AND Michael H. Talbot, City Manager for the City of Bastrop, A Municipality in the State of Texas.

Traci H. Chavez

Notary Public State of Texas



Exhibit "A"

AMENDED AND RESTATED WARRANTY WATER DEED, BILL OF SALE AND ASSIGNMENT OF PERMIT RIGHTS

STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BASTROP §

RECITALS

Whereas, XS RANCH FUND VI, L. P., a Delaware limited partnership (hereinafter called "Grantor"), whose mailing address is 100 First Street, Suite 2210, San Francisco, CA 94105, for has heretofore transferred, assigned and conveyed to XS WATER COMPANY LLC, a Texas limited liability company (hereinafter called "Grantee") whose mailing address is 100 First Street, Suite 2210, San Francisco, CA 94105, certain interests in property as provided in that certain "WARRANTY WATER DEED, BILL OF SALE AND ASSIGNMENT OF PERMIT RIGHTS" dated November 28, 2007, recorded as Document No. 200717416 in the Official Records of Bastrop County, as amended by (i) that certain "WARRANTY WATER DEED, BILL OF SALE AND ASSIGNMENT OF PERMIT RIGHTS", dated March 16, 2011, recorded as Document No. 201102980 in the Official Records of Bastrop County, Texas, (ii) that certain "WARRANTY WATER DEED, BILL OF SALE AND ASSIGNMENT OF PERMIT RIGHTS", dated March 18, 2011 recorded as Document No. 201103068, in the Official Records of Bastrop County, Texas, and (iii) that certain "WARRANTY WATER DEED, BILL OF SALE AND ASSIGNMENT OF PERMIT RIGHTS", dated August 30, 2011, recorded as Document No. 201109619 in the Official Records of Bastrop County, Texas (collectively, the "Prior Deed").

Whereas, Grantor and Grantee now desire to amend and completely restate the Prior Deed as provided herein as of the effective date thereof (this "Amended and Restated Deed").

Whereas, the parties agree that this Amended and Restated Deed shall completely replace the Prior Deed in its entirety as of the effective date of the Prior Deed.

Now, therefore, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration in hand paid by Grantee to Grantor, the sufficiency of which is hereby acknowledged, Grantor does hereby transfer, assign and convey to Grantee the following property rights in perpetuity (the "Conveyed Rights"), including but not limited to the following:

- (A) Subject to the Retained Development Rights (as hereafter defined), retained by Grantor herein, any underground water in and under the land described in Exhibit A attached hereto (the "Real Property");

(B) Subject to the Retained Development Rights retained by Grantor herein, the rights to develop, explore, produce, withdraw, transport, convey, store and/or beneficially use groundwater (being all underground, percolating, artesian and other groundwater from any source, natural or artificial, including groundwater from springs, underground reservoirs and underground formations beneath the surface of the earth) in, under, or that may be produced from or appurtenant to the Real Property and all rights associated therewith (the groundwater conveyed in paragraph (A) above together with the rights conveyed in this paragraph (B) are hereafter referred to collectively as the "Groundwater");

(C) Subject to the Retained Development Rights retained by Grantor herein, all necessary and convenient uses of the surface and subsurface estate of the Real Property for the purposes of and with the exclusive right of exploring, investigating, and conducting geologic, hydrogeologic and geophysical surveys and tests; drilling for, producing, recharging, storing, transporting, conveying and owning the Groundwater,;

(D) Subject to the Retained Development Rights retained by Grantor herein, all necessary and convenient uses of the surface and subsurface estate of the Real Property for the purposes of constructing, drilling and operating wells and waterworks, storing water, transporting water, laying water gathering and transportation pipelines and electric lines, installing metering devices, building storage tanks, treatment facilities, power and pumping stations, telephone lines, roads and all other similar structures, facilities, equipment or appurtenances thereon, therein or thereunder that are necessary, convenient or useful in Grantee's operations to find, produce, sever, save, care for, measure, recharge, store, treat and transport the Groundwater from and over the Real Property (the "Improvements"), including, without limitation, the right to install, place, operate and maintain wells, pumps, pipes, tanks, treatment facilities and interconnection facilities, transportation, distribution or utility systems, and together with the right of access for ingress and egress reasonably necessary to conduct the foregoing activities on, over and across the Real Property;

(E) Subject to the Retained Development Rights retained by Grantor herein, the right to designate sanitary control easement areas to consist of an area in the form of a circle surrounding and centered on each water well now or hereafter constructed or owned by Grantee, such easement area to have a radius of at least one hundred and fifty feet (150') from the well or an area of such reasonable size and configuration as may be necessary to comply with the requirements or regulations of any and all regulatory entities relating to any groundwater produced under the Conveyed Rights and in that regard, upon request by Grantee, Grantor agrees to execute a separate document in a form substantially as set forth in Title 30 Texas Administrative Code, Section 290.47, as amended to provide sanitation easements around each well site;

(F) Subject to the Retained Development Rights retained by Grantor herein, the real and personal rights, appurtenances, authorities, licenses, consents and contracts, if any, relating to or pertaining to the Groundwater, which shall also include all common law and statutory rights in and to the Groundwater;

(G) Subject to the Retained Development Rights retained by Grantor herein, the right to file applications with, and obtain any permits or approvals from, any governmental

entities with jurisdiction over the Groundwater to allow for the possession, withdrawal, production, conveyance, storage or use of the Groundwater, including, without limitation, any applications with, or permits or approvals from, the Lost Pines Underground Water Conversation District, and Grantor agrees to not object to any of said applications, permits or approvals;

(H) Subject to the Retained Development Rights (as hereafter defined) retained by Grantor herein, the right for Grantee to obtain from Grantor, subject to all encumbrances and covenants currently of record, fee simple to a 10,000 square foot tract in the form of a square surrounding and centered on each groundwater well heretofore or hereafter drilled or completed within the Real Property, the location of which well(s) shall be subject to the reasonable written approval of Grantor taking into consideration Grantee's Retained Developmental Rights and upon such drilling or completion of a groundwater well by Grantee, Grantor shall execute a recordable deed confirming that the 10,000 square foot tract has been conveyed to Grantee; and

(I) Subject to the Retained Development Rights retained by Grantor herein, the right to drill groundwater wells on, to withdraw or produce groundwater from, and to transport, convey, store and use groundwater produced from the Real Property.

It is specifically provided, however, that no groundwater well shall be drilled after the date of this conveyance nearer than one hundred fifty (150) feet to any house, structure or other facility with a slab foundation then existing on the Real Property without the written consent of Grantor. All above-ground Improvements constructed by Grantee shall include appropriate visual screening acceptable to Grantor and Grantee so as not to impair the visual aesthetics of the Real Property to be developed by Grantor pursuant to the Retained Development Rights. All pipelines, to the extent feasible, will be buried so that the top of the pipe is at least thirty-six inches (36") below ground. Grantee shall take reasonable steps to accommodate existing or future uses of the surface of the Real Property by Grantor pursuant to the Retained Development Rights. All groundwater wells to be constructed by Grantee under this Amended and Restated Deed shall be installed in compliance with all applicable rules and regulations at Grantee's sole cost and expense.

Grantor hereby conveys the Conveyed Rights to Buyer free from all liens, claims or encumbrances, other than (i) those that are filed of record and affect the Conveyed Rights and (ii) that a true and current survey would reveal (the "Permitted Encumbrances"). Grantor covenants and agrees that the Conveyed Rights are to be vested solely, exclusively and absolutely in Grantee, including all rights and benefits accruing from historical production, use and usage, usage rights, titles, claims, interests, spring flow and any and all permits, licenses or other valuable governmental approvals that now or hereafter pertain or accrue to such Conveyed Rights.

TO HAVE AND TO HOLD the Conveyed Rights, together with all and singular the rights and appurtenances belonging in any way to the Conveyed Rights to Grantee, Grantee's successors and assigns forever, subject only to the Permitted Encumbrances, and Grantor binds itself and its successors and assigns TO WARRANT AND FOREVER DEFEND all and singular the

Conveyed Rights to Grantee and Grantee's successors and assigns against every person lawfully claiming or to claim all or any part of the Conveyed Rights.

This Amended and Restated Deed is made and accepted subject to the Permitted Encumbrances and any other laws of the State of Texas to the extent applicable.

NOTWITHSTANDING the foregoing or anything else in this Amended and Restated Deed, however, it is understood and agreed that Grantor retains all other interest in the Real Property not a part of the Conveyed Rights and that in that respect, Grantee understands and acknowledges that Grantor intends to develop the Real Property for residential, commercial, industrial and other useful purposes and that in that regard, and without limiting the scope of the rights retained by Grantor, Grantor and Grantee also agree that Grantor specifically retains, and the Conveyed Rights shall be subject to, the following rights of Grantor (the "Retained Development Rights"):

1. To abide by the Permitted Exceptions that burden the Real Property and the Conveyed Rights;
2. To develop the Real Property in conformity with Grantor's rights and obligations under that certain "Development Agreement" between Grantor and the City of Bastrop, dated originally as of November 19, 2009, and as now or hereafter amended, governing development of the Real Property.
3. Grantor may modify any ingress and egress areas within the Conveyed Rights from time to time to accommodate Grantor's development of the Real Property so long as such changes do not materially and adversely affect Grantee's ability to conduct its Groundwater activities related to the Conveyed Rights.
4. The locations of the ingress and egress Improvements areas may be changed by mutual agreement of the parties consistent with the criteria described in subsection 3 above or by Grantor, in Grantor's sole discretion and at Grantor's sole expense (including the cost of relocating any of Grantee's Improvements in said ingress and egress areas), if necessary or desirable to accommodate the development of the Real Property by Grantor pursuant to the Retained Development Rights.
5. Grantor at its expense may install fencing or visual screening improvements around any Improvements of Grantee in a manner reasonably acceptable to Grantee to accommodate development of the Real Property by Grantor pursuant to the Retained Development Rights.

Grantor hereby undertakes and agrees to execute and deliver such additional, supplemental, confirming or other documents of transfer as Grantee may reasonably request from time to time hereafter to perfect the transfer intended to be effected by this instrument.

Current ad valorem taxes and assessments on the Conveyed Rights, if any, have been prorated to the date hereof.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**5.608 ACRES
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 5.608 ACRES IN THE JOSEPH ROGERS SURVEY NO. 6 ABS. NO. 55, BASTROP COUNTY, TEXAS, BEING ALL OF A 5.608 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED NOVEMBER 9, 2007 AND RECORDED IN DOCUMENT NO. 200716605 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 5.608 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found for the northwest corner of the said 5.608 acre tract, being the southwest corner of Tract 28, Forest Ridge Estates, a subdivision of record in Cabinet 2, Pages 323A-325A of the Plat Records of Bastrop County, Texas, being also a point in the east line of a remainder of a 248.720 acre tract of land described in Volume 411, Page 472 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the curving south right-of-way line of Forest Ridge Drive (70' right-of-way width), being an angle point in the west line of said Tract 28, being also the northeast corner of the said remainder of a 248.720 acre tract, bears North 27°14'16" East, a distance of 13.70 feet;

THENCE South 62°45'31" East with the north line of the said 5.608 acre tract and the south line of said Tract 28, a distance of 765.02 feet to a 1/2" rebar found for the northeast corner of the said 5.608 acre tract, being the southeast corner of said Tract 28, being also in the west line of a 316.745 acre tract of land described in Volume 1386, Page 90 of the Deed Records of Bastrop County, Texas;

THENCE South 27°14'58" West with the east line of the said 5.608 acre tract and the west line of the said 316.745 acre tract, a distance of 430.05 feet to a 1/2" rebar found for the southeast corner of the said 5.608 acre tract, being the northeast corner of a 45.49 acre tract of land described in Volume 513, Page 676 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found for the southwest corner of the said 316.745 acre tract, being in the east line of the said 45.49 acre tract, bears South 27°31'37" West, a distance of 133.37 feet;

THENCE North 46°36'52" West with the south line of the said 5.608 acre tract and the north line of the said 45.49 acre tract, a distance of 796.35 feet to a 1/2" rebar found for the southwest corner of the said 5.608 acre tract, being also the southeast corner of the said remainder of a 248.720 acre tract;

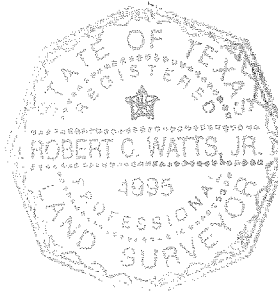
THENCE North 27°14'16" East with the west line of the said 5.608 acre tract and the east line of the said remainder of a 248.720 acre tract, a distance of 208.62 feet to the **POINT OF BEGINNING**, containing 5.608 acres of land, more or less.

Surveyed on the ground in August, 2007. Bearing basis is grid azimuth for Texas central zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing 457-001-XS-EXHIBIT-5.608AC.

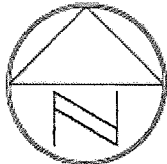


Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995

7.30.08

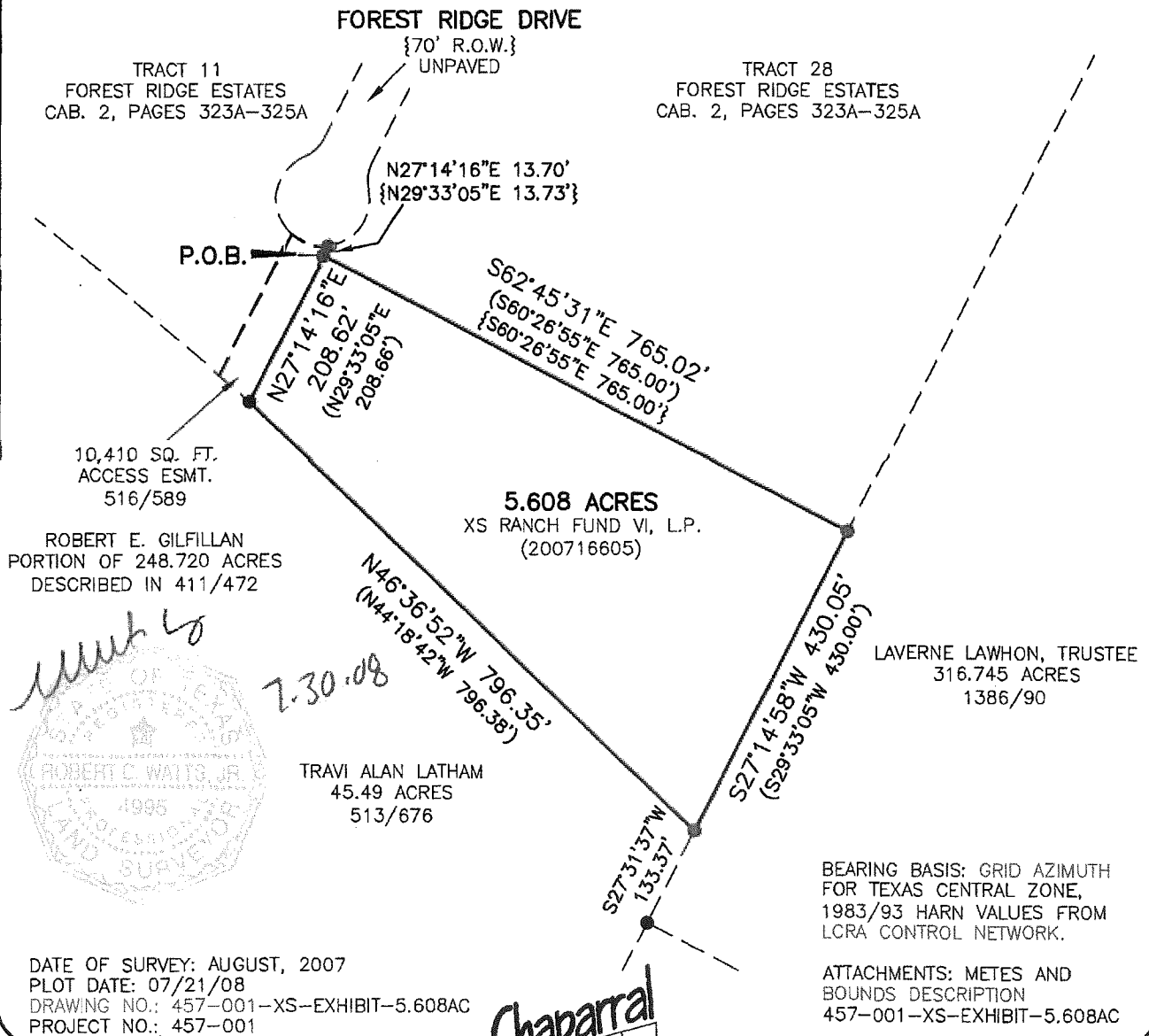


SKETCH TO ACCOMPANY A DESCRIPTION OF 5.608 ACRES IN THE JOSEPH ROGERS SURVEY NO. 6 ABS. NO. 55, BASTROP COUNTY, TEXAS, BEING ALL OF A 5.608 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED NOVEMBER 9, 2007 AND RECORDED IN DOCUMENT NO. 200716605 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.



1"=200'

LEGEND	
●	1/2" REBAR FOUND
()	RECORD DEED INFO. FROM 9/257
{ }	RECORD DEED INFO. FROM 2/323A-325A





**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**9.782 ACRES
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 9.782 ACRES (APPROXIMATELY 426,092 SQ. FT.) IN THE ISAAC HARRIS SURVEY NO. 2, ABSTRACT NO. 38, BASTROP COUNTY, TEXAS, BEING ALL OF A 2.064 ACRE TRACT AND A 6.114 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619026 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND BEING ALL OF A 1.599 ACRE TRACT CONVEYED TO SHARP FAMILY PARTNERSHIP IN A GENERAL WARRANTY DEED DATED JANUARY 13, 2003 AND RECORDED IN DOCUMENT NO. 200300783 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 9.782 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found in the west right-of-way line of State Highway 95 (Waugh Way) (100' public right-of-way width), being on the north side of County Road 48 (no apparent defined right-of-way width), being the northeast corner of the said 2.064 acre tract;

THENCE South 04°45'50" West, crossing County Road 48, with the west right-of-way line of State Highway 95 and the east line of the said 2.064 acre tract, a distance of 693.60 feet to a 1/2" rebar with Chaparral cap found for the southeast corner of the said 2.064 acre tract, being the northeast corner of the said 1.599 acre tract;

THENCE South 04°45'50" West with the west right-of-way line of State Highway 95 and the east line of the said 1.599 acre tract, a distance of 408.47 feet to a 1/2" rebar with Chaparral cap found for the southeast corner of the said 1.599 acre tract, being the northeast corner of the said 6.114 acre tract;

THENCE South 04°45'50" West with the west right-of-way line of State Highway 95 and the east line of the said 6.114 acre tract, a distance of 1102.72 feet to a 1/2" iron pipe found at the intersection of the west right-of-way line of State Highway 95 and the northwest line of a 100' Union Pacific Railroad Spur Reservation as referenced in Volume 1387, Page 49 of the Deed Records of Bastrop County, Texas, being also the southeast corner of the said 6.114 acre tract, from which a concrete highway monument found bears, South 04°44'18" West, a distance of 9494.37 feet;

THENCE South 38°26'28" West with the southeast line of the said 6.114 acre tract and the northwest line of the 100' Union Pacific Railroad Spur Reservation, passing a 1/2" iron pipe found at a distance of 438.05 feet, continuing for a distance of 1.08 feet, for a

total distance of 439.13 feet to a 1/2" rebar with Chaparral cap found at the intersection of the northwest line of the 100' Union Pacific Railroad Spur Reservation and the east right-of-way line of The Union Pacific Railroad (100' right-of-way width), being the southwest corner of the said 6.114 acre tract;

THENCE North 07°14'40" East with the east right-of-way line of The Union Pacific Railroad and the west line of the said 6.114 acre tract, a distance of 1469.53 feet to a 1/2" rebar with Chaparral cap found for the northwest corner of the said 6.114 acre tract, being the southwest corner of the said 1.599 acre tract;

THENCE North 07°14'40" East with the east right-of-way line of The Union Pacific Railroad and the west line of the said 1.599 acre tract, a distance of 408.85 feet to a 1/2" rebar with Chaparral cap found for the northwest corner of the said 1.599 acre tract, being the southwest corner of the said 2.064 acre tract;

THENCE with the east right-of-way line of The Union Pacific Railroad and the west line of the said 2.064 acre tract the following two (2) courses and distances:

1. North 07°14'40" East, a distance of 476.39 feet to a 1/2" rebar with Chaparral cap found, from which a 1/2" rebar with Chaparral cap found in the west right-of-way line of The Union Pacific Railroad, being in the east line of a 5,566.770 acre tract described in Document No. 200619026 of the Official Public Records of Bastrop County, Texas, bears North 82°45'20" West, a distance of 100.00 feet;
2. With a curve to the left, an arc length of 32.90 feet, having a radius of 1482.37 feet and a chord which bears North 06°36'10" East, a distance of 32.90 feet to a 1/2" rebar with Chaparral cap found for the northwest corner of the said 2.064 acre tract;

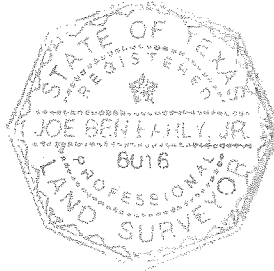
THENCE North 42°01'01" East, crossing County Road 48, with the northwest line of the said 2.064 acre tract, passing a 1/2" rebar found at a distance of 1.92 feet, and continuing a distance of 230.22 feet, for a total distance of 232.14 feet to the **POINT OF BEGINNING**, containing 9.782 acres of land, more or less, a portion of which lies within the roadway of County Road 48.

Page 3

Dates of Survey: 6.114 acre & 2.064 acre tracts were surveyed in October, 2005. 1.599 acre tract was surveyed on 11/22/2008. Bearing basis is grid azimuth for Texas central zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing 457-001-XS-EXHIBIT-HWY95-9.782AC.

JBE 12/9/08

Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016

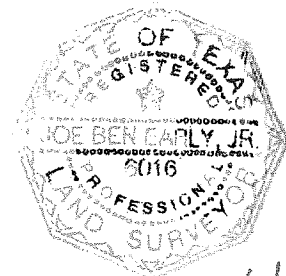


SKETCH TO ACCOMPANY A DESCRIPTION OF 9.782 ACRES (APPROXIMATELY 426,092 SQ. FT.) IN THE ISAAC HARRIS SURVEY NO. 2, ABSTRACT NO. 38, BASTROP COUNTY, TEXAS, BEING ALL OF A 2.064 ACRE TRACT AND A 6.114 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619026 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS, AND BEING ALL OF A 1.599 ACRE TRACT CONVEYED TO SHARP FAMILY PARTNERSHIP IN A GENERAL WARRANTY DEED DATED JANUARY 13, 2003 AND RECORDED IN DOCUMENT NO. 200300783 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE						
NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	1°16'18"	1482.37'	16.45'	32.90'	32.90'	N06°36'10"E

LINE TABLE			
No.	BEARING	LENGTH	(RECORD)
L1	S04°45'50"W	693.60'	(S07°15'00"W 693.67')
L2	S04°45'50"W	408.47'	(S07°15'00"W 408.47')
L3	S04°45'50"W	1102.72'	(S07°15'00"W 1102.72')
L4	S38°26'28"W	439.13'	(S40°55'37"W 438.01)'
L5	N07°14'40"E	1469.53'	(N09°43'37"E 1468.59')
L6	N07°14'40"E	408.85'	(N09°43'37"E 408.86')
L7	N07°14'40"E	476.39'	(N09°43'37"E 510.10')
L8	N42°01'01"E	232.14'	(N44°27'00"E 231.06')
L9	N85°14'10"W	162.20'	(N82°45'00"W 161.74')
L10	S85°14'10"E	179.90'	(S82°45'00"E 179.41')
L11	N82°45'20"W	100.00'	

LEGEND	
●	1/2" REBAR FOUND WITH CHAPARRAL CAP FOUND (OR AS NOTED)
⊙	1/2" IRON PIPE FOUND
■	CONCRETE R.O.W. MONUMENT FOUND



JBE 12/9/08

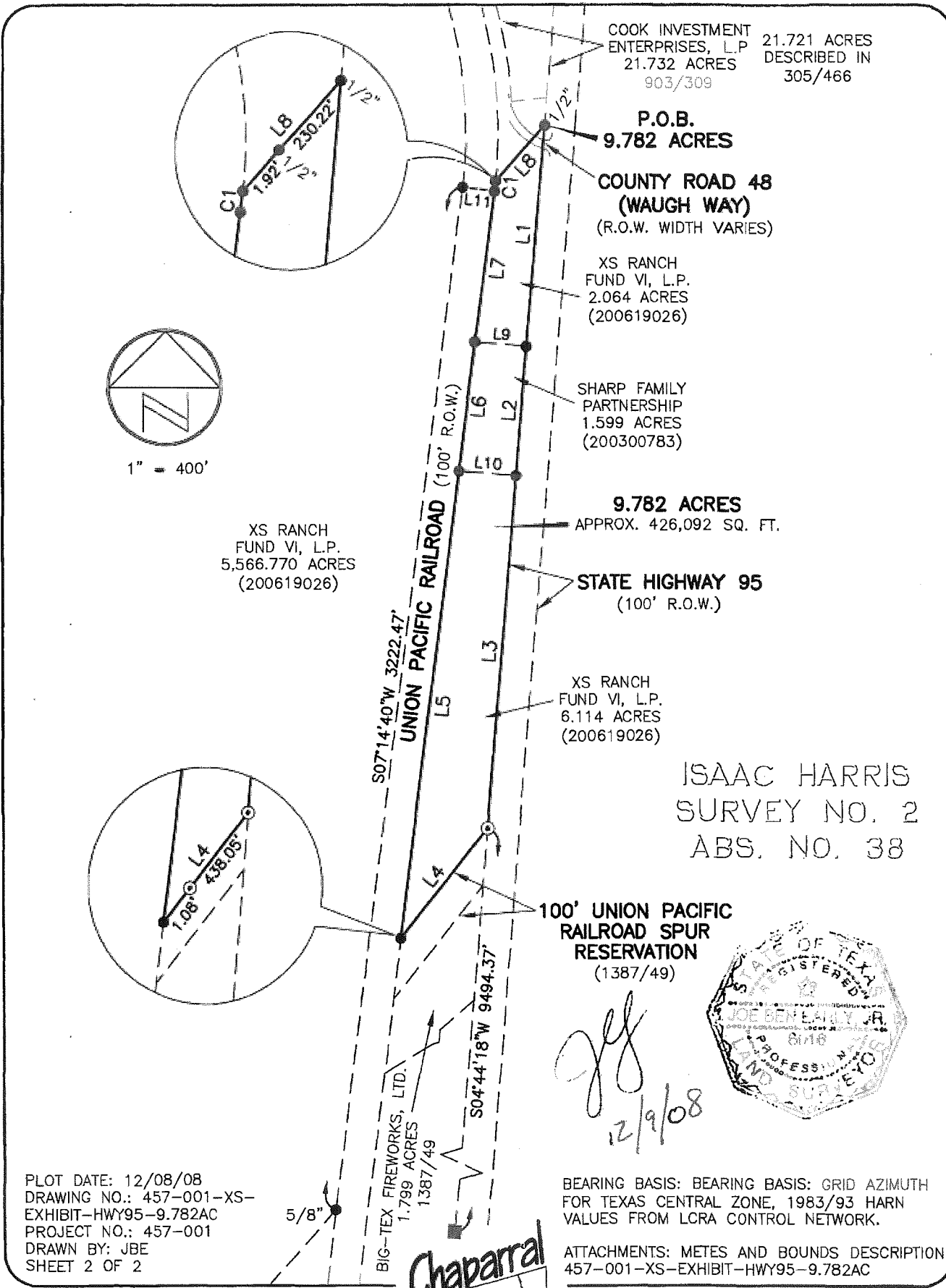
DATE OF SURVEY:
 6.114 ACRE & 2.064 ACRE TRACTS WERE SURVEYED IN OCTOBER, 2005.
 1.599 ACRE TRACT WAS SURVEYED ON 11/22/2008.

PLOT DATE: 12/08/08
 DRAWING NO.: 457-001-XS-EXHIBIT-HWY95-9.782AC
 PROJECT NO.: 457-001
 DRAWN BY: JBE
 SHEET 1 OF 2

Chaparral

BEARING BASIS: BEARING BASIS: GRID AZIMUTH FOR TEXAS CENTRAL ZONE, 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 457-001-XS-EXHIBIT-HWY95-9.782AC



COOK INVESTMENT ENTERPRISES, L.P. 21.721 ACRES DESCRIBED IN 21.732 ACRES 903/309 305/466

P.O.B. 9.782 ACRES

COUNTY ROAD 48 (WAUGH WAY) (R.O.W. WIDTH VARIES)

XS RANCH FUND VI, L.P. 2.064 ACRES (200619026)

SHARP FAMILY PARTNERSHIP 1.599 ACRES (200300783)

9.782 ACRES APPROX. 426,092 SQ. FT.

STATE HIGHWAY 95 (100' R.O.W.)

XS RANCH FUND VI, L.P. 6.114 ACRES (200619026)

ISAAC HARRIS SURVEY NO. 2 ABS. NO. 38

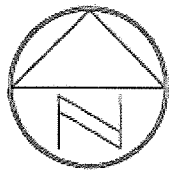
100' UNION PACIFIC RAILROAD SPUR RESERVATION (1387/49)

S07°14'40"W 3222.47'

UNION PACIFIC RAILROAD (100' R.O.W.)

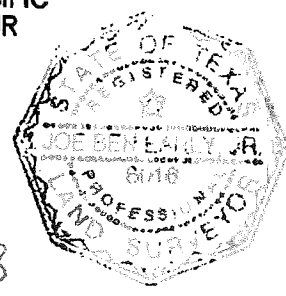
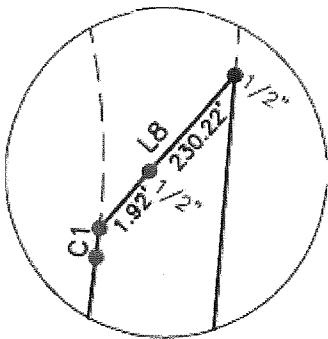
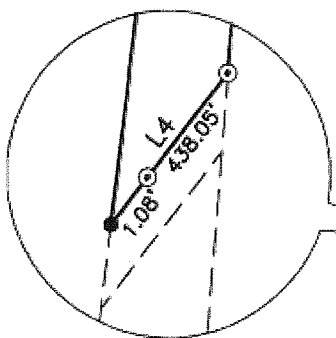
BIG-TEX FIREWORKS, LTD. 1.799 ACRES 1387/49

S04°44'18"W 9494.37'



1" = 400'

XS RANCH FUND VI, L.P. 5,566.770 ACRES (200619026)



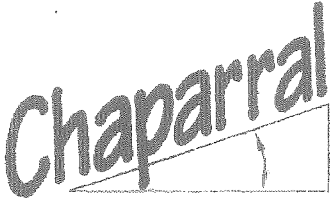
JJB
12/9/08

PLOT DATE: 12/08/08
DRAWING NO.: 457-001-XS-EXHIBIT-HWY95-9.782AC
PROJECT NO.: 457-001
DRAWN BY: JBE
SHEET 2 OF 2

BEARING BASIS: BEARING BASIS: GRID AZIMUTH FOR TEXAS CENTRAL ZONE, 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 457-001-XS-EXHIBIT-HWY95-9.782AC

Chaparral



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**8683.655 (GROSS) ACRES
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 8683.655 ACRES (GROSS) IN THE S.F. AUSTIN SURVEY NO. 1, ABSTRACT NO. 8, THE ISAAC HARRIS SURVEY NO. 2, ABSTRACT NO. 38, THE LEMAN BARKER SURVEY NO. 3, ABSTRACT NO. 6, THE S.M. WILLIAMS SURVEY NO. 4, ABSTRACT NO. 71, THE JOSIAH WILBARGER SURVEY NO. 5, ABSTRACT NO. 70, AND THE JOHN CRUTCHFIELD SURVEY NO. 12, ABS. NO. 122, ALL IN BASTROP COUNTY, TEXAS, CONSISTING OF:

ALL OF A 5566.770 ACRE TRACT (TRACT ONE-D), ALL OF AN 507.061 ACRE TRACT (TRACT ONE-C), ALL OF A 19.149 ACRE TRACT (TRACT FIVE), ALL OF A 54.912 ACRE TRACT (TRACT SIX), ALL OF A 92.556 ACRE TRACT (TRACT SEVEN), ALL OF A 160.346 ACRE TRACT (TRACT EIGHT), AND ALL OF A 112.676 ACRE TRACT (TRACT NINE), CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619026 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS;

ALL OF A 200.00 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619025 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; *(THE 200.00 ACRE TRACT LIES WITHIN THE 5566.770 ACRE TRACT)*

ALL OF A 758.026 ACRE TRACT AND ALL OF A 1164.571 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JUNE 4, 2007 AND RECORDED IN DOCUMENT NO. 200708067 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS;

AND A PORTION OF A 885.050 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED NOVEMBER 9, 2007 AND RECORDED IN DOCUMENT NO. 200716605 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS;

*SAVE AND EXCEPT 1.379 ACRES IN COUNTY ROAD 157 (SAYERS ROAD) RIGHT-OF-WAY (AS DESCRIBED IN EXHIBIT B ATTACHED HERETO) FOR A TOTAL OF **8682.276 (NET) ACRES** OF LAND, MORE OR LESS;*

SAID 8683.655 (GROSS) ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with cap set in the west right-of-way line of the Union Pacific Railroad (100' right-of-way width), being the northernmost corner of the said 5566.770 acre tract, being also the easternmost corner of a 94.5 acre tract of land described in Volume 205, Page 404 of the Deed Records of Bastrop County, Texas;

THENCE with the west right-of-way line of the Union Pacific Railroad and the east line of the said 5566.770 acre tract, the following five (5) courses and distances:

1. South 12°35'28" East, a distance of 4266.68 feet to a 1/2" rebar with cap set;
2. With a curve to the left, an arc length of 1184.55 feet, having a radius of 1482.37 feet and a chord which bears South 35°29'00" East, a distance of 1153.28 feet to a 1/2" rebar with cap set;
3. South 58°22'32" East, a distance of 2814.83 feet to a 1/2" rebar with cap set;
4. With a curve to the right, an arc length of 1583.06 feet, having a radius of 1382.37 feet and a chord which bears South 25°34'07" East, a distance of 1497.96 feet to a 1/2" rebar with cap set;
5. South 07°14'40" West, a distance of 3222.47 feet to a 5/8" rebar found for the northernmost corner of a 90.021 acre tract of land described in Volume 280, Page 26 of the Deed Records of Bastrop County, Texas;

THENCE leaving the west right-of-way line of the Union Pacific Railroad, with the common line of the said 5566.770 acre tract and the said 90.021 acre tract, the following two (2) courses and distances:

1. South 41°59'17" West, a distance of 3559.00 feet to a 1/2" rebar with cap set for the westernmost corner of the said 90.021 acre tract;
2. South 48°00'02" East, a distance of 1696.00 feet to a 1/2" rebar with cap set for the southernmost corner of the said 90.021 acre tract, being also in the northwest line of a 100.714 acre tract of land described in Volume 276, Page 639 of the Deed Records of Bastrop County, Texas;

THENCE with the common line of the said 5566.770 acre tract and the said 100.714 acre tract the following two (2) courses and distances:

1. South 41°50'22" West, a distance of 3243.40 feet to a 1/2" rebar with cap set for

the westernmost corner of the said 100.714 acre tract;

2. South 48°02'42" East, a distance of 1600.00 feet to a 1/2" rebar found in the west right-of-way line of the Union Pacific Railroad, being the southernmost corner of the said 100.714 acre tract;

THENCE South 28°48'40" West with the west right-of-way line of the Union Pacific Railroad and the east line of the said 5566.770 acre tract, a distance of 4189.17 feet to a 1/2" rebar with cap set in the fenced north line of County Road 157 (no apparent defined right-of-way width), being the southernmost corner of the said 5566.770 acre tract;

THENCE North 70°54'45" West with the fenced north line of County Road 157 and the south line of the said 5566.770 acre tract, a distance of 508.46 feet to a fence post found for the southeast corner of a cemetery (no record description found);

THENCE leaving the fenced north line of County Road 157, with the south line of the said 5566.770 acre tract, and the fenced line of said cemetery the following three (3) courses and distances:

1. North 27°36'53" East, a distance of 295.98 feet to a fence post found;
2. North 59°21'01" West, a distance of 213.96 feet to a fence post found;
3. South 46°04'58" West, a distance of 334.28 feet to a fence post found in the fenced northeast line of County Road 157;

THENCE with the fenced northeast line of County Road 157 and the southwest line of the said 5566.770 acre tract, the following thirty-three (33) courses and distances:

1. North 48°55'26" West, a distance of 1197.98 feet to a fence post found;
2. With a curve to the right, an arc length of 270.39 feet, having a radius of 959.67 feet and a chord which bears North 35°25'39" West, a distance of 269.50 feet to a fence post found;
3. North 29°09'39" West, a distance of 153.76 feet to a fence post found;
4. North 40°47'14" West, a distance of 639.58 feet to a fence post found;
5. North 34°04'48" West, a distance of 832.33 feet to a fence post found;

6. North 31°21'24" West, a distance of 118.29 feet to a fence post found;
7. North 24°22'16" West, a distance of 176.75 feet to a fence post found;
8. North 18°55'11" West, a distance of 120.47 feet to a fence post found;
9. North 10°15'52" West, a distance of 264.46 feet to a fence post found;
10. North 07°51'48" West, a distance of 327.03 feet to a fence post found;
11. North 12°13'41" West, a distance of 91.49 feet to a fence post found;
12. With a curve to the left, an arc length of 230.63 feet, having a radius of 290.55 feet and a chord which bears North 35°03'33" West, a distance of 224.62 feet to a fence post found;
13. North 60°03'33" West, a distance of 88.80 feet to a fence post found;
14. North 62°48'40" West, a distance of 325.21 feet to a fence post found, from which a 1/2" rebar found, bears South 58°18'36" West, a distance of 60.73 feet;
15. North 71°52'04" West, a distance of 98.90 feet to a 1/2" rebar with cap set;
16. North 84°51'25" West, a distance of 548.44 feet to a fence post found;
17. South 86°27'29" West, a distance of 73.98 feet to a fence post found;
18. South 78°51'37" West, a distance of 39.75 feet to a fence post;
19. South 73°16'07" West, a distance of 141.66 feet to a fence post;
20. With a curve to the right, an arc length of 139.35 feet, having a radius of 290.37 feet and a chord which bears South 87°41'13" West, a distance of 138.02 feet to a fence post found;
21. With a curve to the right, an arc length of 165.02 feet, having a radius of 774.91 feet and a chord which bears North 68°44'53" West, a distance of 164.71 feet to a fence post found;
22. North 52°54'39" West, a distance of 123.41 feet to a fence post found;

23. North $31^{\circ}56'06''$ West, a distance of 79.58 feet to a fence post found;
24. North $21^{\circ}29'47''$ West, a distance of 191.24 feet to a fence post found;
25. North $22^{\circ}51'02''$ West, a distance of 86.71 feet to a fence post found;
26. With a curve to the left, an arc length of 228.67 feet, having a radius of 548.91 feet and a chord which bears North $38^{\circ}10'46''$ West, a distance of 227.02 feet to a fence post found, from which a $1/2''$ rebar with cap found, bears South $11^{\circ}31'55''$ West, a distance of 58.42 feet;
27. North $48^{\circ}39'12''$ West, a distance of 119.64 feet to a fence post found, from which a $1/2''$ rebar with cap found, bears South $74^{\circ}52'45''$ West, a distance of 56.05 feet;
28. With a curve to the right, an arc length of 124.62 feet, having a radius of 489.39 feet and a chord which bears North $37^{\circ}56'09''$ West, a distance of 124.29 feet to a fence post found;
29. North $30^{\circ}09'55''$ West, a distance of 171.71 feet to a fence post found;
30. North $34^{\circ}19'30''$ West, a distance of 193.48 feet to a fence post found;
31. North $41^{\circ}24'11''$ West, a distance of 112.93 feet to a fence post found;
32. North $55^{\circ}09'35''$ West, a distance of 71.44 feet to a fence post found;
33. North $72^{\circ}29'33''$ West, a distance of 137.95 feet to a fence post found for an angle point in the southeast line of a 22.43 acre tract of land described in Volume 176, Page 62 of the Deed Records of Bastrop County, Texas;

THENCE leaving the north line of County Road 157, with the fenced common line of the said 5566.770 acre tract and the said 22.43 acre tract, the following five (5) courses and distances:

1. North $37^{\circ}28'32''$ East, a distance of 131.53 feet to a fence post found;
2. North $49^{\circ}29'56''$ East, a distance of 92.62 feet to a fence post found;
3. North $46^{\circ}23'18''$ East, a distance of 160.81 feet to a fence post found;

4. North 55°47'54" East, a distance of 214.81 feet to a fence post found;
5. North 42°06'04" East, a distance of 117.66 feet to a calculated point in the centerline of Big Sandy Creek, being the south line of a 62.5 acre tract described in Volume 149, Page 477 of the Deed Records of Bastrop County, Texas;

THENCE with the centerline of Big Sandy Creek, with the common line of the said 5566.770 acre tract and the said 62.5 acre tract, the following twenty-one (21) courses and distances:

1. North 89°51'48" East, a distance of 60.71 feet to a calculated point;
2. North 53°48'39" East, a distance of 241.84 feet to a calculated point;
3. North 33°15'35" East, a distance of 125.20 feet to a calculated point;
4. North 15°49'27" East, a distance of 251.77 feet to a calculated point;
5. North 08°07'24" West, a distance of 269.24 feet to a calculated point;
6. North 77°49'21" West, a distance of 86.41 feet to a calculated point;
7. North 84°22'20" West, a distance of 114.31 feet to a calculated point;
8. North 73°28'41" West, a distance of 66.75 feet to a calculated point;
9. North 48°46'46" West, a distance of 80.91 feet to a calculated point;
10. North 08°05'04" West, a distance of 175.42 feet to a calculated point;
11. North 23°04'02" West, a distance of 72.55 feet to a calculated point;
12. North 35°42'24" West, a distance of 283.21 feet to a calculated point;
13. North 11°55'01" West, a distance of 102.35 feet to a calculated point;
14. South 80°17'23" West, a distance of 87.22 feet to a calculated point;
15. South 39°04'47" West, a distance of 173.78 feet to a calculated point;

16. South 28°31'20" West, a distance of 368.09 feet to a calculated point;
17. South 15°11'31" West, a distance of 79.96 feet to a calculated point;
18. South 45°55'56" West, a distance of 120.38 feet to a calculated point;
19. South 79°00'50" West, a distance of 181.88 feet to a calculated point;
20. North 56°40'22" West, a distance of 465.01 feet to a calculated point;
21. North 70°44'15" West, a distance of 188.14 feet to a calculated point for the southernmost corner of a 122.444 acre tract of land described in Volume 148, Page 171 of the Deed Records of Bastrop County, Texas;

THENCE leaving the centerline of Big Sandy Creek, North 41°36'15" East with the northwest line of the said 5566.770 acre tract and the southeast line of the said 122.444 acre tract a distance of 3841.12 feet to a fence post found for the easternmost corner of the said 122.444 acre tract, being a southeast corner of a 278.69 acre tract of land described in Volume 176, Page 62 of the Deed Records of Bastrop County, Texas;

THENCE with the northwest line of the said 5566.770 acre tract and the southeast line of the said 278.69 acre tract the following five (5) courses and distances:

1. North 43°30'50" East, a distance of 1950.60 feet to a 1/2" rebar with cap set;
2. North 39°14'50" East, a distance of 283.60 feet to a 1/2" rebar with cap set;
3. North 41°56'50" East, a distance of 657.20 feet to a 1/2" rebar with cap set;
4. North 41°49'50" East, a distance of 1186.20 feet to a 1/2" rebar with cap set;
5. North 41°42'50" East, a distance of 757.40 feet to a 1/2" rebar with cap set for the easternmost corner of the said 278.69 acre tract, from which a 31" Post Oak, bears North 42°59'50" East, a distance of 282.05 feet;

THENCE with the common line of the said 5566.770 acre tract, the said 278.69 acre tract, and a 521.94 acre tract described in Volume 173, Page 412 of the Deed Records of Bastrop County, Texas, the following twenty (20) courses and distances:

1. North 47°23'16" West, a distance of 3253.08 feet to a fence post found;

2. South 44°09'12" West, a distance of 409.37 feet to a fence post found;
3. North 46°44'34" West, a distance of 1200.96 feet to a fence post found for the northernmost corner of the said 521.94 acre tract;
4. South 42°36'54" West, a distance of 5098.99 feet to a fence post found;
5. South 55°26'29" East, a distance of 441.27 feet to a fence post found;
6. South 62°46'51" East, a distance of 837.23 feet to a fence post found;
7. South 05°17'56" West, a distance of 253.40 feet to a 1/2" rebar with cap set;
8. South 21°27'56" West, a distance of 43.48 feet to a 1/2" rebar with cap set;
9. South 15°22'04" East, a distance of 273.54 feet to a 1/2" rebar with cap set;
10. South 43°15'04" East, a distance of 125.98 feet to a 1/2" rebar with cap set;
11. South 05°22'04" East, a distance of 258.11 feet to a 1/2" rebar with cap set;
12. South 39°37'56" West, a distance of 311.40 feet to a 1/2" rebar with cap set;
13. South 39°23'56" West, a distance of 407.35 feet to a 1/2" rebar with cap set;
14. South 28°06'56" West, a distance of 512.87 feet to a 1/2" rebar with cap set;
15. South 46°36'56" West, a distance of 257.11 feet to a 1/2" rebar with cap set;
16. South 57°13'56" West, a distance of 582.89 feet to a fence post found;
17. South 47°42'14" West, a distance of 251.59 feet to a 1/2" rebar with cap set;
18. South 42°59'14" West, a distance of 415.67 feet to a 1/2" rebar with cap set;
19. South 47°42'14" West, a distance of 642.19 feet to a 1/2" rebar with cap set;
20. South 40°53'50" West, a distance of 1367.20 feet to a 1/2" rebar with cap set in the southwest line of County Road 157;

THENCE South 46°37'37" East with the southwest line of County Road 157, the

northeast line of the said 5566.770 acre tract, and the southwest line of the said 521.94 acre tract, a distance of 483.43 feet to a 5/8" rebar found for the northernmost corner of a 200.00 acre tract of land described in Volume 819, Page 733 of the Deed Records of Bastrop County, Texas, from which a 5/8" rebar found, bears South 49°34'20" East, a distance of 310.00 feet;

THENCE leaving the southwest line of County Road 157, South 36°09'41" West with the southeast line of the said 5566.770 acre tract and the northwest line of the said 200.00 acre tract, a distance of 5247.42 feet to a 1/2" rebar with cap set on the north bank of the Colorado River;

THENCE with the gradient boundary of the Colorado River the following twenty-six (26) courses and distances:

1. South 85°05'44" West, a distance of 730.40 feet to a 1/2" rebar with cap set;
2. South 85°40'17" West, a distance of 707.27 feet to a 1/2" rebar with cap set;
3. South 83°44'43" West, a distance of 273.16 feet to a 1/2" rebar with cap set;
4. South 82°00'05" West, a distance of 216.47 feet to a 1/2" rebar with cap set;
5. North 87°52'49" West, a distance of 509.38 feet to a 1/2" rebar with cap set;
6. North 76°45'21" West, a distance of 635.73 feet to a 1/2" rebar with cap set;
7. North 67°45'32" West, a distance of 696.58 feet to a 1/2" rebar with cap set;
8. North 60°30'49" West, a distance of 400.67 feet to a 1/2" rebar with cap set;
9. North 61°57'52" West, a distance of 178.15 feet to a 1/2" rebar with cap set;
10. North 56°48'32" West, a distance of 172.52 feet to a 1/2" rebar with cap set;
11. North 34°12'07" West, a distance of 315.00 feet to a 1/2" rebar with cap set;
12. North 17°49'08" West, a distance of 194.48 feet to a 1/2" rebar with cap set;
13. North 00°42'03" West, a distance of 330.38 feet to a 1/2" rebar with cap set;
14. North 05°51'25" East, a distance of 216.57 feet to a 1/2" rebar with cap set;

15. North 34°17'46" East, a distance of 328.17 feet to a 1/2" rebar with cap set;
16. North 78°35'08" East, a distance of 86.26 feet to a 1/2" rebar with cap set;
17. North 25°28'50" East, a distance of 805.50 feet to a 1/2" rebar with cap set;
18. North 19°28'15" East, a distance of 922.47 feet to a 1/2" rebar with cap set;
19. North 19°50'23" East, a distance of 477.86 feet to a 1/2" rebar with cap set;
20. North 21°15'22" East, a distance of 606.54 feet to a 1/2" rebar with cap set;
21. North 23°34'42" East, a distance of 654.28 feet to a 1/2" rebar with cap set;
22. North 17°12'19" East, a distance of 788.35 feet to a 1/2" rebar with cap set;
23. North 16°03'41" East, a distance of 419.54 feet to a 1/2" rebar with cap set;
24. North 21°34'10" East, a distance of 234.05 feet to a 1/2" rebar with cap set;
25. North 09°53'29" East, a distance of 465.10 feet to a 1/2" rebar with cap set;
26. North 11°31'48" East, a distance of 355.87 feet to a 1/2" rebar with cap set in the west line of the said 92.556 acre tract;

THENCE leaving the east bank of the Colorado River, North 53°49'09" West with the southwest line of the said 92.556 acre tract, a distance of 69.34 feet to a calculated point where the centerline of Wilbarger Creek intersects the Colorado River, being the southeast corner of a 136.212 acre tract of land described in Volume 962, Page 195 of the Official Records of Bastrop County, Texas;

THENCE with the centerline of Wilbarger Creek, same being the west line of the said 92.556 acre tract, the southwest line of the said 5566.770 acre tract, the southwest line of the said 54.912 acre tract, the east line of the said 136.212 acre tract, the east line of a 81.191 acre tract of land described in Volume 962, Page 195 of the Official Records of Bastrop County, Texas, the northeast line of a 120.01 acre tract of land described in Volume 1023, Page 237 of the Official Records of Bastrop County, Texas, over and across an 1183.390 acre tract of land described in Volume 962, Page 195 of the Official Records of Bastrop County, Texas, with the north line of a 184.255 acre tract described in Volume 1706, Page 368 of the Official Records of Bastrop County, Texas, and with

the northeast line of a 45.41 acre tract of land described in Volume 1530, Page 227 of the Official Records of Bastrop County, Texas, the following forty-one (41) courses and distances:

1. North 18°10'09" East, a distance of 356.21 feet to a calculated point;
2. North 44°41'35" West, a distance of 227.87 feet to a calculated point;
3. North 53°29'52" West, a distance of 698.05 feet to a calculated point;
4. North 36°33'37" West, a distance of 235.46 feet to a calculated point;
5. North 37°59'00" West, a distance of 265.07 feet to a calculated point;
6. North 02°23'23" West, a distance of 270.27 feet to a calculated point;
7. North 00°10'50" West, a distance of 941.81 feet to a calculated point;
8. North 03°41'38" East, a distance of 331.45 feet to a calculated point;
9. North 01°15'11" West, a distance of 215.82 feet to a calculated point;
10. North 12°30'42" East, a distance of 662.97 feet to a calculated point;
11. North 02°35'44" West, a distance of 192.80 feet to a calculated point;
12. North 21°53'58" West, a distance of 662.71 feet to a calculated point;
13. North 26°15'09" West, a distance of 385.97 feet to a calculated point;
14. North 04°18'25" West, a distance of 270.75 feet to a calculated point;
15. North 06°03'43" West, a distance of 397.88 feet to a calculated point;
16. North 67°16'36" West, a distance of 108.33 feet to a calculated point;
17. South 75°45'13" West, a distance of 428.01 feet to a calculated point;
18. North 79°09'13" West, a distance of 537.38 feet to a calculated point;
19. North 50°52'06" West, a distance of 392.75 feet to a calculated point;

20. North 39°13'33" West, a distance of 286.04 feet to a calculated point;
21. North 37°23'11" West, a distance of 329.57 feet to a calculated point;
22. North 46°00'34" West, a distance of 289.79 feet to a calculated point;
23. North 42°25'33" West, a distance of 290.86 feet to a calculated point;
24. North 48°23'28" West, a distance of 125.14 feet to a calculated point;
25. North 49°12'01" West, a distance of 111.23 feet to a calculated point;
26. North 37°08'08" West, a distance of 298.62 feet to a calculated point;
27. North 37°17'46" West, a distance of 179.22 feet to a calculated point;
28. North 49°00'32" West, a distance of 191.23 feet to a calculated point;
29. North 60°13'33" West, a distance of 62.78 feet to a calculated point;
30. North 78°01'38" West, a distance of 186.28 feet to a calculated point;
31. North 84°04'00" West, a distance of 523.37 feet to a calculated point;
32. North 62°23'15" West, a distance of 323.37 feet to a calculated point;
33. North 65°30'05" West, a distance of 415.74 feet to a calculated point;
34. North 42°00'42" West, a distance of 245.40 feet to a calculated point;
35. North 22°01'15" West, a distance of 525.05 feet to a calculated point;
36. North 45°02'25" East, a distance of 181.27 feet to a calculated point;
37. North 37°28'34" East, a distance of 163.28 feet to a calculated point;
38. North 02°53'36" West, a distance of 147.59 feet to a calculated point;
39. North 55°30'50" West, a distance of 200.15 feet to a calculated point;

40. North 62°53'27" West, a distance of 211.80 feet to a calculated point;

41. North 79°10'31" West, a distance of 96.93 feet to a calculated point for the westernmost corner of the said 5566.770 acre tract, being in the southeast line of the said 885.050 acre tract, being also the northernmost corner of the said 45.41 acre tract;

THENCE South 58°06'49" West with the southeast line of the said 885.050 acre tract and the northwest line of the said 45.41 acre tract, a distance of 698.71 feet to a calculated point in the centerline of Wilbarger Creek, from which a 1/2" rebar found in the southeast line of the said 885.050 acre tract, being in the northwest line of the said 45.41 acre tract, bears South 58°06'49" West, a distance of 159.84 feet;

THENCE over and across the said 885.050 acre tract and with the centerline of Wilbarger Creek, the following thirty-four (34) courses and distances:

1. North 63°42'39" West, a distance of 172.89 feet to a calculated point;
2. North 24°36'07" West, a distance of 376.61 feet to a calculated point;
3. North 55°59'54" West, a distance of 262.22 feet to a calculated point;
4. South 65°17'02" West, a distance of 262.84 feet to a calculated point;
5. North 79°07'39" West, a distance of 355.68 feet to a calculated point;
6. North 26°00'33" West, a distance of 118.32 feet to a calculated point;
7. North 06°13'56" East, a distance of 147.62 feet to a calculated point;
8. North 36°02'45" East, a distance of 129.47 feet to a calculated point;
9. North 59°26'21" East, a distance of 227.89 feet to a calculated point;
10. South 85°34'32" East, a distance of 215.72 feet to a calculated point;
11. South 80°15'46" East, a distance of 249.70 feet to a calculated point;
12. South 84°23'02" East, a distance of 420.27 feet to a calculated point;
13. North 57°37'28" East, a distance of 119.88 feet to a calculated point;

14. North 24°49'25" East, a distance of 114.86 feet to a calculated point;
15. North 08°37'26" West, a distance of 144.78 feet to a calculated point;
16. North 18°27'05" West, a distance of 136.69 feet to a calculated point;
17. North 35°58'24" West, a distance of 155.15 feet to a calculated point;
18. North 19°07'20" West, a distance of 213.81 feet to a calculated point;
19. North 89°17'07" East, a distance of 287.42 feet to a calculated point;
20. North 69°13'05" East, a distance of 147.14 feet to a calculated point;
21. North 30°07'57" East, a distance of 186.25 feet to a calculated point;
22. North 14°10'20" West, a distance of 257.19 feet to a calculated point;
23. North 30°01'04" West, a distance of 300.55 feet to a calculated point;
24. North 38°42'22" West, a distance of 320.04 feet to a calculated point;
25. North 58°55'02" West, a distance of 165.81 feet to a calculated point;
26. North 66°38'00" West, a distance of 289.97 feet to a calculated point;
27. North 85°58'26" West, a distance of 162.86 feet to a calculated point;
28. North 73°33'35" West, a distance of 252.86 feet to a calculated point;
29. North 81°52'32" West, a distance of 398.13 feet to a calculated point;
30. North 75°44'03" West, a distance of 210.01 feet to a calculated point;
31. North 71°39'16" West, a distance of 221.11 feet to a calculated point;
32. North 64°54'05" West, a distance of 208.72 feet to a calculated point;
33. North 65°38'26" West, a distance of 187.57 feet to a calculated point;

34. North 57°14'36" West, a distance of 231.11 feet to a calculated point, from which a 1/2" rebar found on the south bank of Wilbarger Creek, being in the west line of the said 885.050 acre tract, being also in the in the east line of a 159.907 acre tract of land described in Volume 962, Page 195 of the Deed Records of Bastrop County, Texas, bears South 12°56'58" West, a distance of 51.02 feet;

THENCE North 12°56'58" East, leaving the centerline of Wilbarger Creek, with the west line of the said 885.050 acre tract, a distance of 92.48 feet to a 1/2" rebar found on the north bank of Wilbarger Creek, being in the east line of a 45.49 acre tract of land described in Volume 513, Page 676 of the Deed Records of Bastrop County, Texas;

THENCE North 27°13'17" East with the west line of the said 885.050 acre tract and the east line of the said 45.49 acre tract, a distance of 1532.78 feet to a 1/2" rebar found for the northernmost corner of the said 885.050 acre tract, being the southwest corner of a 316.745 acre tract of land described in Volume 1386, Page 90 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found for the northeast corner of the said 45.49 acre tract, being in the west line of the said 316.745 acre tract, being also the southeast corner of a 5.608 acre tract of land described in Document No. 200716605 of the Official Public Records of Bastrop County, Texas, bears North 27°31'37" East, a distance of 133.37 feet;

THENCE with the north line of the said 885.050 acre tract and the south line of the said 316.745 acre tract, the following four (4) courses and distances:

1. South 62°30'46" East, a distance of 942.34 feet to a 1/2" rebar with "Garon" cap found;
2. South 62°57'17" East, a distance of 916.62 feet to a 1/2" rebar with "Garon" cap found;
3. South 63°21'08" East, a distance of 634.93 feet to a 1/2" rebar with "Garon" cap found;
4. South 63°06'16" East, a distance of 880.61 feet to a 5/8" rebar found for the southeast corner of the said 316.745 acre tract, being the southwest corner of a 66.858 acre tract of land described in Volume 1058, Page 728 of the Deed Records of Bastrop County, Texas;

THENCE with the common line of the said 885.050 acre tract and the said 66.858 acre tract, the following five (5) courses and distances:

1. South 63°11'38" East, a distance of 341.67 feet to a 1/2" rebar with "Garon" cap found;
2. South 62°53'36" East, a distance of 543.52 feet to a 1/2" rebar with "Garon" cap found;
3. South 62°36'20" East, a distance of 501.08 feet to a nail found;
4. South 63°42'58" East, a distance of 475.51 feet to a 1/2" rebar with "Garon" cap found;
5. North 25°09'55" East, a distance of 32.78 feet to a 1/2" rebar with "Chaparral Boundary" cap found for a southwest corner of the said 1164.571 acre tract;

THENCE with the northwest line of the said 1164.571 acre tract and the southeast line of the said 66.858 acre tract, the following five (5) courses and distances:

1. North 25°09'55" East, a distance of 113.46 feet to a 1/2" rebar with cap found;
2. North 28°53'47" East, a distance of 758.30 feet to a 1/2" rebar with cap found;
3. North 27°45'53" East, a distance of 362.70 feet to a 1/2" rebar with cap found;
4. North 27°20'28" East, a distance of 287.70 feet to a 1/2" rebar with cap found;
5. North 27°47'34" East, a distance of 52.47 feet to a 1/2" rebar with cap found for the easternmost corner of the said 66.858 acre tract, being the southernmost corner of a 24.701 acre tract of land described in Volume 1058, Page 717 of the Deed Records of Bastrop County, Texas;

THENCE with the northwest line of the said 1164.571 acre tract and the southeast line of the said 24.701 acre tract, the following two (2) courses and distances:

1. North 27°47'05" East, a distance of 312.70 feet to a 1/2" rebar with cap set;
2. North 27°02'55" East, a distance of 1087.10 feet to a 1/2" rebar with cap found for the easternmost corner of the said 24.701 acre tract, being the southernmost corner of a 48.609 acre tract of land described in Volume 1084, Page 597 of the Deed Records of Bastrop County, Texas;

THENCE North 27°12'21" East with the northwest line of the said 1164.571 acre tract

and the southeast line of the said 48.609 acre tract, a distance of 545.66 feet to a 1/2" rebar with cap set for the easternmost corner of the said 48.609 acre tract, being the southernmost corner of a 53.86 acre tract of land described in Volume 289, Page 444 of the Deed Records of Bastrop County, Texas;

THENCE with the common line of the said 1164.571 acre tract and the said 53.86 acre tract, the following two (2) courses and distances:

1. North 26°28'49" East, a distance of 1052.53 feet to a 1/2" rebar with cap set;
2. North 61°23'59" West, a distance of 330.48 feet to a fence post found for the southernmost corner of a 63.426 acre tract of land described in Volume 1560, Page 952 of the Deed Records of Bastrop County, Texas, from which a buggy spring found for the northernmost corner of the said 53.86 acre tract, being an angle point in the southwest line of the said 63.426 acre tract, bears North 62°57'21" West, a distance of 1913.76 feet;

THENCE North 27°35'36" East with the northwest line of the said 1164.571 acre tract and the southeast line of the said 63.426 acre tract, a distance of 1773.67 feet to a 1/2" rebar with cap found for the easternmost corner of the said 63.426 acre tract, being the southeast corner of a 63.426 acre tract described in Volume 1560, Page 948 of the Deed Records of Bastrop County, Texas;

THENCE with the common line of the said 1164.571 acre tract and the said 63.426 acre tract, the following two (2) courses and distances:

1. North 27°35'36" East, a distance of 633.98 feet to a fence post found for the easternmost corner of the said 63.426 acre tract;
2. North 62°33'42" West, a distance of 2293.69 feet to a 1/2" rebar with cap found for the northernmost corner of the said 63.426 acre tract, being in the southeast line of a 11.068 acre tract of land described in Volume 429, Page 271 of the Deed Records of Bastrop County, Texas, from which an axle found in the northwest line of the said 63.426 acre tract, being in the southeast line of the said 11.068 acre tract, bears South 21°54'50" West, a distance of 26.68 feet;

THENCE North 22°22'27" East with the northwest line of the said 1164.571 acre tract and the southeast line of the said 11.068 acre tract, a distance of 130.88 feet to a fence post found for the easternmost corner of the said 11.068 acre tract, being the southernmost corner of a 145.5 acre tract of land described in Volume 119, Page 236 of the Deed Records of Bastrop County, Texas;

THENCE North 27°26'14" East with the northwest line of the said 1164.571 acre tract and the southeast line of the said 145.5 acre tract, a distance of 2555.76 feet to a fence post found for the northernmost corner of the said 1164.571 acre tract, being the easternmost corner of the said 145.5 acre tract, being also in the southwest line of a 548 acre tract of land described in Volume 70, Page 116 of the Deed Records of Bastrop County, Texas;

THENCE with the common line of the said 1164.571 acre tract, the said 548 acre tract, and a 227 acre tract of land described in Volume 42, Page 234 of the Deed Records of Bastrop County, Texas, the following three (3) courses and distances:

1. South 63°18'35" East, a distance of 2311.22 feet to a fence post found;
2. South 63°46'52" East, a distance of 2344.71 feet to a fence post found for the southernmost corner of the said 227 acre tract;
3. North 29°01'34" East, a distance of 1324.43 feet to a fence post found for a northwest corner of the said 1164.571 acre tract, being the easternmost corner of the said 227 acre tract, being also in the southwest line of a 416.6 acre tract of land described in Volume 42, Page 511 of the Deed Records of Bastrop County, Texas;

THENCE South 49°17'46" East with the northeast line of the said 1164.571 acre tract, the southwest line of the said 416.6 acre tract, the southwest line of a 50 acre tract of land and a 100 acre tract of land described in Volume 42, Page 636 of the Deed Records of Bastrop County, Texas, and the southwest line of an 89 acre tract of land described in Volume 47, Page 129 of the Deed Records of Bastrop County, Texas, a distance of 2611.04 feet to a 5/8" rebar found for the northernmost corner of a 408.48 acre tract of land described in Volume 248, Page 498 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar with cap found, bears South 48°41'08" East, a distance of 2813.70 feet;

THENCE with the common line of the said 1164.571 acre tract and the said 408.48 acre tract, the following three (3) courses and distances:

1. South 28°40'50" West, a distance of 936.94 feet to a 60d nail in fence corner post found;
2. South 28°23'43" West, a distance of 1830.59 feet to a 5/8" rebar found for the westernmost corner of the said 408.48 acre tract;

3. South 47°43'25" East, a distance of 2201.53 feet to a 1/2" rebar with cap set for the easternmost corner of the said 1164.571 acre tract, being the northernmost corner of the said 507.061 acre tract, from which a 5/8" rebar found in the southwest line of a 274.814 acre tract of land described in Volume 1288, Page 317 of the Deed Records of Bastrop County, Texas, bears North 39°15'25" West, a distance of 219.15 feet;

THENCE with the common line of the said 507.061 acre tract and the said 408.48 acre tract the following six (6) courses and distances:

1. South 47°44'36" East, a distance of 1304.52 feet to a 1/2" rebar with cap set;
2. South 48°19'36" East, a distance of 1563.89 feet to a 1/2" rebar with cap set, from which a 1/2" rebar found, bears North 22°33'14" West, a distance of 84.41 feet;
3. North 54°10'24" East, a distance of 96.67 feet to a 1/2" rebar with cap set, from which a 1/2" rebar found, bears North 16°46'28" East, a distance of 45.98 feet;
4. South 49°19'36" East, a distance of 416.11 feet to a fence post found in the northwest line of County Road 157 (no apparent defined right-of-way width);
5. South 41°56'51" West with the northwest line of County Road 157, a distance of 93.59 feet to a 1/2" rebar with cap set;
6. South 46°59'50" East, passing a fence post found at a distance of 56.24 feet, continuing for a distance of 640.29 feet, for a total distance of 696.53 feet to a calculated point in the centerline of Big Sandy Creek, being the southernmost corner of the said 408.48 acre tract, being also in the west line of a 269 acre tract of land described in Volume 199, Page 843 of the Deed Records of Bastrop County, Texas;

THENCE with the centerline of Big Sandy Creek and the common line of the said 507.061 acre tract and the said 269 acre tract the following eleven (11) courses and distances:

1. South 00°16'10" West, a distance of 100.83 feet to a calculated point;
2. South 05°56'52" West, a distance of 170.09 feet to a calculated point;

3. South 10°01'24" West, a distance of 693.13 feet to a calculated point;
4. South 07°23'34" East, a distance of 296.19 feet to a calculated point;
5. South 23°56'10" East, a distance of 121.78 feet to a calculated point;
6. South 14°45'47" East, a distance of 95.81 feet to a calculated point;
7. South 05°54'11" East, a distance of 473.59 feet to a calculated point;
8. South 19°31'37" East, a distance of 207.16 feet to a calculated point;
9. South 01°42'40" West, a distance of 287.95 feet to a calculated point;
10. South 07°47'17" West, a distance of 166.47 feet to a calculated point;
11. South 06°27'49" East, a distance of 44.60 feet to a calculated point for the northeast corner of a 5 acre tract of land described in Volume 211, Page 502 of the Deed Records of Bastrop County, Texas;

THENCE leaving the centerline of Big Sandy Creek, with the common line of the said 507.061 acre tract and the said 5 acre tract the following three (3) courses and distances:

1. North 85°20'05" West, a distance of 92.50 feet to a 1/2" rebar with cap set;
2. South 07°54'55" West, a distance of 339.17 feet to a 1/2" rebar with cap set;
3. South 15°09'55" West, a distance of 307.78 feet to a 1/2" rebar with cap set on the north line of a 30' lane referenced in Volume 49, Page 614, Volume 118, Page 150, Volume 209, Page 783 and Volume 211, Page 502, all of the Deed Records of Bastrop County, Texas;

THENCE with the common line of the said 507.061 acre tract and the said 5 acre tract, with the north line of the said 30' lane a distance of 30' from and parallel to the north line of the said 160.346 acre tract, the following three (3) courses and distances:

1. North 89°48'11" West, a distance of 281.66 feet to a 1/2" rebar with cap set;
2. South 85°41'49" West, a distance of 213.56 feet to a 1/2" rebar with cap set;

3. North 78°03'11" West, a distance of 267.67 feet to a 1/2" rebar with cap set;

THENCE South 37°12'24" West, over and across said 30' lane, with the southeast line of the said 507.061 acre tract, a distance of 33.18 feet to fence post found in the south line of the 30' lane, being in the north line of the said 160.346 acre tract;

THENCE with the north line of the said 160.346 acre tract and the south line of the said 30' lane the following five (5) courses and distances:

1. South 78°03'11" East, a distance of 286.11 feet to a 1/2" rebar with cap set;
2. North 85°41'49" East, a distance of 216.67 feet to a 1/2" rebar with cap set;
3. South 89°48'11" East, a distance of 500.00 feet to a 1/2" rebar with cap set;
4. South 10°48'11" East, a distance of 336.11 feet to a 1/2" rebar with cap set;
5. South 46°03'11" East, a distance of 222.22 feet to a calculated point in the centerline of Big Sandy Creek, being the easternmost corner of the said 160.346 acre tract, being in the northwest line of the said 5566.770 acre tract, being also the southernmost corner of the said 269 acre tract;

THENCE North 42°29'40" East with the northwest line of the said 5566.770 acre tract and the southeast line of the said 269 acre tract, a distance of 4623.26 feet to a fence post found for the westernmost corner of the said 94.5 acre tract;

THENCE with the common line of the said 5566.770 acre tract and the said 94.5 acre tract the following two (2) courses and distances:

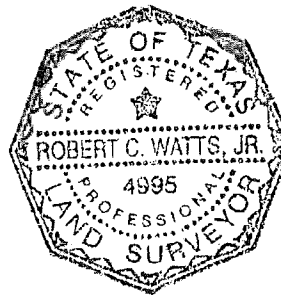
1. South 48°06'21" East, a distance of 1682.86 feet to a 1/2" rebar found for the southernmost corner of the said 94.5 acre tract;
2. North 42°31'01" East, a distance of 2088.46 feet to the **POINT OF BEGINNING**, containing 8683.655 (gross) acres of land, more or less, a portion of which lies within the roadway, and approximately 1.425 acres within fenced cemetery.

SAVE AND EXCEPT 1.379 ACRES IN COUNTY ROAD 157 (SAYERS ROAD) RIGHT-OF-WAY (AS DESCRIBED IN EXHIBIT B ATTACHED HERETO) FOR A TOTAL OF 8682.276 (NET) ACRES OF LAND, MORE OR LESS.

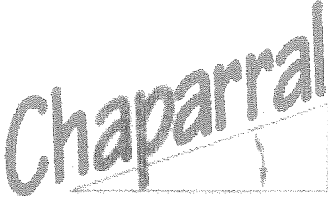
5566.770 acre tract, 507.061 acre tract, 19.149 acre tract, 54.912 acre tract, 92.556 acre tract, 160.346 acre tract and 112.676 acre tract all surveyed on the ground in August, September and October, 2005. 758.026 and 1164.571 acre tracts surveyed on the ground in March and April, 2006. 885.050 acre tract surveyed on the ground in July and August, 2007. Bearing basis is grid azimuth for Texas central zone, 1983/93 HARN values from LCRA control network.

RCW *S*

Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



3.24-11



**Professional Land Surveying, Inc.
Surveying and Mapping**

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Fax: 512-389-0943

3500 McCall Lane
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**1.379 ACRES
PORTION OF COUNTY ROAD 157 (SAYERS ROAD)
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 1.379 ACRES (APPROXIMATELY 60,054 SQ. FT.) IN THE S.M. WILLIAMS SURVEY NO. 4, ABSTRACT NO. 71 IN BASTROP COUNTY, TEXAS, BEING A PORTION OF COUNTY ROAD NO. 157 (SAYERS ROAD); SAID 1.379 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 23" Post Oak referenced in Volume 118, Page 150 of the Deed Records of Bastrop County, Texas, being in the apparent west right-of-way line of County Road 157 (no apparent defined right-of-way width), being the northernmost corner of a 160.346 acre tract of land described in Document No. 200619026 of the Official Public Records of Bastrop County, Texas, being in the south line of a 507.061 acre tract of land described in Document No. 200619026 of the Official Public Records of Bastrop County, Texas, from which a fence post found for monument in the north line of the said 160.346 acre tract, being the south line of the said 507.061 acre tract, bears South 33°31'23" East, a distance of 1216.18 feet;

THENCE South 23°12'48" West over and across County Road 157 and with the west line of the said 160.346 acre tract, a distance of 2837.55 feet to a fence post found for monument in the apparent east right-of-way line of County Road 157, being the westernmost corner of the said 160.346 acre tract, being also in the north line of a 5566.770 acre tract of land described in Document No. 200619026 of the Official Public Records of Bastrop County, Texas, from which a 1/2" rebar with "Chaparral" cap found in the south line of the said 160.346 acre tract, being in the north line of the said 5566.770 acre tract, bears South 74°14'51" East, a distance of 586.22 feet;

THENCE North 74°14'51" West over and across County Road 157 and with the north line of the said 5566.770 acre tract, a distance of 30.24 feet to a 1/2" rebar with "Chaparral" cap found in the apparent west right-of-way line of County Road 157;

THENCE North 21°44'49" East with the apparent west right-of-way line of County Road 157 and the east line of the said 5566.770 acre tract, a distance of 318.80 feet to a 1/2" rebar with "Chaparral" cap found in the east line of a 758.026 acre tract of land described in Document No. 200708067 of the Official Public Records of Bastrop County, Texas, from which a fence post found for monument in the east line of the said 758.026 acre tract, being in the west line of the said 5566.770 acre tract, bears South 47°15'45" West, a distance of 565.34 feet;


THENCE with the apparent west right-of-way line of County Road 157 and the east line of the said 758.026 acre tract, the following four (4) courses and distances:

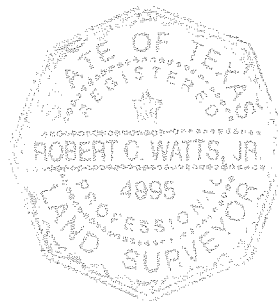
1. North 34°36'16" East, a distance of 72.35 feet to a 60d nail in fence post found;
2. North 30°59'34" East, a distance of 59.07 feet to a fence post found for monument;
3. North 25°38'27" East, a distance of 192.26 feet to a 1/2" rebar with "Chaparral" cap found;
4. North 22°32'52" East, a distance of 1870.35 feet to a fence post found for monument for the easternmost corner of the said 758.026 acre tract, being in the east line of the said 507.061 acre tract;

THENCE with the apparent west right-of-way line of County Road 157 and the east line of the said 507.061 acre tract, the following two (2) courses and distances:

1. North 21°29'33" East, a distance of 203.85 feet to a fence post found for monument;
2. North 38°49'44" East, a distance of 132.14 feet to the **POINT OF BEGINNING**, containing 1.379 acres of land, more or less.

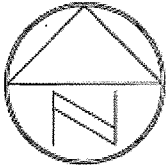
Surveyed on the ground in May, 2006. Bearing basis is grid azimuth for Texas central zone, 1983/93 HARN values from LCRA control network. Attachments: Survey Drawing 457-001-S&E-1.379AC.


Robert C. Watts, Jr.
Registered Professional Land Surveyor
State of Texas No. 4995



9-17-08

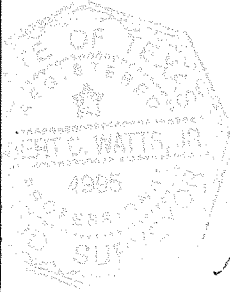
SKETCH TO ACCOMPANY A DESCRIPTION OF 1.379 ACRES (APPROXIMATELY 60,054 SQ. FT.) IN THE S.M. WILLIAMS SURVEY NO. 4, ABSTRACT NO. 71 IN BASTROP COUNTY, TEXAS, BEING A PORTION OF COUNTY ROAD NO. 157 (SAYERS ROAD).



1" = 300'

1.379 ACRES
APPROX. 60,054 SQ. FT.
COUNTY ROAD 157
(SAYERS ROAD)
UNPAVED ROAD

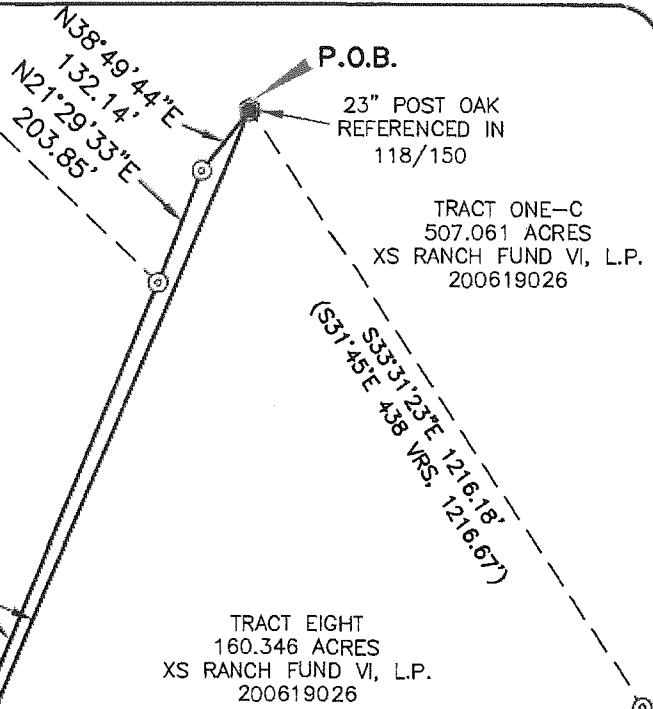
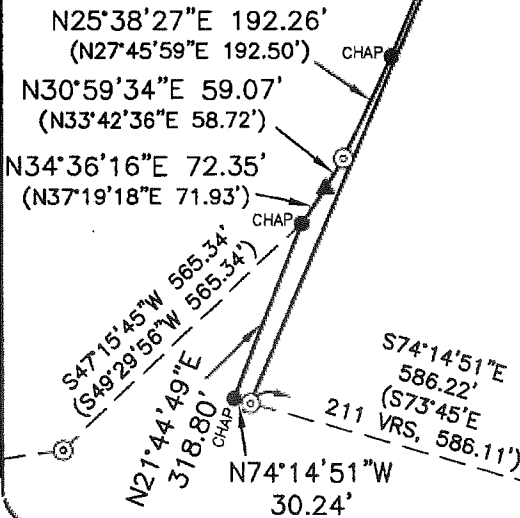
THE ROADWAY FOR COUNTY ROAD 157 DOES NOT HAVE AN APPARENT DEFINED RIGHT-OF-WAY, OTHER THAN WHAT IS CURRENTLY FENCED AND MAINTAINED BY THE COUNTY.



M. Watts Jr
9-17-08

XS RANCH FUND VI, L.P.
758.026 ACRES
200708067

Chaparral



S.M. WILLIAMS
SURVEY NO. 4
ABS. NO. 71

LEGEND	
●	1/2" REBAR FOUND
●	1/2" REBAR WITH "CHAPARRAL" CAP FOUND
⊙	FENCE POST FOUND FOR MONUMENT
▲	60D NAIL IN FENCE POST FOUND

BEARING BASIS: BEARING BASIS: GRID AZIMUTH FOR TEXAS CENTRAL ZONE, 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.

ATTACHMENTS: METES AND BOUNDS DESCRIPTION
457-001-S&E-1.379AC

TRACT ONE-D
5,566.770 ACRES
XS RANCH FUND VI, L.P.
200619026

DATE OF SURVEY:
MAY, 2006
PLOT DATE:
09/12/08
DRAWING NO.:
471-001-S&E-1.379AC
PROJECT NO.:
471-001
SHEET 1 OF 1



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**0.034 ACRES
JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 0.034 ACRES (APPROXIMATELY 1,496 SQ. FT.) IN THE JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 0.460 ACRE TRACT (TRACT 3) REFERRED TO AS THE UNUSED PORTION OF THE OLD ELGIN-UTLEY ROAD AND DESCRIBED IN VOLUME 746, PAGE 215 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS AND CONVEYED TO JEFFREY OSBORN, TERRY OSBORN AND LANCE OSBORN IN A SPECIAL WARRANTY GIFT DEED DATED FEBRUARY 1, 2006 AND RECORDED IN VOLUME 1610, PAGE 1 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 0.034 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a calculated point in the northeast right-of-way line of F.M. 969 (80' right-of-way width), being the easternmost corner of the said 0.460 acre tract, being the southernmost corner of a 215.79 acre tract of land described in Volume 1890, Page 542 of the Deed Records of Bastrop County, Texas, being also in the northwest line of a 99.23 acre tract of land described in Volume 134, Page 466 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found, bears South 42°21'38" West, a distance of 0.14 feet;

THENCE with the northeast right-of-way line of F.M. 969 and the southwest line of the said 0.460 acre tract, with a curve to the left, a delta angle of 02°55'05", an arc length of 147.94 feet, having a radius of 2904.79 feet and a chord which bears North 52°07'40" West, a distance of 147.93 feet to a 1/2" rebar found at the intersection of the northeast right-of-way line of F.M. 969 and the northeast right-of-way of way line of Bastrop & Elgin Road (Doc Bryson Lane) (no apparent right-of-way width) referenced in Volume 106, Page 469 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found at the intersection of the northeast right-of-way line of F.M. 969 and the southwest right-of-way of way line of Bastrop & Elgin Road (Doc Bryson Lane), being the easternmost corner of a 47.334 acre tract of land described in Volume 746, Page 215 of the Deed Records of Bastrop County, Texas, bears with a curve to the left, a delta angle of 05°14'51", an arc length of 266.04 feet, having a radius of 2904.79 feet and a chord which bears North 56°12'39" West, a distance of 265.95 feet;

THENCE North 47°24'37" West with the northeast right-of-way of way line of Bastrop & Elgin Road (Doc Bryson Lane) and the southwest line of the said 0.460 acre tract, a distance of 52.53 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found in the northeast right-of-way of way line of Bastrop & Elgin Road (Doc Bryson

Lane), being in the southwest line of the said 0.460 acre tract, bears North 47°24'37" West, a distance of 254.57 feet;

THENCE North 42°21'38" East over and across the said 0.460 acre tract, a distance of 12.70 feet to a 1/2" rebar with Chaparral cap set in the northeast line of the said 0.460 acre tract, being in the southwest line of the said 215.79 acre tract, from which a 1/2" rebar found for the westernmost corner of the said 0.460 acre tract, being in the southwest line of the said 215.79 acre tract, bears North 47°15'30" West, a distance of 2516.72 feet;

THENCE South 47°15'30" East with the northeast line of the said 0.460 acre tract and the southwest line of the said 215.79 acre tract, a distance of 200.00 feet to the **POINT OF BEGINNING**, containing 0.034 acres of land, more or less.

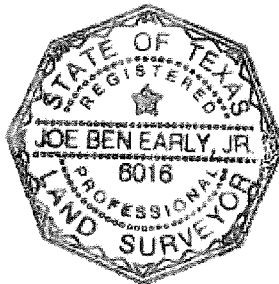
Surveyor's Note: Area of uncertain title

The said 0.460 acre tract does not appear to be in the grantee's chain of title. (See surveyor's note in Volume 746, Page 215). Surveyor's note in Volume 746, Page 215 also refers to the 0.460 acre tract as an "unused portion of the old Elgin-Utley Road". No other description or record of the 0.460 acre tract was found during the research for this survey.

Surveyed on the ground on April 16, 2009. Grid azimuth for Texas Central Zone. Coordinates listed for survey control points are based on the Lower Colorado River Authority 1983/93 HARN, with a combined scale factor of 0.999958496. Attachments: Survey Drawing 457-001-OSBORN-0.034AC.

JBE 4/23/09

Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016





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**12.286 ACRES
JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 12.286 ACRES IN THE JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 107 ACRE TRACT (SECOND TRACT) CONVEYED TO JOHN H. WIETING, JR. IN A GIFT DEED DATED JANUARY 25, 1990 AND RECORDED IN VOLUME 561, PAGE 808 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 12.286 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with Chaparral cap set for the southernmost corner of the said 107 acre tract, being the easternmost corner of a 215.79 acre tract of land described in Volume 1890, Page 542 of the Deed Records of Bastrop County, Texas, from which a calculated point in the northeast right-of-way line of F.M. 969 (80' right-of-way width) as described in Volume 149, Page 39 of the Deed Records of Bastrop County, Texas, being the southernmost corner of the said 215.79 acre tract, bears South 42°21'38" West, a distance of 1645.00 feet, from which a 1/2" rebar found, bears from calculated point, South 42°21'38" West, a distance of 0.14 feet;

THENCE North 46°39'53" West with the southwest line of the said 107 acre tract and the northeast line of the said 215.79 acre tract, a distance of 430.04 feet to a 1/2" rebar with Chaparral cap set, from which a fence post found for an angle point in the southwest line of the said 107 acre tract, being an angle point in the northeast line of the said 215.79 acre tract, bears North 46°39'53" West, a distance of 1988.69 feet;

THENCE over and across the said 107 acre tract, the following three (3) courses and distances:

1. North 17°55'22" East, a distance of 66.36 feet to a 1/2" rebar with Chaparral cap set;
2. With a curve to the right, a delta angle of 58°09'23", an arc length of 913.52 feet, having a radius of 900.00 feet and a chord which bears North 47°00'03" East, a distance of 874.80 feet to a 1/2" rebar with Chaparral cap set;
3. North 76°04'45" East, passing a 1/2" rebar with Chaparral cap set for reference on line at a distance of 250.00 feet, and continuing for a total distance of 381.04 feet to a calculated point at the top of the west cut bank of the Colorado River;

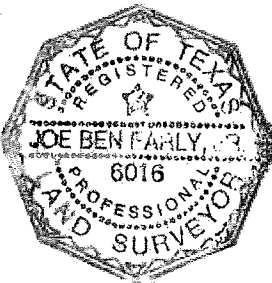
THENCE with the top of the west cut bank of the Colorado River, the following four (4) courses and distances:

1. South 16°29'48" West, a distance of 142.82 feet to a calculated point;
2. South 14°02'33" West, a distance of 98.13 feet to a calculated point;
3. South 10°35'28" West, a distance of 138.24 feet to a calculated point;
4. South 16°12'36" West, a distance of 45.95 feet to a calculated point in the southeast line of the said 107 acre tract;

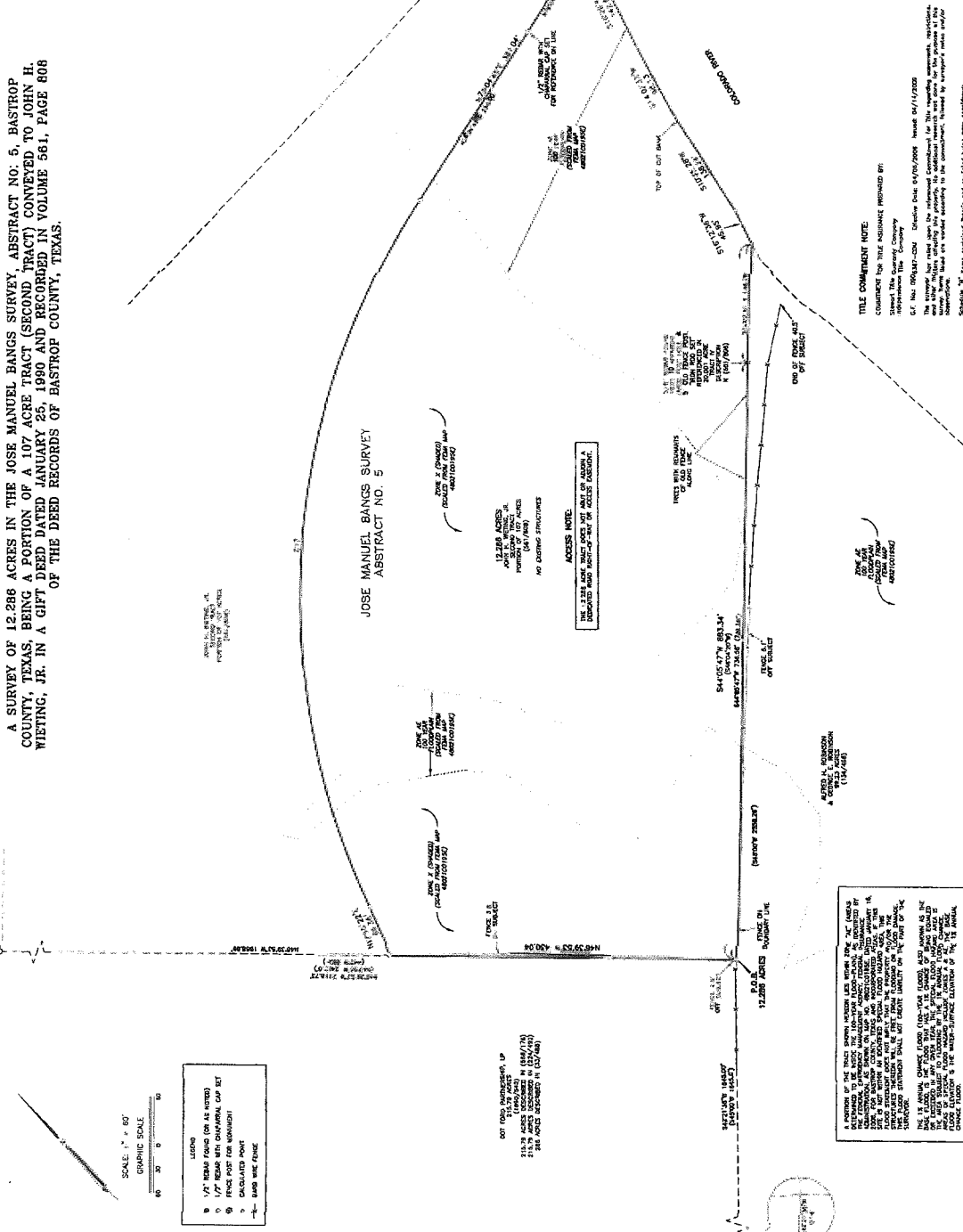
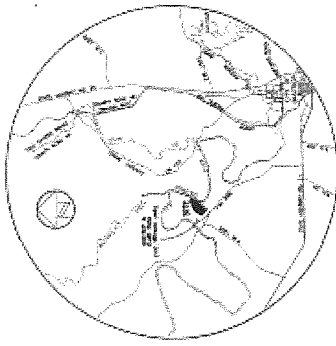
THENCE South 44°05'47" West, leaving the top of the west cut bank of the Colorado River and with the southeast line of the said 107 acre tract, passing a 5/8" rebar found next to apparent large post hole and 5" old fence post, referenced as an "iron rod set" in a 20.001 acre "Tract IV" description in Volume 561, Page 808 of the Deed Records of Bastrop County, Texas, at a distance of 146.78 feet and continuing for a total distance of 883.34 feet to the **POINT OF BEGINNING**, containing 12.286 acres of land, more or less.

Surveyed on the ground on April 16, 2009. Grid azimuth for Texas Central Zone. Coordinates listed for survey control points are based on the Lower Colorado River Authority 1983/93 HARN, with a combined scale factor of 0.999958496. Attachments: Survey Drawing 457-001-WIETING12.3AC.

JBE 4/24/09
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



A SURVEY OF 12.286 ACRES IN THE JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 107 ACRE TRACT (SECOND TRACT) CONVEYED TO JOHN H. WIETING, JR. IN A GIFT DEED DATED JANUARY 25, 1990 AND RECORDED IN VOLUME 561, PAGE 808 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.



SCALE: 1" = 60'
GRAPHIC SCALE

LEGEND:
 1. 1/4" BEARING AND DISTANCE
 2. 1/4" BEARING AND DISTANCE
 3. 1/4" BEARING AND DISTANCE
 4. 1/4" BEARING AND DISTANCE
 5. 1/4" BEARING AND DISTANCE
 6. 1/4" BEARING AND DISTANCE

A PORTION OF THE 12.286 ACRES SURVEYED AND BEING THE 12.286 ACRES DESCRIBED IN THE DEED DATED JANUARY 25, 1990 AND RECORDED IN VOLUME 561, PAGE 808 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS, BEING A PORTION OF A 107 ACRE TRACT (SECOND TRACT) CONVEYED TO JOHN H. WIETING, JR. IN A GIFT DEED DATED JANUARY 25, 1990 AND RECORDED IN VOLUME 561, PAGE 808 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.

THE TOTAL AREA OF THE 12.286 ACRES SURVEYED AND BEING THE 12.286 ACRES DESCRIBED IN THE DEED DATED JANUARY 25, 1990 AND RECORDED IN VOLUME 561, PAGE 808 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS, BEING A PORTION OF A 107 ACRE TRACT (SECOND TRACT) CONVEYED TO JOHN H. WIETING, JR. IN A GIFT DEED DATED JANUARY 25, 1990 AND RECORDED IN VOLUME 561, PAGE 808 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS, IS 12.286 ACRES.

THE TOTAL AREA OF THE 12.286 ACRES SURVEYED AND BEING THE 12.286 ACRES DESCRIBED IN THE DEED DATED JANUARY 25, 1990 AND RECORDED IN VOLUME 561, PAGE 808 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS, IS 12.286 ACRES.

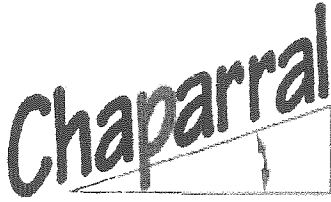
NO.	AREA	ACRES	PERCENT	BEARING
1	12.286	100.00	12.286	100.00
2	100.00	100.00	100.00	100.00
3	100.00	100.00	100.00	100.00
4	100.00	100.00	100.00	100.00

SURVEYOR'S CERTIFICATE
 I, JOHN H. WIETING, JR., a Certified Public Surveyor, do hereby certify that the foregoing plat was prepared by me or under my direct supervision and that I am a duly licensed and qualified surveyor under the laws of the State of Texas.

DATE OF SURVEY: 04/17/2008
PROPERTY ADDRESS: [REDACTED]

PROJECT NO.: [REDACTED]
DRAWING NO.: [REDACTED]
DATE: 04/17/2008
SCALE: AS SHOWN
SHEET: 01 OF 01

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3500 McCall Lane
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**8.944 ACRES
JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 8.944 ACRES IN THE JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 215.79 ACRE TRACT CONVEYED TO DOT FORD PARTNERSHIP, LP IN A WARRANTY DEED DATED JANUARY 13, 2009 AND RECORDED IN VOLUME 1890, PAGE 542 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 8.944 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a calculated point in the northeast right-of-way line of F.M. 969 (80' right-of-way width) as described in Volume 149, Page 39 of the Deed Records of Bastrop County, Texas, being the southernmost corner of the said 215.79 acre tract, being the easternmost corner of a 0.460 acre tract described in Volume 746, Page 215 of the Deed Records of Bastrop County, Texas, being also in the northwest line of a 99.23 acre tract of land described in Volume 134, Page 466 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found, bears South 42°21'38" West, a distance of 0.14 feet and from which a 1/2" rebar found at the intersection of the northeast right-of-way line of F.M. 969 and the northeast right-of-way of way line of Bastrop & Elgin Road (Doc Bryson Lane) (no apparent right-of-way width) referenced in Volume 106, Page 469 of the Deed Records of Bastrop County, Texas, being also in the southwest line of the said 0.460 acre tract, bears with a curve to the left, a delta angle of 02°55'05", an arc length of 147.94 feet, having a radius of 2904.79 feet and a chord which bears North 52°07'40" West, a distance of 147.93 feet;

THENCE North 47°15'30" West with the southwest line of the said 215.79 acre tract and the northeast line of the said 0.460 acre tract, a distance of 200.00 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found in the southwest line of the said 215.79 acre tract, being the westernmost corner of the said 0.460 acre tract, bears North 47°15'30" West, a distance of 2516.72 feet;

THENCE over and across the said 215.79 acre tract, the following three (3) courses and distances:

1. North 42°21'38" East, a distance of 950.00 feet to a 1/2" rebar with Chaparral cap set;
2. With a curve to the left, a delta angle of 24°26'16", an arc length of 383.87 feet, having a radius of 900.00 feet and a chord which bears North 30°08'30" East, a

distance of 380.96 feet to a 1/2" rebar with Chaparral cap set;

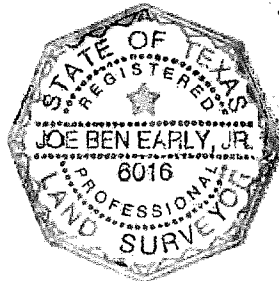
3. North 17°55'22" East, a distance of 360.99 feet to a 1/2" rebar with Chaparral cap set in the northeast line of the said 215.79 acre tract, being in the southwest line of a 107 acre tract of land described in Volume 561, Page 808 of the Deed Records of Bastrop County, Texas, from which a fence post found for an angle point in the northeast line of the said 215.79 acre tract, being an angle point in the southwest line of the said 107 acre tract, bears North 46°39'53" West, a distance of 1988.69 feet;

THENCE South 46°39'53" East with the northeast line of the said 215.79 acre tract and the southwest line of the said 107 acre tract, a distance of 430.04 feet to a 1/2" rebar with Chaparral cap set for the easternmost corner of the said 215.79 acre tract, being the southernmost corner of the said 107 acre tract, from which a 5/8" rebar found next to apparent large post hole and 5" old fence post, referenced as an "iron rod set" in a 20.001 acre "Tract IV" description in Volume 561, Page 808 of the Deed Records of Bastrop County, Texas, being in the southeast line of the said 107 acre tract, bears North 44°05'47" East, a distance of 736.56 feet;

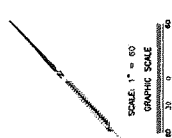
THENCE South 42°21'38" West with the southeast line of the said 215.79 acre tract, a distance of 1645.00 feet to the **POINT OF BEGINNING**, containing 8.944 acres of land, more or less.

Surveyed on the ground on April 16, 2009. Grid azimuth for Texas Central Zone. Coordinates listed for survey control points are based on the Lower Colorado River Authority 1983/93 HARN, with a combined scale factor of 0.999958496. Attachments: Survey Drawing 457-001-DOTFORD8.9AC.

JB 4/24/09
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



A SURVEY OF 8.944 ACRES IN THE JOSE MANUEL BANGS SURVEY, ABSTRACT NO. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 216.77 ACRE TRACT CONVEYED TO FORD PARTNERSHIP, LP IN A WARRANTY DEED DATED JANUARY 15, 2009 AND RECORDED IN VOLUME 1890, PAGE 542 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.



- LEGEND**
- 1/2" REAR POINT (ON OR NEAR SET)
 - CONCRETE NAIL SURVEY POINT
 - FRONT POST FOR SURVEY POINT
 - CALCULATED POINT
 - UTILITY POLE
 - OVERHEAD UTILITY
 - WELL
 - WATER
 - ROAD
 - EDGE OF PARCELS

A PORTION OF THE EAST BANGS PERSON (SEE MAPS ZONE 7, 7A, 7B, 7C, 7D, 7E, 7F, 7G, 7H, 7I, 7J, 7K, 7L, 7M, 7N, 7O, 7P, 7Q, 7R, 7S, 7T, 7U, 7V, 7W, 7X, 7Y, 7Z, 7AA, 7AB, 7AC, 7AD, 7AE, 7AF, 7AG, 7AH, 7AI, 7AJ, 7AK, 7AL, 7AM, 7AN, 7AO, 7AP, 7AQ, 7AR, 7AS, 7AT, 7AU, 7AV, 7AW, 7AX, 7AY, 7AZ, 7BA, 7BB, 7BC, 7BD, 7BE, 7BF, 7BG, 7BH, 7BI, 7BJ, 7BK, 7BL, 7BM, 7BN, 7BO, 7BP, 7BQ, 7BR, 7BS, 7BT, 7BU, 7BV, 7BW, 7BX, 7BY, 7BZ, 7CA, 7CB, 7CC, 7CD, 7CE, 7CF, 7CG, 7CH, 7CI, 7CJ, 7CK, 7CL, 7CM, 7CN, 7CO, 7CP, 7CQ, 7CR, 7CS, 7CT, 7CU, 7CV, 7CW, 7CX, 7CY, 7CZ, 7DA, 7DB, 7DC, 7DD, 7DE, 7DF, 7DG, 7DH, 7DI, 7DJ, 7DK, 7DL, 7DM, 7DN, 7DO, 7DP, 7DQ, 7DR, 7DS, 7DT, 7DU, 7DV, 7DW, 7DX, 7DY, 7DZ, 7EA, 7EB, 7EC, 7ED, 7EE, 7EF, 7EG, 7EH, 7EI, 7EJ, 7EK, 7EL, 7EM, 7EN, 7EO, 7EP, 7EQ, 7ER, 7ES, 7ET, 7EU, 7EV, 7EW, 7EX, 7EY, 7EZ, 7FA, 7FB, 7FC, 7FD, 7FE, 7FF, 7FG, 7FH, 7FI, 7FJ, 7FK, 7FL, 7FM, 7FN, 7FO, 7FP, 7FQ, 7FR, 7FS, 7FT, 7FU, 7FV, 7FW, 7FX, 7FY, 7FZ, 7GA, 7GB, 7GC, 7GD, 7GE, 7GF, 7GG, 7GH, 7GI, 7GJ, 7GK, 7GL, 7GM, 7GN, 7GO, 7GP, 7GQ, 7GR, 7GS, 7GT, 7GU, 7GV, 7GW, 7GX, 7GY, 7GZ, 7HA, 7HB, 7HC, 7HD, 7HE, 7HF, 7HG, 7HH, 7HI, 7HJ, 7HK, 7HL, 7HM, 7HN, 7HO, 7HP, 7HQ, 7HR, 7HS, 7HT, 7HU, 7HV, 7HW, 7HX, 7HY, 7HZ, 7IA, 7IB, 7IC, 7ID, 7IE, 7IF, 7IG, 7IH, 7II, 7IJ, 7IK, 7IL, 7IM, 7IN, 7IO, 7IP, 7IQ, 7IR, 7IS, 7IT, 7IU, 7IV, 7IW, 7IX, 7IY, 7IZ, 7JA, 7JB, 7JC, 7JD, 7JE, 7JF, 7JG, 7JH, 7JI, 7JJ, 7JK, 7JL, 7JM, 7JN, 7JO, 7JP, 7JQ, 7JR, 7JS, 7JT, 7JU, 7JV, 7JW, 7JX, 7JY, 7JZ, 7KA, 7KB, 7KC, 7KD, 7KE, 7KF, 7KG, 7KH, 7KI, 7KJ, 7KK, 7KL, 7KM, 7KN, 7KO, 7KP, 7KQ, 7KR, 7KS, 7KT, 7KU, 7KV, 7KW, 7KX, 7KY, 7KZ, 7LA, 7LB, 7LC, 7LD, 7LE, 7LF, 7LG, 7LH, 7LI, 7LJ, 7LK, 7LL, 7LM, 7LN, 7LO, 7LP, 7LQ, 7LR, 7LS, 7LT, 7LU, 7LV, 7LW, 7LX, 7LY, 7LZ, 7MA, 7MB, 7MC, 7MD, 7ME, 7MF, 7MG, 7MH, 7MI, 7MJ, 7MK, 7ML, 7MM, 7MN, 7MO, 7MP, 7MQ, 7MR, 7MS, 7MT, 7MU, 7MV, 7MW, 7MX, 7MY, 7MZ, 7NA, 7NB, 7NC, 7ND, 7NE, 7NF, 7NG, 7NH, 7NI, 7NJ, 7NK, 7NL, 7NM, 7NN, 7NO, 7NP, 7NQ, 7NR, 7NS, 7NT, 7NU, 7NV, 7NW, 7NX, 7NY, 7NZ, 7OA, 7OB, 7OC, 7OD, 7OE, 7OF, 7OG, 7OH, 7OI, 7OJ, 7OK, 7OL, 7OM, 7ON, 7OO, 7OP, 7OQ, 7OR, 7OS, 7OT, 7OU, 7OV, 7OW, 7OX, 7OY, 7OZ, 7PA, 7PB, 7PC, 7PD, 7PE, 7PF, 7PG, 7PH, 7PI, 7PJ, 7PK, 7PL, 7PM, 7PN, 7PO, 7PP, 7PQ, 7PR, 7PS, 7PT, 7PU, 7PV, 7PW, 7PX, 7PY, 7PZ, 7QA, 7QB, 7QC, 7QD, 7QE, 7QF, 7QG, 7QH, 7QI, 7QJ, 7QK, 7QL, 7QM, 7QN, 7QO, 7QP, 7QQ, 7QR, 7QS, 7QT, 7QU, 7QV, 7QW, 7QX, 7QY, 7QZ, 7RA, 7RB, 7RC, 7RD, 7RE, 7RF, 7RG, 7RH, 7RI, 7RJ, 7RK, 7RL, 7RM, 7RN, 7RO, 7RP, 7RQ, 7RR, 7RS, 7RT, 7RU, 7RV, 7RW, 7RX, 7RY, 7RZ, 7SA, 7SB, 7SC, 7SD, 7SE, 7SF, 7SG, 7SH, 7SI, 7SJ, 7SK, 7SL, 7SM, 7SN, 7SO, 7SP, 7SQ, 7SR, 7SS, 7ST, 7SU, 7SV, 7SW, 7SX, 7SY, 7SZ, 7TA, 7TB, 7TC, 7TD, 7TE, 7TF, 7TG, 7TH, 7TI, 7TJ, 7TK, 7TL, 7TM, 7TN, 7TO, 7TP, 7TQ, 7TR, 7TS, 7TT, 7TU, 7TV, 7TW, 7TX, 7TY, 7TZ, 7UA, 7UB, 7UC, 7UD, 7UE, 7UF, 7UG, 7UH, 7UI, 7UJ, 7UK, 7UL, 7UM, 7UN, 7UO, 7UP, 7UQ, 7UR, 7US, 7UT, 7UU, 7UV, 7UW, 7UX, 7UY, 7UZ, 7VA, 7VB, 7VC, 7VD, 7VE, 7VF, 7VG, 7VH, 7VI, 7VJ, 7VK, 7VL, 7VM, 7VN, 7VO, 7VP, 7VQ, 7VR, 7VS, 7VT, 7VU, 7VV, 7VW, 7VX, 7VY, 7VZ, 7WA, 7WB, 7WC, 7WD, 7WE, 7WF, 7WG, 7WH, 7WI, 7WJ, 7WK, 7WL, 7WM, 7WN, 7WO, 7WP, 7WQ, 7WR, 7WS, 7WT, 7WU, 7WV, 7WW, 7WX, 7WY, 7WZ, 7XA, 7XB, 7XC, 7XD, 7XE, 7XF, 7XG, 7XH, 7XI, 7XJ, 7XK, 7XL, 7XM, 7XN, 7XO, 7XP, 7XQ, 7XR, 7XS, 7XT, 7XU, 7XV, 7XW, 7XX, 7XY, 7XZ, 7YA, 7YB, 7YC, 7YD, 7YE, 7YF, 7YG, 7YH, 7YI, 7YJ, 7YK, 7YL, 7YM, 7YN, 7YO, 7YP, 7YQ, 7YR, 7YS, 7YT, 7YU, 7YV, 7YW, 7YX, 7YY, 7YZ, 7ZA, 7ZB, 7ZC, 7ZD, 7ZE, 7ZF, 7ZG, 7ZH, 7ZI, 7ZJ, 7ZK, 7ZL, 7ZM, 7ZN, 7ZO, 7ZP, 7ZQ, 7ZR, 7ZS, 7ZT, 7ZU, 7ZV, 7ZW, 7ZX, 7ZY, 7ZZ

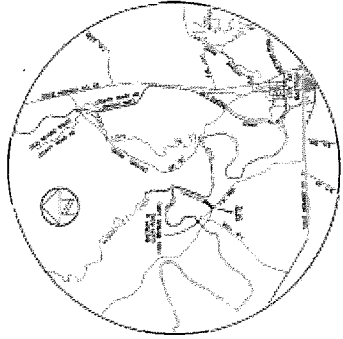
NO.	CRS.	COORDS	ENCL.	AREA	PERCENT	ACRES	RECORD	DATE
1	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
2	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
3	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
4	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
5	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
6	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
7	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
8	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
9	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82
10	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82	1115.82

ACCESS NOTE
THE BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.

TITLE COMMENT NOTE
COMMENTARY FOR THIS SURVEY IS PROVIDED BY THE SURVEYOR'S OFFICE.

ADDITIONAL NOTES
1) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.
2) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.
3) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.

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ADDITIONAL NOTES
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2) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.
3) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.

**JOSE MANUEL BANGS SURVEY
ABSTRACT NO. 5**

8.944 ACRES
PORTION OF SECTION 10, T10N, R10E, S10E, BASTROP COUNTY, TEXAS

ADDITIONAL NOTES
1) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.
2) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.
3) The BLM AND BUREAU OF LAND MANAGEMENT HAVE GRANTED ACCESS TO THE SURVEYED AREA FOR RECREATION PURPOSES.



Chaparral
Professional Land Surveying, Inc.
Surveying and Mapping
3300 MacArthur Blvd.
Austin, TX 78744
512-441-1234



Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**0.112 ACRES
JOSE MANUEL BANGS SURVEY, ABS. 5
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 0.112 ACRES (APPROXIMATELY 4,878 SQ. FT.) IN THE JOSE MANUEL BANGS SURVEY, ABS. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 47.334 ACRE TRACT DESCRIBED IN VOLUME 746, PAGE 215 AND CONVEYED TO JEFFREY OSBORN, TERRY OSBORN AND LANCE OSBORN IN A SPECIAL WARRANTY GIFT DEED DATED FEBRUARY 1, 2006 AND RECORDED IN VOLUME 1610, PAGE 1, BOTH OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 0.112 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with Chaparral cap set in the north right-of-way line of F.M. 969 (80' right-of-way width) as described in Volume 149, Page 39 of the Deed Records of Bastrop County, Texas, being in the south line of the said 47.334 acre tract, from which a 1/2" rebar found at the intersection of the north right-of-way line of F.M. 969 and the southwest right-of-way line of Doc Bryson Lane (no apparent defined right-of-way width) called Bastrop & Elgin Road in Volume 106, Page 469 of the Deed Records of Bastrop County, Texas and called Old Elgin-Utley Road in Volume 746, Page 215 of the Deed Records of Bastrop County, Texas, being also the easternmost corner of the said 47.334 acre tract, bears with a curve to the right, having a radius of 2904.79 feet, a delta angle of 4°22'36", an arc length of 221.89 feet, and a chord which bears South 61°01'22" East, a distance of 221.83 feet;

THENCE with the north right-of-way line of F.M. 969 and the south line of the said 47.334 acre tract, with a curve to the left, having a radius of 2904.79 feet, a delta angle of 1°11'03", an arc length of 60.03 feet, and a chord which bears North 63°48'11" West, a distance of 60.03 feet to a 1/2" rebar with Chaparral cap set, from which a TxDOT type I monument found in the south right-of-way line of F.M. 969 at highway station 1305+95.45, 40' right, bears with a curve to the left, having a radius of 2904.79 feet, a delta angle of 4°28'37", an arc length of 226.97 feet, and a chord which bears North 66°38'01" West, a distance of 226.91 feet, then South 21°07'40" West, a distance of 80.00 feet;

THENCE over and across the said 47.334 acre tract, the following three (3) courses and distances:

1. North 24°19'20" East, a distance of 13.45 feet to a 1/2" rebar with Chaparral cap set;



2. With a curve to the left, having a radius of 70.00 feet, a delta angle of $71^{\circ}10'45''$, an arc length of 86.96 feet, and a chord which bears North $11^{\circ}16'02''$ West, a distance of 81.48 feet to a 1/2" rebar with Chaparral cap set;
3. North $43^{\circ}08'35''$ East, a distance of 11.30 feet to a 1/2" rebar with Chaparral cap set in the southwest right-of-way of Doc Bryson Lane, being the northeast line of the said 47.334 acre tract, from which a fence post found for an angle point in the southwest right-of-way of Doc Bryson Lane, being in the northeast line of the said 47.334 acre tract, bears North $46^{\circ}54'50''$ West, a distance of 2025.33 feet;

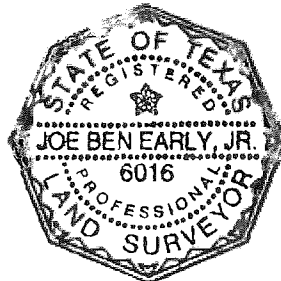
THENCE South $46^{\circ}54'50''$ East with the southwest right-of-way of Doc Bryson Lane and the northeast line of the said 47.334 acre tract, a distance of 101.36 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found at the intersection of the north right-of-way line of F.M. 969 and the southwest right-of-way line of Doc Bryson Lane, being also the easternmost corner of the said 47.334 acre tract, bears South $46^{\circ}54'50''$ East, a distance of 241.75 feet;

THENCE over and across the said 47.334 acre tract, the following two (2) courses and distances:

1. With a curve to the right, having a radius of 130.00 feet, a delta angle of $19^{\circ}56'44''$, an arc length of 45.26 feet, and a chord which bears South $14^{\circ}20'58''$ West, a distance of 45.03 feet to a 1/2" rebar with Chaparral cap set;
2. South $24^{\circ}19'20''$ West, a distance of 15.41 feet to the **POINT OF BEGINNING**, containing 0.112 acres of land, more or less.

Surveyed on the ground on April 16, 2009. Bearing basis is grid azimuth for Texas central zone. Coordinates contained in this description are based on the Lower Colorado River Authority 1983/93 HARN, with a combined scale factor of 0.999958496. All distances contained in this description are surface distances. Attachments: Survey Drawing 457-001-DOC BRYSON NEW DRIVE.

 
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016

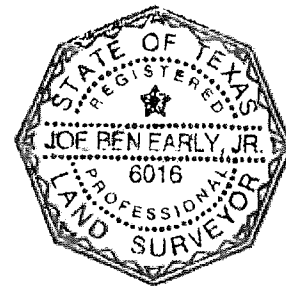


SKETCH TO ACCOMPANY A DESCRIPTION OF 0.112 ACRES (APPROXIMATELY 4,878 SQ. FT.) IN THE JOSE MANUEL BANGS SURVEY, ABS. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 47.334 ACRE TRACT DESCRIBED IN VOLUME 746, PAGE 215 AND CONVEYED TO JEFFREY OSBORN, TERRY OSBORN AND LANCE OSBORN IN A SPECIAL WARRANTY GIFT DEED DATED FEBRUARY 1, 2006 AND RECORDED IN VOLUME 1610, PAGE 1, BOTH OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE						
NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	1°11'03"	2904.79'	30.02'	60.03'	60.03'	N63°48'11"W
C2	71°10'45"	70.00'	50.10'	86.96'	81.48'	N11°16'02"W
C3	19°56'44"	130.00'	22.86'	45.26'	45.03'	S14°20'58"W
C4	4°22'36"	2904.79'	111.00'	221.89'	221.83'	S61°01'22"E
C5	4°28'37"	2904.79'	113.54'	226.97'	226.91'	N66°38'01"W
C15	10°02'15"	2904.79'	255.10'	508.89'	508.24'	N63°51'12"W

(C15 RECORD CHORD N60°32'41"W 510.41')

LINE TABLE		
No.	BEARING	LENGTH
L1	N24°19'20"E	13.45'
L2	N43°08'35"E	11.30'
L3	S46°54'50"E	101.36'
L4	S24°19'20"W	15.41'
L5	S46°54'50"E	241.75'



JBE
5/4/10

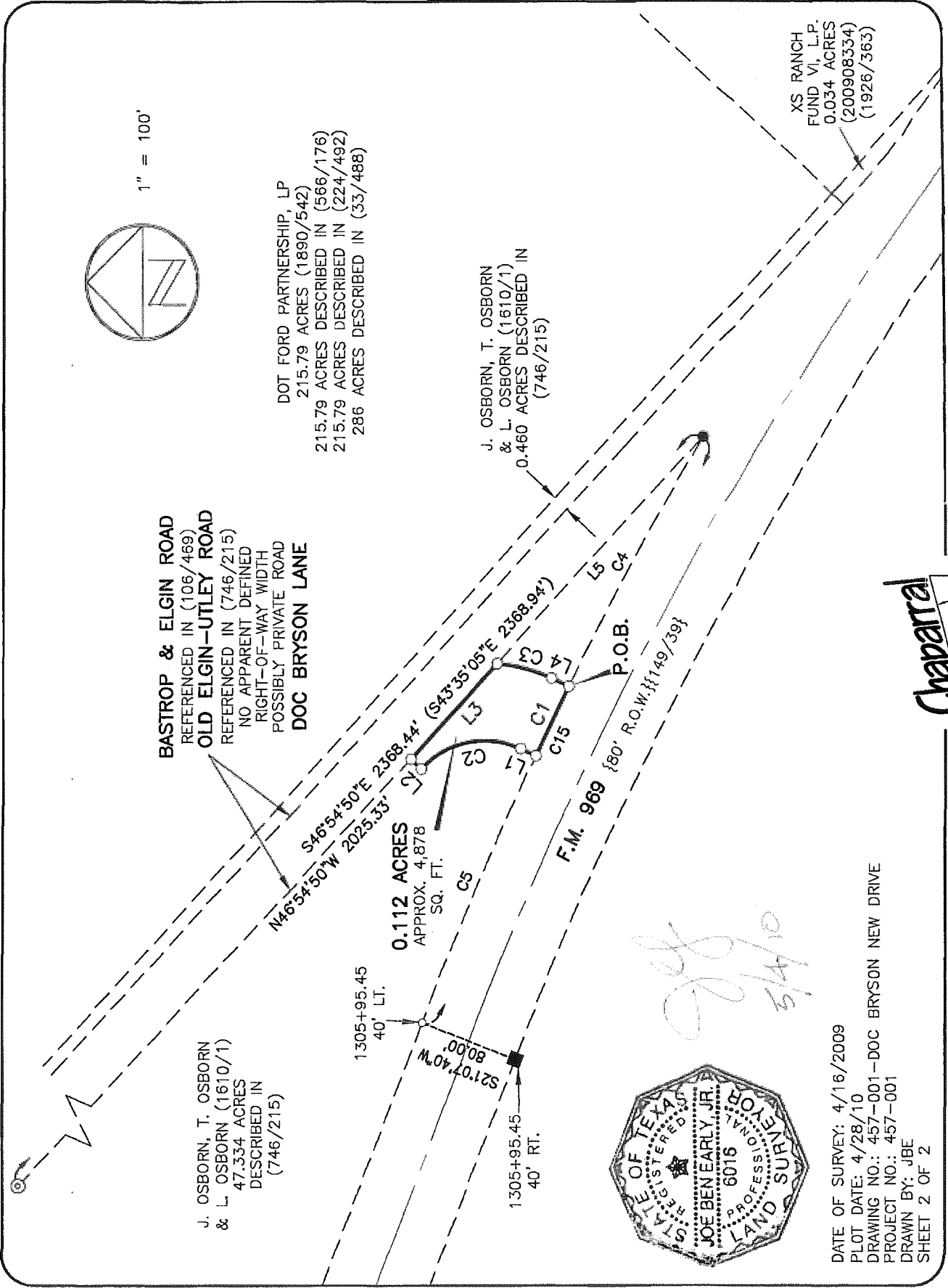
LEGEND	
●	1/2" REBAR FOUND
○	1/2" REBAR WITH CHAPARRAL CAP SET
■	TxDOT TYPE I MONUMENT FOUND
○	CALCULATED POINT
⊙	FENCE POST FOUND

BEARING BASIS: GRID AZIMUTH FOR TEXAS CENTRAL ZONE. COORDINATES LISTED FOR SURVEY CONTROL POINTS ARE BASED ON THE LOWER COLORADO RIVER AUTHORITY 1983/93 HARN, WITH A COMBINED SCALE FACTOR OF 0.999958496.

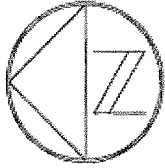
ATTACHMENTS: METES AND BOUNDS DESCRIPTION
457-001-DOC BRYSON NEW DRIVE

DATE OF SURVEY: 4/16/2009
 PLOT DATE: 4/28/10
 DRAWING NO.: 457-001-DOC BRYSON NEW DRIVE
 PROJECT NO.: 457-001
 DRAWN BY: JBE
 SHEET 1 OF 2





1" = 100'



BASTROP & ELGIN ROAD
 REFERENCED IN (106/469)
OLD ELGIN-UTLEY ROAD
 REFERENCED IN (746/215)
 NO APPARENT DEFINED
 RIGHT-OF-WAY WIDTH
 POSSIBLY PRIVATE ROAD
DOC BRYSON LANE

DOT FORD PARTNERSHIP, LP
 215.79 ACRES (1890/542)
 215.79 ACRES DESCRIBED IN (566/176)
 215.79 ACRES DESCRIBED IN (224/492)
 286 ACRES DESCRIBED IN (33/488)

J. OSBORN, T. OSBORN
 & L. OSBORN (1610/1)
 0.460 ACRES DESCRIBED IN
 (746/215)

XS RANCH
 FUND VI, L.P.
 0.034 ACRES
 (200908334)
 (1926/363)

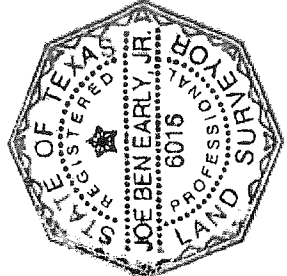
J. OSBORN, T. OSBORN
 & L. OSBORN (1610/1)
 47.334 ACRES
 DESCRIBED IN
 (746/215)

1305+95.45
 40' LT.

0.112 ACRES
 APPROX. 4,878
 SQ. FT.

1305+95.45
 40' RT.
 S21°07'40"W
 80.00'
 1305+95.45

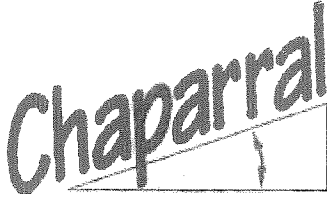
N46°54'50"W 2025.33'
 S46°54'50"E 2368.44'
 (S43°35'05"E 2368.94')
 L3 C3
 L4 C3
 C1 C15
 P.O.B.
 F.M. 969 {80' R.O.W.}{149/39}



Handwritten signature and date: 5/14/10



DATE OF SURVEY: 4/16/2009
 PLOT DATE: 4/28/10
 DRAWING NO.: 457-001-DOC BRYSON NEW DRIVE
 PROJECT NO.: 457-001
 DRAWN BY: JBE
 SHEET 2 OF 2



Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

0.156 ACRES
JOSE MANUEL BANGS SURVEY, ABS. 5
BASTROP COUNTY, TEXAS

A DESCRIPTION OF 0.156 ACRES (APPROXIMATELY 6,785 SQ. FT.) IN THE JOSE MANUEL BANGS SURVEY, ABS. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 0.460 ACRE TRACT DESCRIBED IN VOLUME 746, PAGE 215 AND CONVEYED TO JEFFREY OSBORN, TERRY OSBORN AND LANCE OSBORN IN A SPECIAL WARRANTY GIFT DEED DATED FEBRUARY 1, 2006 AND RECORDED IN VOLUME 1610, PAGE 1, BOTH OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 0.156 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with Chaparral cap set in the northeast right-of-way line of Doc Bryson Lane (no apparent defined right-of-way width) called Bastrop & Elgin Road in Volume 106, Page 469 of the Deed Records of Bastrop County, Texas and called Old Elgin-Utley Road in Volume 746, Page 215 of the Deed Records of Bastrop County, Texas, being in the southwest line of the said 0.460 acre tract, being also the westernmost corner of a 0.034 acre tract described in Document No. 200908334 of the Official Public Records of Bastrop County, Texas;

THENCE with the northeast right-of-way line of Doc Bryson Lane and the southwest line of the said 0.460 acre tract, the following two (2) courses and distances:

1. North 47°24'37" West, a distance of 254.57 feet to a 1/2" rebar found;
2. North 46°55'11" West, a distance of 252.52 feet to a 1/2" rebar with Chaparral cap set, from which a 1/2" rebar found in the northeast right-of-way line of said Doc Bryson Lane, being the westernmost corner of the said 0.460 acre tract, being also in the southwest line of a 215.79 acre tract of land described in Volume 1890, Page 542 of the Deed Records of Bastrop County, Texas, bears North 46°55'11" West, a distance of 2009.76 feet;

THENCE over and across the said 0.460 acre tract, the following two (2) courses and distances:

1. With a curve to the left, having a radius of 130.00 feet, a delta angle of 20°41'04", an arc length of 46.93 feet, and a chord which bears North 36°30'53" West, a distance of 46.68 feet to a 1/2" rebar with Chaparral cap set;

2. North 43°08'35" East, a distance of 3.18 feet to a 1/2" rebar with Chaparral cap set in the northeast line of the said 0.460 acre tract, being in the southwest line of the said 215.79 acre tract, from which a 1/2" rebar found in the northeast right-of-way line of said Doc Bryson Lane, being the westernmost corner of the said 0.460 acre tract, being also in the southwest line of the said 215.79 acre tract, bears North 47°15'30" West, a distance of 1963.89 feet;


THENCE South 47°15'30" East with the northeast line of the said 0.460 acre tract and the southwest line of the said 215.79 acre tract, a distance of 552.83 feet to a 1/2" rebar with Chaparral cap set for the northernmost corner of the said 0.034 acre tract, being the westernmost corner of an 8.944 acre tract of land described in Document No. 200907876 of the Official Public Records of Bastrop County, Texas;

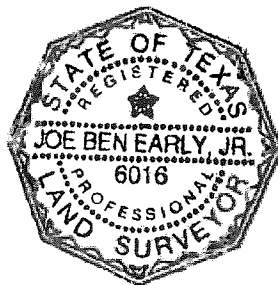
THENCE South 42°21'38" West over and across the said 0.460 acre tract and with the northwest line of the said 0.034 acre tract, a distance of 12.70 feet to the **POINT OF BEGINNING**, containing 0.156 acres of land, more or less.

Surveyor's Note: Area of uncertain title

The said 0.460 acre tract does not appear to be in the grantee's chain of title. (See surveyor's note in Volume 746, Page 215). Surveyor's note in Volume 746, Page 215 also refers to the 0.460 acre tract as an "unused portion of the old Elgin-Utley Road". No other description or record of the 0.460 acre tract was found during the research for this survey.

Surveyed on the ground on April 16, 2009. Bearing basis is grid azimuth for Texas central zone. Coordinates contained in this description are based on the Lower Colorado River Authority 1983/93 HARN, with a combined scale factor of 0.999958496. All distances contained in this description are surface distances. Attachments: Survey Drawing 457-001-OSBORN-0.156AC.

 5/4/10
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



SKETCH TO ACCOMPANY A DESCRIPTION OF 0.156 ACRES (APPROXIMATELY 6,785 SQ. FT.) IN THE JOSE MANUEL BANGS SURVEY, ABS. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 0.460 ACRE TRACT DESCRIBED IN VOLUME 746, PAGE 215 AND CONVEYED TO JEFFREY OSBORN, TERRY OSBORN AND LANCE OSBORN IN A SPECIAL WARRANTY GIFT DEED DATED FEBRUARY 1, 2006 AND RECORDED IN VOLUME 1610, PAGE 1, BOTH OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE						
NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	20°41'04"	130.00'	23.72'	46.93'	46.68'	N36°30'53"W

LINE TABLE		
No.	BEARING	LENGTH
L1	N43°08'35"E	3.18'
L2	S42°21'38"W	12.70'

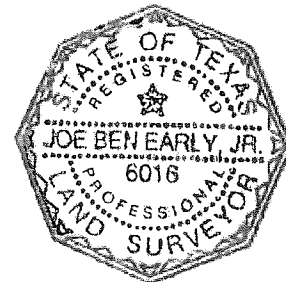
LEGEND	
●	1/2" REBAR FOUND
○	1/2" REBAR WITH CHAPARRAL CAP SET

BEARING BASIS: GRID AZIMUTH FOR TEXAS CENTRAL ZONE. COORDINATES LISTED FOR SURVEY CONTROL POINTS ARE BASED ON THE LOWER COLORADO RIVER AUTHORITY 1983/93 HARN, WITH A COMBINED SCALE FACTOR OF 0.999958496.

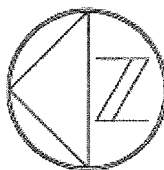
ATTACHMENTS: METES AND BOUNDS DESCRIPTION
457-001-OSBORN-0.156AC

DATE OF SURVEY: 4/16/2009
 PLOT DATE: 5/4/10
 DRAWING NO.: 457-001-OSBORN-0.156AC
 PROJECT NO.: 457-001
 DRAWN BY: JBE
 SHEET 1 OF 2

JBE
5/4/10



Chaparral



1" = 100'

BASTROP & ELGIN ROAD
REFERENCED IN (106/469)
OLD ELGIN-UTLEY ROAD
REFERENCED IN (746/215)
NO APPARENT DEFINED RIGHT-OF-WAY WIDTH
POSSIBLY PRIVATE ROAD
DOC BRYSON LANE

N47°15'30"W 1963.89'
N46°55'11"W 2009.76'

J. OSBORN, T. OSBORN
& L. OSBORN (1610/1)
47.334 ACRES
DESCRIBED IN
(746/215)

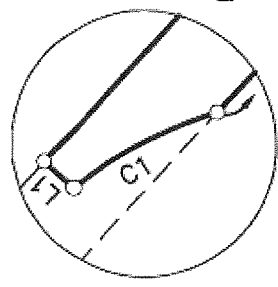
DOT FORD PARTNERSHIP, LP
215.79 ACRES (1890/542)
215.79 ACRES DESCRIBED IN (566/176)
215.79 ACRES DESCRIBED IN (224/492)
286 ACRES DESCRIBED IN (33/488)

SEE DETAIL A

S47°15'30"E 552.83'
N46°55'11"W 252.52'

0.156 ACRES
APPROX. 6,785 SQ. FT.
J. OSBORN, T. OSBORN
& L. OSBORN (1610/1)
PORTION 0.460 ACRES
DESCRIBED IN
(746/215)

F.M. 969 {80' R.O.W.}{149/39}

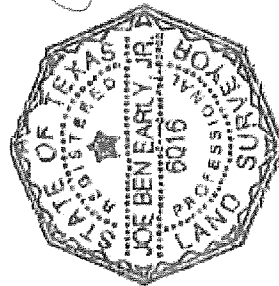


DETAIL A
NOT TO SCALE

XS RANCH
FUND VI, L.P.
8.944 ACRES
(200907876)
(1923/885)

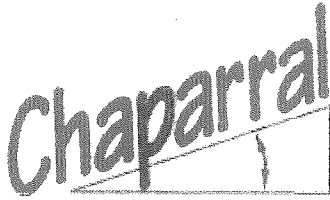
XS RANCH
FUND VI, L.P.
0.034 ACRES
(200908334)
(1926/363)

DATE OF SURVEY: 4/16/2009
PLOT DATE: 5/4/10
DRAWING NO.: 457-001-OSBORN-0.156AC
PROJECT NO.: 457-001
DRAWN BY: JBE
SHEET 2 OF 2



JBE
5/4/10





**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

0.140 ACRES

**JOSE MANUEL BANGS SURVEY, ABS. 5
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 0.140 ACRES (APPROXIMATELY 6,104 SQ. FT.) IN THE JOSE MANUEL BANGS SURVEY, ABS. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 47.334 ACRE TRACT DESCRIBED IN VOLUME 746, PAGE 215 AND CONVEYED TO JEFFREY OSBORN, TERRY OSBORN AND LANCE OSBORN IN A SPECIAL WARRANTY GIFT DEED DATED FEBRUARY 1, 2006 AND RECORDED IN VOLUME 1610, PAGE 1, BOTH OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 0.140 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found at the intersection of the north right-of-way line of F.M. 969 (80' right-of-way width) as described in Volume 149, Page 39 of the Deed Records of Bastrop County, Texas and the southwest right-of-way line of Doc Bryson Lane (no apparent defined right-of-way width) called Bastrop & Elgin Road in Volume 106, Page 469 of the Deed Records of Bastrop County, Texas and called Old Elgin-Utley Road in Volume 746, Page 215 of the Deed Records of Bastrop County, Texas, being also the easternmost corner of the said 47.334 acre tract,

THENCE with the north right-of-way line of F.M. 969 and the south line of the said 47.334 acre tract, with a curve to the left, having a radius of 2904.79 feet, a delta angle of 4°22'36", an arc length of 221.89 feet, and a chord which bears North 61°01'22" West, a distance of 221.83 feet to a 1/2" rebar with Chaparral cap set, from which a TxDOT type I monument found in the south right-of-way line of F.M. 969 at highway station 1305+95.45, 40' right, bears with a curve to the left, having a radius of 2904.79 feet, a delta angle of 5°39'40", an arc length of 287.00 feet, and a chord which bears North 66°02'30" West, a distance of 286.89 feet, then South 21°07'40" West, a distance of 80.00 feet;

THENCE over and across the said 47.334 acre tract, the following two (2) courses and distances:

1. North 24°19'20" East, a distance of 15.41 feet to a 1/2" rebar with Chaparral cap set;
2. With a curve to the left, having a radius of 130.00 feet, a delta angle of 19°56'44", an arc length of 45.26 feet, and a chord which bears North 14°20'58" East, a distance of 45.03 feet to a 1/2" rebar with Chaparral cap set in the southwest right-of-way of Doc Bryson Lane, being the northeast line of the said 47.334 acre

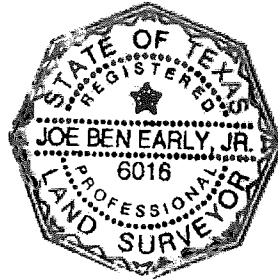
tract, from which a fence post found for an angle point in the southwest right-of-way of Doc Bryson Lane, being in the northeast line of the said 47.334 acre tract, bears North 46°54'50" West, a distance of 2126.69 feet;

THENCE South 46°54'50" East with the southwest right-of-way of Doc Bryson Lane and the northeast line of the said 47.334 acre tract, a distance of 241.75 feet to the **POINT OF BEGINNING**, containing 0.140 acres of land, more or less.

Surveyed on the ground on April 16, 2009. Bearing basis is grid azimuth for Texas central zone. Coordinates contained in this description are based on the Lower Colorado River Authority 1983/93 HARN, with a combined scale factor of 0.999958496. All distances contained in this description are surface distances. Attachments: Survey Drawing 457-001-OSBORN EASTERN TRIANGLE.

JE 5/4/10

Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016

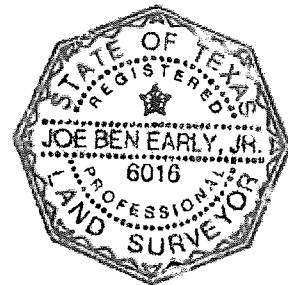


SKETCH TO ACCOMPANY A DESCRIPTION OF 0.140 ACRES (APPROXIMATELY 6,104 SQ. FT.) IN THE JOSE MANUEL BANGS SURVEY, ABS. 5, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 47.334 ACRE TRACT DESCRIBED IN VOLUME 746, PAGE 215 AND CONVEYED TO JEFFREY OSBORN, TERRY OSBORN AND LANCE OSBORN IN A SPECIAL WARRANTY GIFT DEED DATED FEBRUARY 1, 2006 AND RECORDED IN VOLUME 1610, PAGE 1, BOTH OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE						
NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	4°22'36"	2904.79'	111.00'	221.89'	221.83'	N61°01'22"W
C2	19°56'44"	130.00'	22.86'	45.26'	45.03'	N14°20'58"E
C3	5°39'40"	2904.79'	143.62'	287.00'	286.89'	N66°02'30"W
C15	10°02'15"	2904.79'	255.10'	508.89'	508.24'	N63°51'12"W

(C15 RECORD CHORD N60°32'41"W 510.41')

LINE TABLE		
No.	BEARING	LENGTH
L1	N24°19'20"E	15.41'
L2	S46°54'50"E	241.75'



JBE
5/4/10

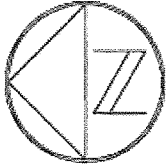
LEGEND	
●	1/2" REBAR FOUND
○	1/2" REBAR WITH CHAPARRAL CAP SET
■	TxDOT TYPE I MONUMENT FOUND
○	CALCULATED POINT
⊙	FENCE POST FOUND

BEARING BASIS: GRID AZIMUTH FOR TEXAS CENTRAL ZONE. COORDINATES LISTED FOR SURVEY CONTROL POINTS ARE BASED ON THE LOWER COLORADO RIVER AUTHORITY 1983/93 HARN, WITH A COMBINED SCALE FACTOR OF 0.999958496.

ATTACHMENTS: METES AND BOUNDS DESCRIPTION
457-001-OSBORN EASTERN TRIANGLE

DATE OF SURVEY: 4/16/2009
 PLOT DATE: 4/28/10
 DRAWING NO.: 457-001-OSBORN EASTERN TRIANGLE
 PROJECT NO.: 457-001
 DRAWN BY: JBE
 SHEET 1 OF 2





1" = 100'

BASTROP & ELGIN ROAD
REFERENCED IN (106/469)
OLD ELGIN-UTLEY ROAD
REFERENCED IN (746/215)
NO APPARENT DEFINED
RIGHT-OF-WAY WIDTH
POSSIBLY PRIVATE ROAD
DOC BRYSON LANE

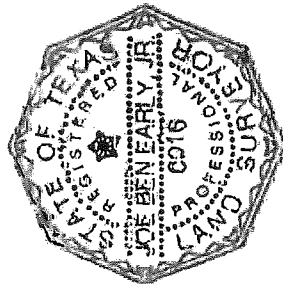
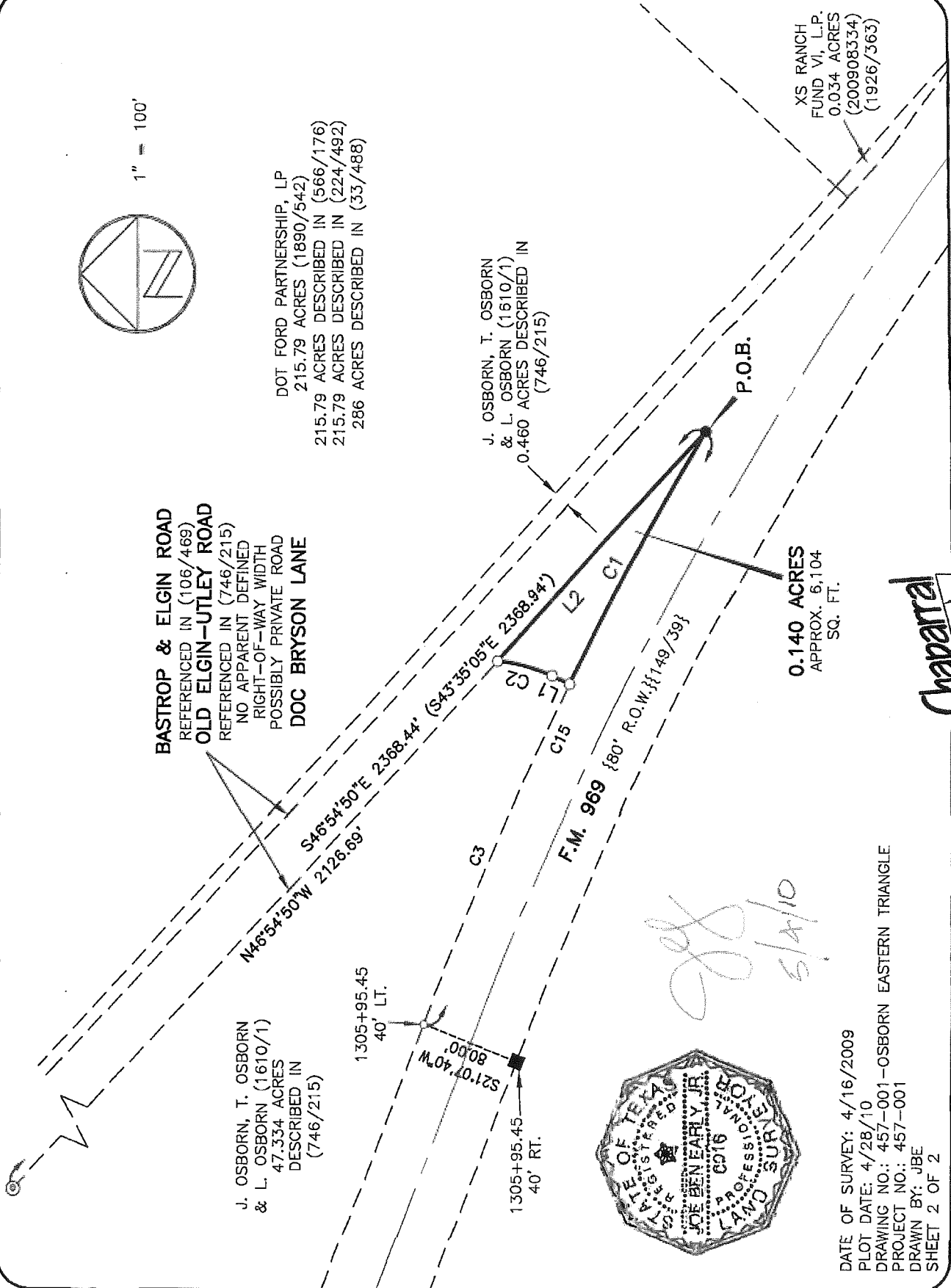
J. OSBORN, T. OSBORN
& L. OSBORN (1610/1)
47.334 ACRES
DESCRIBED IN
(746/215)

DOT FORD PARTNERSHIP, LP
215.79 ACRES (1890/542)
215.79 ACRES DESCRIBED IN (566/176)
215.79 ACRES DESCRIBED IN (224/492)
286 ACRES DESCRIBED IN (33/488)

J. OSBORN, T. OSBORN
& L. OSBORN (1610/1)
0.460 ACRES DESCRIBED IN
(746/215)

XS RANCH
FUND VI, L.P.
0.034 ACRES
(200908334)
(1926/363)

0.140 ACRES
APPROX. 6,104
SQ. FT.



Handwritten signature and date: 5/2/10

DATE OF SURVEY: 4/16/2009
PLOT DATE: 4/28/10
DRAWING NO.: 457-001 - OSBORN EASTERN TRIANGLE
PROJECT NO.: 457-001
DRAWN BY: JBE
SHEET 2 OF 2





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**8.953 ACRES
S.F. AUSTIN SURVEY, ABSTRACT 3
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 8.953 ACRES (APPROXIMATELY 389,978 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 154.20 ACRE TRACT CONVEYED TO RALPH MOCK AND WIFE, MARGARET A. MOCK IN A DEED DATED MAY 24, 1969 AND RECORDED IN VOLUME 191, PAGE 165 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 8.953 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found in the northwest line of the said 154.20 acre tract, being the easternmost corner of a 1.98 acre tract and the southernmost corner of a 1.00 acre tract, both described in Volume 1816, Page 40 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the southeast right-of-way line of County Road 36 – Phelan Road (no defined right-of-way width found), being the northernmost corner of the said 1.98 acre tract, being also the westernmost corner of the said 1.00 acre tract, bears North 52°53'01" West, a distance of 204.43 feet;

THENCE North 42°30'04" East with the northwest line of the said 154.20 acre tract and the southeast line of the said 1.00 acre tract, a distance of 138.09 feet to a 1/2" rebar with "Chaparral" cap set, from which a 1/2" rebar found in the northwest line of the said 154.20 acre tract, being the easternmost corner of the said 1.00 acre tract, being also the southernmost corner of a 1.000 acre tract described in Volume 578, Page 406 of the Deed Records of Bastrop County, Texas, bears North 42°30'04" East, a distance of 54.26 feet;

THENCE crossing the said 154.20 acre tract, the following five (5) courses and distances:

1. South 61°11'07" East, a distance of 161.24 feet to a 1/2" rebar with "Chaparral" cap set;
2. With a curve to the right, having a radius of 300.00 feet, a delta angle of 21°56'13", an arc length of 114.86 feet, and a chord which bears South 50°13'01" East, a distance of 114.16 feet to a 1/2" rebar with "Chaparral" cap set;
3. With a curve to the left, having a radius of 450.00 feet, a delta angle of 48°06'01", an arc length of 377.78 feet, and a chord which bears South 63°17'55" East, a distance of 366.78 feet to a 1/2" rebar with "Chaparral" cap set;

4. With a curve to the left, having a radius of 1140.00 feet, a delta angle of $28^{\circ}59'50''$, an arc length of 576.95 feet, and a chord which bears North $78^{\circ}09'09''$ East, a distance of 570.82 feet to a 1/2" rebar with "Chaparral" cap set, from which a 1/2" iron pipe found at the southwest intersection of County Road 45 – B.J. Mayes Road and County Road 36 – Phelan Road, being also the northeast corner of the said 154.20 acre tract, bears North $19^{\circ}19'49''$ East, a distance of 2340.63 feet;
5. North $63^{\circ}39'14''$ East, a distance of 924.84 feet to a 1/2" rebar with "Chaparral" cap set in the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced (no defined right-of-way width found), being the east line of the said 154.20 acre tract, from which a 4" wood fence post found in the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced, being in the east line of the said 154.20 acre tract, bears North $00^{\circ}08'51''$ East, a distance of 29.45 feet;

THENCE South $00^{\circ}08'51''$ West with the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced and the east line of the said 154.20 acre tract, a distance of 134.08 feet to a 1/2" rebar with "Chaparral" cap set, from which a 4" wood fence post found in the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced, being in the east line of the said 154.20 acre tract, bears South $00^{\circ}08'51''$ West, a distance of 52.93 feet;

THENCE crossing the said 154.20 acre tract, the following three (3) courses and distances:

1. South $63^{\circ}39'14''$ West, a distance of 865.03 feet to a 1/2" rebar with "Chaparral" cap set;
2. With a curve to the right, having a radius of 1260.00 feet, a delta angle of $29^{\circ}07'06''$, an arc length of 640.34 feet, and a chord which bears South $78^{\circ}12'47''$ West, a distance of 633.48 feet to a 1/2" rebar with "Chaparral" cap set;
3. With a curve to the right, having a radius of 1000.00 feet, a delta angle of $48^{\circ}57'20''$, an arc length of 854.43 feet, and a chord which bears North $79^{\circ}59'35''$ West, a distance of 828.68 feet to a 1/2" rebar with "Chaparral" cap set in the northwest line of the said 154.20 acre tract, being in the southeast line of the said 1.98 acre tract, from which a 1/2" rebar found in the northwest line of the said 154.20 acre tract, being in the southeast line of the said 1.98 acre tract, being also the northernmost corner of a 10.00 acre tract described in Volume 1534;

Page 858 of the Deed Records of Bastrop County, Texas, bears South 42°36'28" West, a distance of 78.52 feet;

THENCE North 42°36'28" East with the northwest line of the said 154.20 acre tract and the southeast line of the said 1.98 acre tract, a distance of 257.48 feet to the **POINT OF BEGINNING**, containing 8.953 acres of land, more or less.

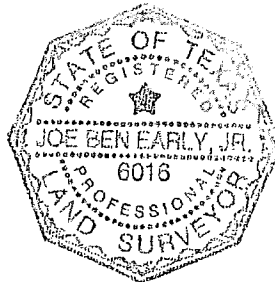
Surveyed on the ground on May 8, 2012.

Bearing Basis: The Texas Coordinate System of 1983, Central Zone, based on GPS solutions from The National Geodetic Survey (NGS) on-line positioning user service (OPUS).

Attachments: Survey Drawing 828-001-MOCK.

 5/9/12

Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016





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**6.117 ACRES
S.F. AUSTIN SURVEY, ABSTRACT 3
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 6.117 ACRES (APPROXIMATELY 266,451 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 4 ACRE TRACT CONVEYED TO THOMAS WHITE IN A DEED DATED OCTOBER 30, 1917 AND RECORDED IN VOLUME 71, PAGE 69 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS; SAID 6.117 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with "Chaparral" cap set in the west right-of-way line of State Highway 95 (100' right-of-way width) as described in Volume 95, Page 416 of the Deed Records of Bastrop County, Texas, being an angle point in the east line of the said 4 acre White tract, being also the northernmost corner of a 0.81 acre tract described in Volume 288, Page 441 of the Deed Records of Bastrop County, Texas, from which a TxDOT type I monument found in the west right-of-way line of State Highway 95 at TxDOT highway station 777+96.3, 50' right, bears with a curve to the left, having a radius of 5779.58 feet, a delta angle of 11°35'44", an arc length of 1169.68 feet, and a chord which bears South 02°35'10" East, a distance of 1167.69 feet;

THENCE South 36°40'27" West with the southeast line of the said 4 acre White tract and the northwest line of the said 0.81 acre tract as fenced, passing a 1/2" rebar found at a distance of 3.12 feet, passing a 1/2" rebar with "Chaparral" cap set for reference at a distance of 354.99 feet and continuing for a total distance of 364.99 feet to a calculated point underneath a large fallen tree trunk for the southernmost corner of the said 4 acre White tract, being the southwest corner of the said 0.81 acre tract, being also in the north line of a 4 acre tract conveyed to Perry Taylor in Volume 118, Page 96 of the Deed Records of Bastrop County, Texas;

THENCE North 77°07'30" West with the south line of the said 4 acre White tract and the north line of the said 4 acre Taylor tract as fenced, passing a 1/2" rebar with "Chaparral" cap set for reference at a distance of 10.00 feet and continuing for a total distance of 366.37 feet to a 1/2" rebar with "Chaparral" cap set in the apparent east right-of-way line of County Road 45 – B.J. Mayes Road as fenced (no defined right-of-way width found), being the southwest corner of the said 4 acre White tract, being also the apparent northwest corner of the said 4 acre Taylor tract;

THENCE North 01°12'36" East with the apparent east right-of-way line of County Road 45 – B.J. Mayes Road and the west line of the said 4 acre White tract as fenced, a distance of 131.38 feet to a 1/2" rebar with "Chaparral" cap set for the southernmost

corner of the Zion Chapel Missionary Baptist Church tract described in Volume 55, Page 282 of the Deed Records of Bastrop County, Texas;

THENCE North 42°22'56" East with the northwest line of the said 4 acre White tract and the southeast line of the said Zion Chapel Missionary Baptist Church tract, a distance of 381.24 feet to a 1/2" rebar found for the easternmost corner of the said Zion Chapel Missionary Baptist Church tract, being an angle point in the southeast line of a 3.92 acre tract described in Volume 852, Page 101 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the north line of the said Zion Chapel Missionary Baptist Church tract, being a southwest corner of the said 3.92 acre tract, bears North 89°21'22" West, a distance of 57.02 feet;

THENCE North 42°22'56" East with the northwest line of the said 4 acre White tract and the southeast line of the said 3.92 acre tract, a distance of 488.97 feet to a 1/2" rebar with "Chaparral" cap set for the northernmost corner of the said 4 acre White tract, being the westernmost corner of a 169 4/10 acre tract described in Volume 64, Page 460 of the Deed Records of Bastrop County, Texas, same being the westernmost corner of a 38 yard by 27 yard by 20 yard triangle tract described in Volume 104, Page 273 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the southeast line of the said 3.92 acre tract, being in the northwest line of the said 169 4/10 acre tract, same being the northwest line of the said 38 yard by 27 yard by 20 yard triangle tract, bears North 42°22'56" East, a distance of 48.40 feet;

THENCE South 26°56'32" East with the northeast line of the said 4 acre White tract and the southwest line of the said 169 4/10 acre tract, same being the southwest line of the said 38 yard by 27 yard by 20 yard triangle tract, a distance of 56.83 feet to a 1/2" rebar with "Chaparral" cap set in the west right-of-way line of State Highway 95, being the southernmost corner of the said 38 yard by 27 yard by 20 yard triangle tract, from which a TxDOT type I monument found in the west right-of-way line of State Highway 95, bears North 04°39'58" East, a distance of 544.12 feet;

THENCE with the west right-of-way line of State Highway 95 and crossing the said 4 acre White tract, the following two (2) courses and distances:

1. South 04°39'58" West, a distance of 367.24 feet to a 1/2" rebar with "Chaparral" cap set at TxDOT highway station 764+91.3, 50' right;
2. With a curve to the left, having a radius of 5779.58 feet, a delta angle of 01°27'16", an arc length of 146.71 feet, and a chord which bears South 03°56'20" West, a distance of 146.70 feet to the **POINT OF BEGINNING**, containing 6.117 acres of land, more or less.

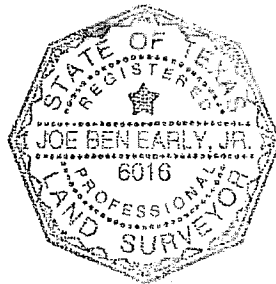
Surveyed on the ground on April 13, 2012.

Bearing Basis: Grid azimuth for Texas Central Zone state plane coordinates, 1983/93 HARN, based on GPS solutions from The National Geodetic Survey (NGS) On-line Positioning User Service (OPUS).

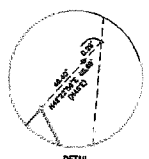
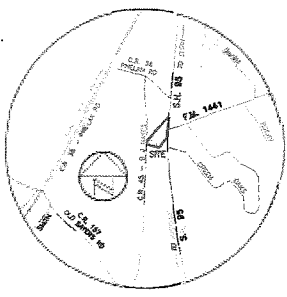
Attachments: Survey Drawing 828-001-BASE.

JB 4/16/12

Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016

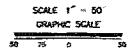


AN ALTA/ACSM LAND TITLE SURVEY OF 6.117 ACRES (APPROXIMATELY 266,451 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 4 ACRE TRACT CONVEYED TO THOMAS WHITE BY A DEED BASTROP NUMBER 701, 1917 AND RECORDED IN VOLUME 71, PAGE 89 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.



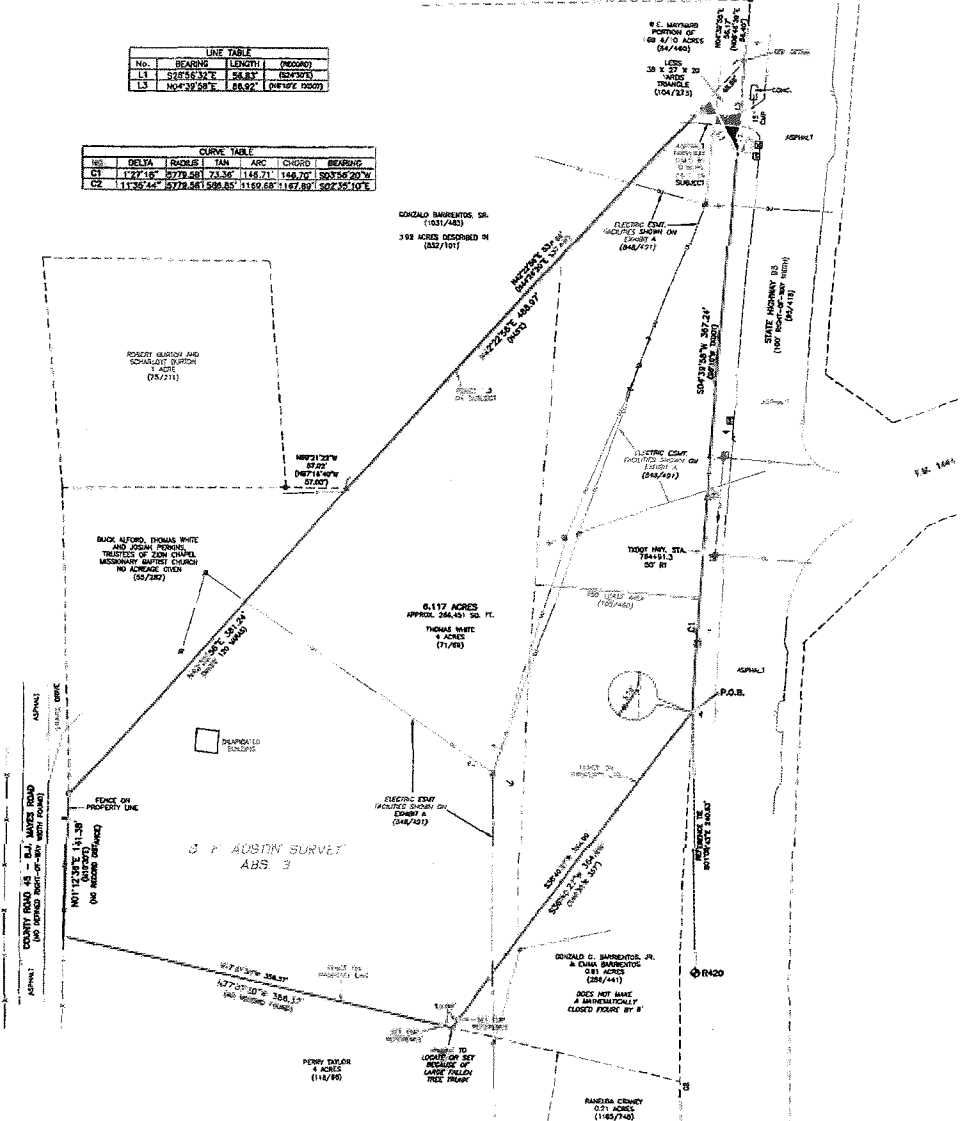
LINE TABLE			
No.	BEARING	LENGTH	(COORDS)
L.1	S28°15'32"E	55.83'	(247/227)
L.3	S4°32'58"E	88.92'	(247/227)

CURVE TABLE					
NO.	DELTA	RADIUS	TAN	ARC CHORD	BEARING
C1	1°27'16"	9779.581'	73.36'	1148.71'	S63°56'20"W
C2	11°35'42"	9779.581'	1599.85'	1167.89'	S62°32'10"E



- LEGEND**
- 1/2" REBAR FOUND (OR AS NOTED)
 - 1/2" REBAR WITH "CHARMVAL" CAP SET
 - 1/2" TYPE I IRONMENT FOUND
 - ▲ CALCULATED POINT
 - ◆ CONTROL POINT/BENCHMARK LOCATION
 - ⊙ UTILITY POLE
 - ⊖ GUY WIRE
 - ⊕ OVERHEAD UTILITY
 - ⊕ TRAFFIC SIGNAL POLE
 - ⊕ SIGNAL BOX
 - ⊕ TELEPHONE UTILITY
 - ⊕ UNDERGROUND TELEPHONE MARKER
 - ⊕ TELEPHONE MARKER
 - ⊕ SIGN
 - ⊕ MAILBOX
 - ⊕ EDGE OF PAVEMENT
 - ⊕ GAS VENT FDNC
 - () RECORD INFORMATION

THIS IS A SURFACE SURVEY.
 BEARING BASE: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON GRS BELLISSIMO FROM THE NATIONAL GEODETIC SURVEY (NGS) ON-THE-GROUND PNEUMATIC LEVEL SURVEY (ONMS) FOR CHARMVAL CONTROL POINT "BAND".
 1/2" REBAR WITH "CHARMVAL" CAP SET
 SURFACE COORDINATES:
 N 1003191.03
 E 1003191.70
 TEXAS STATE PLANE COORDINATES:
 N 1003187.82
 E 1003179.89
 COVERED SCALE FACTOR = 0.99999948
 (FOR SURFACE TO GROUND CONVERSION)
 INVERSE SCALE FACTOR = 1.00000052
 (FOR GROUND TO SURFACE CONVERSION)
 SOUTH ARROW 0.0
 TIES ANGLE 133.10°



TITLE COMMENTARY NOTE:
 COMMENTARY FOR TITLE REQUIREMENT PREPARED BY:
 Chicago Title Insurance Company
 C/T No: 11553-026 Checkmate Date: 6/14/12 Issue: 6/22/12
 The surveyor has relied upon the information furnished for the recording, statements, restrictions, and other matters affecting this property. No additional research was done for the purpose of this survey. Title will be insured according to the commitment, issued by surveyor's title and/or observations.
 Schedule "B" items contained therein and re-rated below were considered:
 109) Terms, Conditions, and Specifications in Oil, Gas and Mineral Lease;
 110) Record: Volume 11, page 88, Oil Lease Record, Bastrop County, Texas;
 111) To be used in conjunction with the above information in the title of the above referenced commitment - subject to;
 112) Terms, Conditions, and Specifications in Oil, Gas and Mineral Lease;
 113) Record: Volume 11, page 88, Oil Lease Record, Bastrop County, Texas;
 114) To be used in conjunction with the above information in the title of the above referenced commitment - subject to, as above, re-rated copies;
 115) Easement;
 116) Record: Volume 462, page 401, Official Record, Bastrop County, Texas;
 117) Bastrop County, Texas;
 118) Property Record: Volume 11, page 88, Oil Lease Record, Bastrop County, Texas;
 119) To be used in conjunction with the above information in the title of the above referenced commitment - subject to, as above, re-rated copies.

FLOOD-PLAN NOTE:
 The tract shown herein lies within Zone "X" (areas determined to be outside the 0.2% annual chance floodplain), as identified by the Federal Emergency Management Agency, National Flood Insurance Program, on sheets on map no. 48202D011E dated January 15, 2008, for Bastrop County, Texas and incorporated herein. If this site is not within an identified special flood hazard area, this flood statement does not imply that the property and/or the structures thereon will be free from flooding or flood damage. This flood statement shall not create liability on the part of the surveyor.

ALTA/ACSM SURVEY NOTES:
 (Table A, Item 15)
 There was no observable evidence of earth moving work, building construction or building collapse at time of ground survey.
 (Table A, Item 18)
 There was no observed evidence of site use as a solid waste dump, pump or sanitary landfill at time of ground survey.
 (Table A, Item 19)
 The surveyor found no recent evidence of erosion areas affecting the subject tract at time of survey. There was no observed evidence of erosion areas on the subject tract at time of ground survey.

GENERAL SURVEY NOTES:
 (Table A, Item 16)
 The surveyor found no recent evidence of erosion areas affecting the subject tract at time of survey. There was no observed evidence of erosion areas on the subject tract at time of ground survey.

SURVEYOR'S CERTIFICATE:
 CERTIFIED TO:
 Mark of Thomas White AND Thomas O. White, Sr., deceased and Lydie Ruth Deaton
 15 Southland, Land & L.P., a California limited partnership
 Chicago Title Insurance Company
 Independence Title Company

The title to this map or plan and the survey on which it is based were made in accordance with the 2011 Minimum Standard Detail Requirements for ALTA/ACSM Land Surveys, Jointly established and adopted by ALTA and NSPS, and included Items 1-4, 6, 8, 11a, 11, 15, 18 and 19 of said A to Z Manual.
 The total work was completed on 6/13/12
 Joe Ben Foy, Jr., Surveyor
 Bastrop County, Texas
 State of Texas No. 6112
 JoeBenFoy.com

PROJECT NO: 620-054
 DRAWING NO: 620-054-BASE
 DATE: 6/25/12
 PLOT SCALE: 1" = 50'
 DRAWN BY: JEB
 CHECKED BY: JEB
 01 OF 03

Chaparral
 Professional Land Surveying, Inc.
 Surveying and Mapping
 2600 McCall Lane
 Austin, Texas 78744
 512-443-1724

TOTAL AREA: 266,451 SQ. FT.
 6.117 ACRES
 50' 0"



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**2.984 ACRES
S.F. AUSTIN SURVEY, ABSTRACT 3
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 2.984 ACRES (APPROXIMATELY 130,003 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, CONSISTING OF:

TRACT 1: BEING ALL OF A 1.00 ACRE TRACT CONVEYED TO CHARLES C. COX IN A GENERAL WARRANTY DEED DATED FEBRUARY 29, 2008 AND RECORDED IN VOLUME 1816, PAGE 40 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.

TRACT 2: BEING ALL OF A 1.98 ACRE TRACT CONVEYED TO CHARLES C. COX IN A GENERAL WARRANTY DEED DATED FEBRUARY 29, 2008 AND RECORDED IN VOLUME 1816, PAGE 40 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.

SAID 2.984 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found in the southeast right-of-way line of County Road 36 – Phelan Road (no defined right-of-way width found), being the northernmost corner of the said 1.00 acre tract, being also the westernmost corner of a 1.000 acre tract described in Volume 578, Page 406 of the Deed Records of Bastrop County, Texas;

THENCE South 52°51'50" East with the northeast line of the said 1.00 acre tract and the southwest line of the said 1.000 acre tract, a distance of 250.61 feet to a 1/2" rebar found for the easternmost corner of the said 1.00 acre tract, being the southernmost corner of the said 1.000 acre tract, being also in the northwest line of a 154.20 acre tract described in Volume 191, Page 165 of the Deed Records of Bastrop County, Texas;

THENCE South 42°30'04" West with the southeast line of the said 1.00 acre tract and the northwest line of the said 154.20 acre tract, a distance of 192.35 feet to a 1/2" rebar found for the southernmost corner of the said 1.00 acre tract, being the easternmost corner of the said 1.98 acre tract;

THENCE South 42°36'28" West with the southeast line of the said 1.98 acre tract and the northwest line of the said 154.20 acre tract, a distance of 336.00 feet to a 1/2" rebar found for the northernmost corner of a 10.00 acre tract described in Volume 1534, Page 858 of the Deed Records of Bastrop County, Texas;

THENCE with the southeast line of the said 1.98 acre tract and the northwest line of the said 10.00 acre tract, the following three (3) courses and distances:

1. South 43°00'28" West, a distance of 145.46 feet to a 1/2" rebar found;
2. South 42°03'33" West, a distance of 150.19 feet to a 1/2" rebar found;
3. South 44°06'50" West, a distance of 203.73 feet to a 1/2" iron pipe found in the southeast right-of-way line of County Road 36 – Phelan Road, being the southernmost corner of the said 1.98 acre tract, from which a 1/2" rebar found in the southeast right-of-way line of County Road 36 – Phelan Road, being the westernmost corner of the said 10.00 acre tract, bears South 28°29'00" West, a distance of 49.98 feet;

THENCE North 28°55'39" East with the southeast right-of-way line of County Road 36 – Phelan Road and the northwest line of the said 1.98 acre tract, a distance of 839.56 feet to a 1/2" rebar found for the northernmost corner of the said 1.98 acre tract, being the westernmost corner of the said 1.00 acre tract;

THENCE North 28°45'47" East with the southeast right-of-way line of County Road 36 – Phelan Road and the northwest line of the said 1.00 acre tract, a distance of 193.64 feet to the **POINT OF BEGINNING**, containing 2.984 acres of land, more or less.

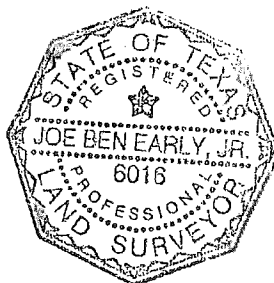
Surveyed on the ground on April 25, 2012.

Bearing Basis: Grid azimuth for Texas Central Zone state plane coordinates, 1983/93 HARN, based on GPS solutions from The National Geodetic Survey (NGS) On-line Positioning User Service (OPUS).

Attachments: Survey Drawing 828-001-COX.

 4/26/12

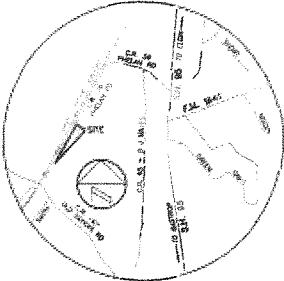
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



A ALTA/ACSM LAND TITLE SURVEY OF 2.984 ACRES (APPROXIMATELY 130,000 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, CONSISTING OF:

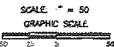
TRACT 1: BEING ALL OF A 1.00 ACRE TRACT CONVEYED TO CHARLES C. COX IN A GENERAL WARRANTY DEED DATED FEBRUARY 29, 2008 AND RECORDED IN VOLUME 1816, PAGE 40 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.

TRACT 2: BEING ALL OF A 1.98 ACRE TRACT CONVEYED TO CHARLES C. COX IN A GENERAL WARRANTY DEED DATED FEBRUARY 29, 2008 AND RECORDED IN VOLUME 1816, PAGE 40 OF THE DEED RECORDS OF BASTROP COUNTY, TEXAS.



LOCATION MAP NOT TO SCALE

- LEGEND**
- 1/2" IRON PIPES FOUND (AS NOTED)
 - 1/2" IRON PIPE FOUND
 - ⊙ CONTROL POINT/REFERENCE LOCATION
 - ▭ WATER SHOULDER
 - # UTILITY POLE
 - UTILITY WIRE
 - OVERHEAD UTILITIES
 - ▭ CLEARCUT
 - SANDPILE MARK
 - ▭ TELEPHONE UTILITY
 - ▲ UNDERGROUND TELEPHONE MARKER
 - ▽ SIGN
 - ▭ WALLS
 - EDGE OF PAVEMENT
 - X- BARE WIRE FENCE
 - () RECORD INFORMATION



SCALE = 50

GRAPHIC SCALE

THIS IS A SURVEY DRAWING

STANDARD SURVEYING AND PLANNING PRACTICES OF THE SURVEYING PROFESSION HAVE BEEN USED IN THE PREPARATION OF THIS DRAWING. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF UNLAWFUL ENCROACHMENTS OR VIOLATIONS OF ANY APPLICABLE REGULATIONS. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF UNLAWFUL ENCROACHMENTS OR VIOLATIONS OF ANY APPLICABLE REGULATIONS.

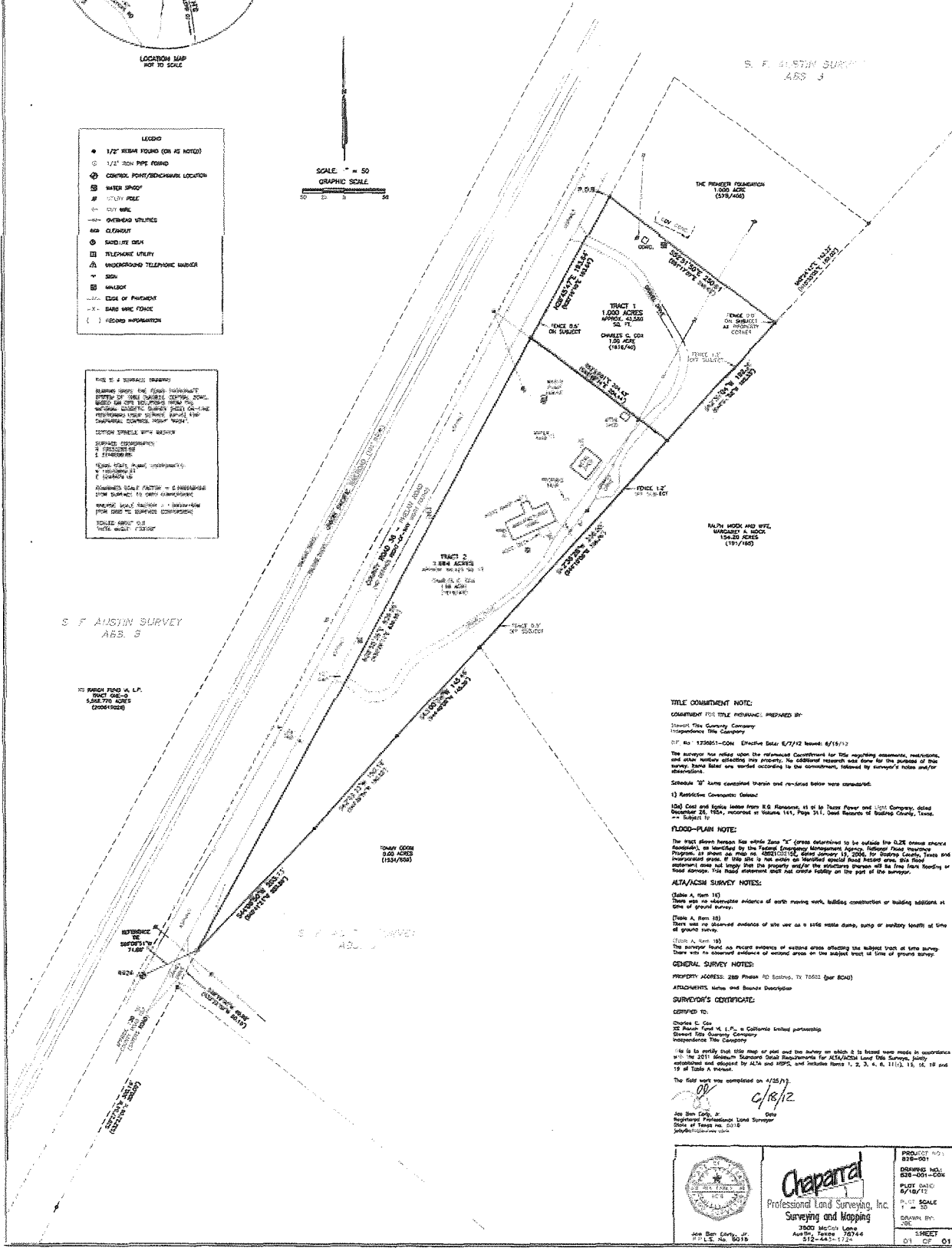
STANDARD SURVEYING AND PLANNING PRACTICES OF THE SURVEYING PROFESSION HAVE BEEN USED IN THE PREPARATION OF THIS DRAWING. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF UNLAWFUL ENCROACHMENTS OR VIOLATIONS OF ANY APPLICABLE REGULATIONS.

STANDARD SURVEYING AND PLANNING PRACTICES OF THE SURVEYING PROFESSION HAVE BEEN USED IN THE PREPARATION OF THIS DRAWING. THE SURVEYOR HAS CONDUCTED A VISUAL INSPECTION OF THE PROPERTY AND HAS FOUND NO EVIDENCE OF UNLAWFUL ENCROACHMENTS OR VIOLATIONS OF ANY APPLICABLE REGULATIONS.

S. F. AUSTIN SURVEY
ABS. 3

TO BURGESS FUND V. L.P.
TRACT 2AC-2
154.20 ACRES
(2008-10228)

TOWN COOK
220 ACRES
(1534/2008)



TITLE COMMITMENT NOTE:
COMMITMENT FOR TITLE INSURANCE, PREPARED BY:
Stewart Title Guaranty Company
Independent Title Company
07 No. 125081-004 Effective Date: 6/7/12 Issued: 6/15/12

The surveyor has relied upon the referenced Commitment for the reporting easements, restrictions, and other matters affecting the property. No additional research was done for the purposes of this survey. Some labels are marked according to the commitment, labeled by surveyor's notes and/or observations.

Schedule "B" items cancelled therein and re-added below were considered:
1) Restrictive Covenants: Deleted
150) Coal and Lignite Lease from E.G. Mansinger, et al to Texas Power and Light Company, dated December 28, 1924, recorded in Volume 141, Page 214, Deed Records of Bastrop County, Texas.
-- Subject to

FLOOD-PLAN NOTE:
The tract shown herein lies within Zone "X" (area determined to be outside the 0.2% annual chance floodplain, as identified by the Federal Emergency Management Agency, National Flood Insurance Program, as shown on map no. 420210101G, dated January 15, 2004, for Bastrop County, Texas and surrounding areas. If this site is not within a National Flood Insurance Program area, this statement does not imply that the property and/or the structures thereon will be free from flooding or flood damage. The flood elevation shall not cross facility on the part of the surveyor.

ALTA/ACSM SURVEY NOTES:
Table A, Item 10
There was no discernible evidence of earth moving work, building construction or building additions at time of ground survey.
Table A, Item 18
There was no discernible evidence of site use as a solid waste dump, junk or recycling facility at time of ground survey.
Table A, Item 19
The surveyor found no record evidence of wetland areas affecting the subject tract at time survey. There was no discernible evidence of wetland areas on the subject tract at time of ground survey.

GENERAL SURVEY NOTES:
PROPERTY ADDRESS: 288 Phelan RD, Bastrop, TX 70012 (per ROAD)
ATTACHMENTS: Survey and Boundary Description

SURVEYOR'S CERTIFICATE:
CERTIFIED TO:
Charles E. Cox
288 Phelan Road V. L.P., a California limited partnership
General Title Guaranty Company
Independent Title Company

I do hereby certify that this map or plan and the survey on which it is based were made in accordance with the 2011 Minimum Standards and Requirements for ALTA/ACSM Land Title Surveys, fully established and adopted by ALTA and NSPS, and include items 1, 2, 3, 4, 6, 11(1), 14, 16, 18, 19 and 20 of Table A thereof.

The said work was completed on 4/15/12.

Joe Ben Cook, Jr. Date
Registered Professional Land Surveyor
State of Texas No. 2018
jbc@stewarttitle.com



Chaparral
Professional Land Surveying, Inc.
Surveying and Mapping
35003 Merton Lane
Austin, Texas 78744
512-442-1124

PROJECT NO.:
818-00
DRAWING NO.:
B30-001-COX
DATE PLOTTED:
6/15/12
SCALE:
1" = 50'
DRAWN BY:
JBC
SHEET:
01 OF 01



Exhibit "B"

Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**548.477 ACRES
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 548.477 ACRES IN THE S.F. AUSTIN SURVEY, ABSTRACT NO. 3 AND THE ISAAC HARRIS SURVEY NO. 2, ABSTRACT NO. 38, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 5,566.770 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619026 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 548.477 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with "Chaparral" cap set in the northwest right-of-way line of the Union Pacific Railroad (100' right-of-way width), being in the fenced northeast line of County Road 157 (no apparent defined right-of-way width), being also the southernmost corner of the said 5566.770 acre tract;

THENCE North 70°54'45" West with the fenced northeast line of County Road 157 and the southwest line of the said 5566.770 acre tract, a distance of 508.46 feet to a fence post found for the southernmost corner of a cemetery (no record description found);

THENCE leaving the fenced northeast line of County Road 157, with the southwest line of the said 5566.770 acre tract, and the fenced line of said cemetery, the following three (3) courses and distances:

1. North 27°36'53" East, a distance of 295.98 feet to a fence post found;
2. North 59°21'01" West, a distance of 213.96 feet to a fence post found;
3. South 46°04'58" West, a distance of 334.28 feet to a fence post found in the fenced northeast line of County Road 157;

THENCE with the fenced northeast line of County Road 157 and the southwest line of the said 5566.770 acre tract, the following thirty-three (33) courses and distances:

1. North 48°55'26" West, a distance of 1197.98 feet to a fence post found;
2. With a curve to the right, an arc length of 270.39 feet, having a radius of 959.67 feet and a chord which bears North 35°25'39" West, a distance of 269.50 feet to a fence post found;

3. North 29°09'39" West, a distance of 153.76 feet to a fence post found;
4. North 40°47'14" West, a distance of 639.58 feet to a fence post found;
5. North 34°04'48" West, a distance of 832.33 feet to a fence post found;
6. North 31°21'24" West, a distance of 118.29 feet to a fence post found;
7. North 24°22'16" West, a distance of 176.75 feet to a fence post found;
8. North 18°55'11" West, a distance of 120.47 feet to a fence post found;
9. North 10°15'52" West, a distance of 264.46 feet to a fence post found;
10. North 07°51'48" West, a distance of 327.03 feet to a fence post found;
11. North 12°13'41" West, a distance of 91.49 feet to a fence post found;
12. With a curve to the left, an arc length of 230.63 feet, having a radius of 290.55 feet and a chord which bears North 35°03'33" West, a distance of 224.62 feet to a fence post found;
13. North 60°03'33" West, a distance of 88.80 feet to a fence post found;
14. North 62°48'40" West, a distance of 325.21 feet to a fence post found, from which a 1/2" rebar found, bears South 58°18'36" West, a distance of 60.73 feet;
15. North 71°52'04" West, a distance of 98.90 feet to a 1/2" rebar with "Chaparral" cap set;
16. North 84°51'25" West, a distance of 548.44 feet to a fence post found;
17. South 86°27'29" West, a distance of 73.98 feet to a fence post found;
18. South 78°51'37" West, a distance of 39.75 feet to a fence post;
19. South 73°16'07" West, a distance of 141.66 feet to a fence post;
20. With a curve to the right, an arc length of 139.35 feet, having a radius of 290.37 feet and a chord which bears South 87°41'13" West, a distance of 138.02 feet to a fence post found;

21. With a curve to the right, an arc length of 165.02 feet, having a radius of 774.91 feet and a chord which bears North 68°44'53" West, a distance of 164.71 feet to a fence post found;
22. North 52°54'39" West, a distance of 123.41 feet to a fence post found;
23. North 31°56'06" West, a distance of 79.58 feet to a fence post found;
24. North 21°29'47" West, a distance of 191.24 feet to a fence post found;
25. North 22°51'02" West, a distance of 86.71 feet to a fence post found;
26. With a curve to the left, an arc length of 228.67 feet, having a radius of 548.91 feet and a chord which bears North 38°10'46" West, a distance of 227.02 feet to a fence post found, from which a 1/2" rebar with cap found, bears South 11°31'55" West, a distance of 58.42 feet;
27. North 48°39'12" West, a distance of 119.64 feet to a fence post found, from which a 1/2" rebar with cap found, bears South 74°52'45" West, a distance of 56.05 feet;
28. With a curve to the right, an arc length of 124.62 feet, having a radius of 489.39 feet and a chord which bears North 37°56'09" West, a distance of 124.29 feet to a fence post found;
29. North 30°09'55" West, a distance of 171.71 feet to a fence post found;
30. North 34°19'30" West, a distance of 193.48 feet to a fence post found;
31. North 41°24'11" West, a distance of 112.93 feet to a fence post found;
32. North 55°09'35" West, a distance of 71.44 feet to a fence post found;
33. North 72°29'33" West, a distance of 137.95 feet to a fence post found for an angle point in the southeast line of a 22.43 acre tract of land described in Volume 176, Page 62 of the Deed Records of Bastrop County, Texas;

THENCE leaving the northeast line of County Road 157, with the fenced common line of the said 5566.770 acre tract and the said 22.43 acre tract, the following three (3) courses and distances:

1. North 37°28'32" East, a distance of 131.53 feet to a fence post found;
2. North 49°29'56" East, a distance of 92.62 feet to a fence post found;
3. North 46°23'18" East, a distance of 54.61 feet to a calculated point;

THENCE crossing the said 5566.770 acre tract, the following twenty (20) courses and distances:

1. South 72°29'33" East, a distance of 55.69 feet to a calculated point;
2. South 55°09'35" East, a distance of 139.70 feet to a calculated point;
3. South 41°24'11" East, a distance of 158.55 feet to a calculated point;
4. South 34°19'30" East, a distance of 218.02 feet to a calculated point;
5. South 30°09'55" East, a distance of 179.57 feet to a calculated point;
6. With a curve to the left, an arc length of 53.96 feet, having a radius of 239.39 feet and a chord which bears South 37°18'08" East, a distance of 53.84 feet to a calculated point;
7. South 48°39'12" East, a distance of 107.96 feet to a calculated point;
8. With a curve to the right, an arc length of 337.44 feet, having a radius of 798.91 feet and a chord which bears South 37°45'51" East, a distance of 334.93 feet to a calculated point;
9. South 22°51'02" East, a distance of 96.38 feet to a calculated point;
10. South 21°29'47" East, a distance of 171.36 feet to a calculated point;
11. South 31°56'06" East, a distance of 10.46 feet to a calculated point;
12. South 52°54'39" East, a distance of 53.75 feet to a calculated point;
13. With a curve to the left, an arc length of 81.36 feet, having a radius of 524.91 feet and a chord which bears South 69°11'17" East, a distance of 81.28 feet to a calculated point;

14. With a curve to the left, an arc length of 13.51 feet, having a radius of 40.37 feet and a chord which bears North 84°39'16" East, a distance of 13.45 feet to a calculated point;
15. North 73°16'07" East, a distance of 151.74 feet to a calculated point;
16. North 78°51'37" East, a distance of 68.56 feet to a calculated point;
17. North 86°27'29" East, a distance of 109.56 feet to a calculated point;
18. South 84°51'25" East, a distance of 205.92 feet to a calculated point;
19. With a curve to the right, an arc length of 1407.67 feet, having a radius of 5250.00 feet and a chord which bears North 33°01'02" East, a distance of 1403.46 feet to a calculated point;
20. With a curve to the right, an arc length of 2253.33 feet, having a radius of 5250.00 feet and a chord which bears North 04°00'11" East, a distance of 2236.08 feet to a calculated point in the southwest line of a 125 foot wide LCRA transmission line easement described in Volume 184, Page 58, Volume 184, Page 404, Volume 193, Page 908 and amended in Volume 1007, Page 606, all of the Deed Records of Bastrop County, Texas;

THENCE crossing the said 5566.770 acre tract and with the southwest line of the said 125 foot wide LCRA transmission line easement, the following two (2) courses and distances:

1. South 52°06'26" East, a distance of 3184.22 feet to a calculated point;
2. South 52°05'40" East, a distance of 1921.20 feet to a calculated point in the northeast line of the said 5566.770 acre tract, being in the southwest line of a 100.714 acre tract described in Volume 276, Page 639 of the Deed Records of Bastrop County, Texas;



THENCE South 48°02'42" East with the common line of the said 5566.770 acre tract and the said 100.714 acre tract, a distance of 1435.57 feet to a 1/2" rebar found in the northwest right-of-way line of the Union Pacific Railroad, being the southernmost corner of the said 100.714 acre tract;

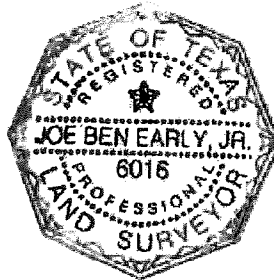
THENCE South 28°48'40" West with the northwest right-of-way line of the Union Pacific Railroad and the southeast line of the said 5566.770 acre tract, a distance of 4189.17 feet to the **POINT OF BEGINNING** containing 548.477 acres of land, more or less.

Surveyed on the ground in August, September and October, 2005.

Bearing Basis: The Texas Coordinate System of 1983 (NAD83), Central Zone, based on 1983/93 HARN Values from LCRA Control Network.

Attachments: Survey Drawing 457-001-WELL-2-3.

 
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016

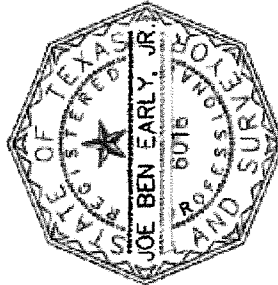


SKETCH TO ACCOMPANY A DESCRIPTION OF 548.477 ACRES IN THE S.F. AUSTIN SURVEY, ABSTRACT NO. 3 AND THE ISAAC HARRIS SURVEY NO. 2, ABSTRACT NO. 38, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 5,566.770 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619026 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N70°54'45"W	508.46'
L2	N27°36'53"E	295.98'
L3	N59°21'01"W	213.96'
L4	S46°04'58"W	334.28'
L5	N48°55'26"W	1197.98'
L6	N29°09'39"W	153.76'
L7	N40°47'14"W	639.58'
L8	N34°04'48"W	832.33'
L9	N31°21'24"W	118.29'
L10	N24°22'16"W	176.75'
L11	N18°55'11"W	120.47'
L12	N10°15'52"W	264.46'
L13	N07°51'48"W	327.03'
L14	N12°13'41"W	91.49'
L15	N60°03'33"W	88.80'
L16	N62°48'40"W	325.21'
L17	N71°52'04"W	98.90'
L18	N84°51'25"W	548.44'
L19	S86°27'29"W	73.98'
L20	S78°51'37"W	39.75'
L21	S73°16'07"W	141.66'
L22	N52°54'39"W	123.41'
L23	N31°56'06"W	79.58'
L24	N21°29'47"W	191.24'
L25	N22°51'02"W	86.71'
L26	N48°39'12"W	119.64'
L27	N30°09'55"W	171.71'
L28	N34°19'30"W	193.48'
L29	N41°24'11"W	112.93'

LEGEND

- 1/2" REBAR FOUND
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- ⊙ FENCE POST FOR MONUMENT
- ▲ CALCULATED POINT
- ⊕ WELL LOCATION



Handwritten signature and date: 5/6/14

BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 457-001-WELL-2-3

Chaparral

LINE TABLE		
LINE	BEARING	DISTANCE
L30	N55°09'35"W	71.44'
L31	N72°29'33"W	137.95'
L32	N37°28'32"E	131.53'
L33	N49°29'56"E	92.62'
L34	N46°23'18"E	54.61'
L35	S72°29'33"E	55.69'
L36	S55°09'35"E	139.70'
L37	S41°24'11"E	158.55'
L38	S34°19'30"E	218.02'
L39	S30°09'55"E	179.57'
L40	S48°39'12"E	107.96'
L41	S22°51'02"E	96.38'
L42	S21°29'47"E	171.36'
L43	S31°56'06"E	10.46'
L44	S52°54'39"E	53.75'
L45	N73°16'07"E	151.74'
L46	N78°51'37"E	68.56'
L47	N86°27'29"E	109.56'
L48	S84°51'25"E	205.92'
L49	S52°06'26"E	3184.22'
L50	S52°05'40"E	1921.20'
L51	S46°02'42"E	1435.57'
L52	S28°48'40"W	4189.17'

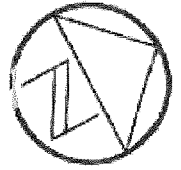
DATE OF SURVEY: 10/2005
 PLOT DATE: 5/6/14
 DRAWING NO.: 457-001-WELL-2-3
 PROJECT NO.: 457-001
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: BBP & JBE
 SHEET 1 OF 3

DRAWING NO.: 457-001-WELL-2-3
SHEET 2 OF 3

COUNTY ROAD 157
(SAYERS ROAD)

XS RANCH FUND VI, L.P.
PORTION OF
5,566.770 ACRES
(200619026)

125' LCRA
TRANSMISSION
LINE ESM.T.
(185/404)



1" = 1000'

125' LCRA
TRANSMISSION
LINE ESM.T.
(193/908)
AMENDED IN (1007/806)

XS RANCH FUND VI, L.P.
PORTION OF
5,566.770 ACRES
(200619026)

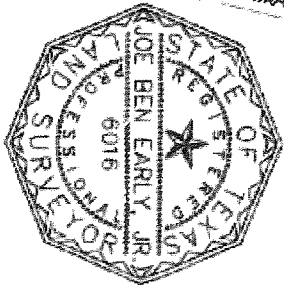
548,477 ACRES
XS RANCH FUND VI, L.P.
PORTION OF
5,566.770 ACRES
(200619026)

L49

125' LCRA
TRANSMISSION
LINE ESM.T.
(184/58)

ISAAC HARRIS
SURVEY NO. 2
ABS. NO. 38
LOCATION OF SURVEY LINE

S.F. AUSTIN
SURVEY
ABS. NO. 3



APPROXIMATE

P.O.B.

CEMETERY

(100' R.O.W.)
UNION PACIFIC RAILROAD

Chaparral

COUNTY ROAD 157
(SAYERS ROAD)

L35-L48
C7-C10

250.00'

C11

5250.00'

5250.00'

L50

L51

L52

L32

L33

L34

L9-L31
C2-C6

L8

L7

L6

C1

L5

L4

L3

L2

L1

(D)

(E)

(F)

(B)

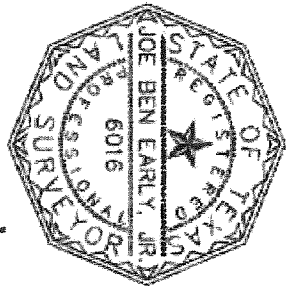
(A)

(C)

(A) BASTROP 552, L.P.
552.7604 ACRES
(1481/280)

(B) COLORADO SHORES
(2/314A)

(C) RIVERSIDE HEIGHTS
(1/19-A)



88 5/6/14

CURVE	RADIUS	DELTA	ARC	BEARING	CHORD
C1	959.67'	16°08'35"	270.39'	N35°25'39"W	269.50'
C2	290.55'	45°28'48"	230.63'	N35°03'33"W	224.62'
C3	290.37'	27°29'49"	139.35'	S87°41'13"W	138.02'
C4	774.91'	12°12'05"	165.02'	N68°44'53"W	164.71'
C5	548.91'	23°52'09"	228.67'	N38°10'46"W	227.02'
C6	489.39'	14°35'25"	124.62'	N37°56'09"W	124.29'
C7	239.39'	12°54'51"	53.96'	S37°18'08"E	53.84'
C8	798.91'	24°12'00"	337.44'	S37°45'51"E	334.93'
C9	524.91'	8°52'52"	81.36'	S69°11'17"E	81.28'
C10	40.37'	19°10'42"	13.51'	N84°39'16"E	13.45'
C11	5250.00'	15°21'45"	1407.67'	N33°01'02"E	1403.46'
C12	5250.00'	24°35'30"	2253.33'	N04°00'11"E	2236.08'

CURVE TABLE

McCALL RANCH, L.P.
772.304 ACRES
(819/733)

(D) CALVIN D. McCALL &
ANN McCALL
REMAINDER OF 159.25 ACRES
TRACT #1
(176/62)

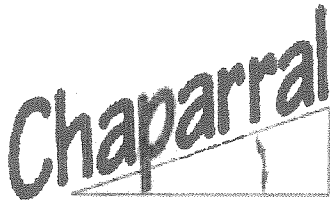
McCALL RANCH, L.P.
772.304 ACRES
(819/733)

(E) CALVIN D. McCALL &
ANN McCALL
22.43 ACRES
TRACT #2
(176/62)

(F) MAURICE L. BENNIGHT &
MINNIE M. BENNIGHT
62.5 ACRES
(149/477)

(G) HUBERT L. LINENBERGER &
ANITA K. LINENBERGER
100.714 ACRES
(276/639)

Chapparral



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**6.117 ACRES
S.F. AUSTIN SURVEY, ABSTRACT 3
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 6.117 ACRES (APPROXIMATELY 266,451 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 6.117 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209388 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 6.117 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with "Chaparral" cap set in the west right-of-way line of State Highway 95 (100' right-of-way width) as described in Volume 95, Page 416 of the Deed Records of Bastrop County, Texas, being an angle point in the east line of the said 6.117 acre tract, being also the northernmost corner of a 0.81 acre tract described in Volume 288, Page 441 of the Deed Records of Bastrop County, Texas, from which a TxDOT type I monument found in the west right-of-way line of State Highway 95 at TxDOT highway station 777+96.3, 50' right, bears with a curve to the left, having a radius of 5779.58 feet, a delta angle of 11°35'44", an arc length of 1169.68 feet, and a chord which bears South 02°35'10" East, a distance of 1167.69 feet;

THENCE South 36°40'27" West with the southeast line of the said 6.117 acre tract and the northwest line of the said 0.81 acre tract as fenced, passing a 1/2" rebar found at a distance of 3.12 feet, passing a 1/2" rebar with "Chaparral" cap set for reference at a distance of 354.99 feet and continuing for a total distance of 364.99 feet to a calculated point underneath a large fallen tree trunk for the southernmost corner of the said 6.117 acre tract, being the southwest corner of the said 0.81 acre tract, being also in the north line of a 4 acre tract conveyed to Perry Taylor in Volume 118, Page 96 of the Deed Records of Bastrop County, Texas;

THENCE North 77°07'30" West with the south line of the said 6.117 acre tract and the north line of the said 4 acre Taylor tract as fenced, passing a 1/2" rebar with "Chaparral" cap set for reference at a distance of 10.00 feet and continuing for a total distance of 366.37 feet to a 1/2" rebar with "Chaparral" cap set in the apparent east right-of-way line of County Road 45 – B.J. Mayes Road as fenced (no defined right-of-way width found), being the southwest corner of the said 6.117 acre tract, being also the apparent northwest corner of the said 4 acre Taylor tract;

THENCE North 01°12'36" East with the apparent east right-of-way line of County Road 45 – B.J. Mayes Road and the west line of the said 6.117 acre tract as fenced, a

distance of 131.38 feet to a 1/2" rebar with "Chaparral" cap set for the southernmost corner of the Zion Chapel Missionary Baptist Church tract described in Volume 55, Page 282 of the Deed Records of Bastrop County, Texas;

THENCE North 42°22'56" East with the northwest line of the said 6.117 acre tract and the southeast line of the said Zion Chapel Missionary Baptist Church tract, a distance of 381.24 feet to a 1/2" rebar found for the easternmost corner of the said Zion Chapel Missionary Baptist Church tract, being an angle point in the southeast line of a 3.92 acre tract described in Volume 852, Page 101 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the north line of the said Zion Chapel Missionary Baptist Church tract, being a southwest corner of the said 3.92 acre tract, bears North 89°21'22" West, a distance of 57.02 feet;

THENCE North 42°22'56" East with the northwest line of the said 6.117 acre tract and the southeast line of the said 3.92 acre tract, a distance of 488.97 feet to a 1/2" rebar with "Chaparral" cap set for the northernmost corner of the said 6.117 acre tract, being the westernmost corner of a 169 4/10 acre tract described in Volume 64, Page 460 of the Deed Records of Bastrop County, Texas, same being the westernmost corner of a 38 yard by 27 yard by 20 yard triangle tract described in Volume 104, Page 273 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the southeast line of the said 3.92 acre tract, being in the northwest line of the said 169 4/10 acre tract, same being the northwest line of the said 38 yard by 27 yard by 20 yard triangle tract, bears North 42°22'56" East, a distance of 48.40 feet;

THENCE South 26°56'32" East with the northeast line of the said 6.117 acre tract and the southwest line of the said 169 4/10 acre tract, same being the southwest line of the said 38 yard by 27 yard by 20 yard triangle tract, a distance of 56.83 feet to a 1/2" rebar with "Chaparral" cap set in the west right-of-way line of State Highway 95, being the southernmost corner of the said 38 yard by 27 yard by 20 yard triangle tract, from which a TxDOT type I monument found in the west right-of-way line of State Highway 95, bears North 04°39'58" East, a distance of 544.12 feet;

THENCE with the west right-of-way line of State Highway 95 and east line of the said 6.117 acre tract, the following two (2) courses and distances:

1. South 04°39'58" West, a distance of 367.24 feet to a 1/2" rebar with "Chaparral" cap set at TxDOT highway station 764+91.3, 50' right;
2. With a curve to the left, having a radius of 5779.58 feet, a delta angle of 01°27'16", an arc length of 146.71 feet, and a chord which bears South 03°56'20" West, a distance of 146.70 feet to the **POINT OF BEGINNING**, containing 6.117

acres of land, more or less.

Surveyed on the ground on April 13, 2012.

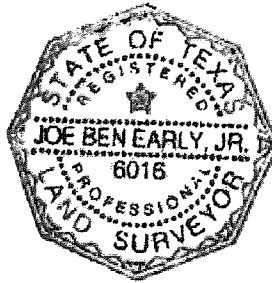
Bearing Basis: The Texas Coordinate System of 1983, Central Zone, based on GPS solutions from The National Geodetic Survey (NGS) on-line positioning user service (OPUS).

Attachments: Survey Drawing 828-001-WELL4.



5/5/14

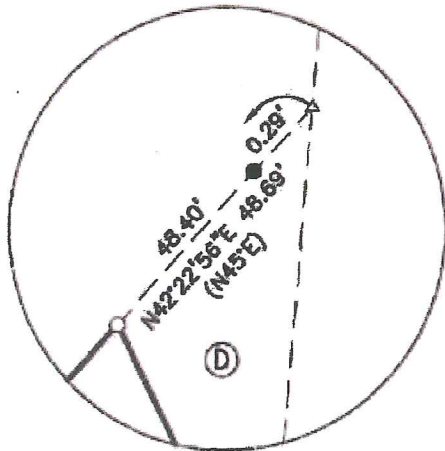
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



SKETCH TO ACCOMPANY A DESCRIPTION OF 6.117 ACRES (APPROXIMATELY 266,451 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 6.117 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209388 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE						
NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	1°27'16"	5779.58'	73.36'	146.71'	146.70'	S03°56'20"W
C2	11°35'44"	5779.58'	586.85'	1169.68'	1167.69'	S02°35'10"E

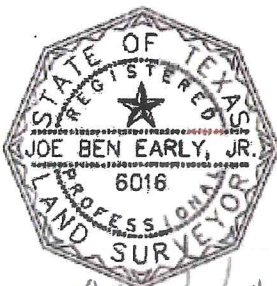
LINE TABLE			
No.	BEARING	LENGTH	(RECORD)
L1	S26°56'32"E	56.83'	(S24°30'E)
L2	N89°21'22"W	57.02'	(N87°16'40"W 57.00')



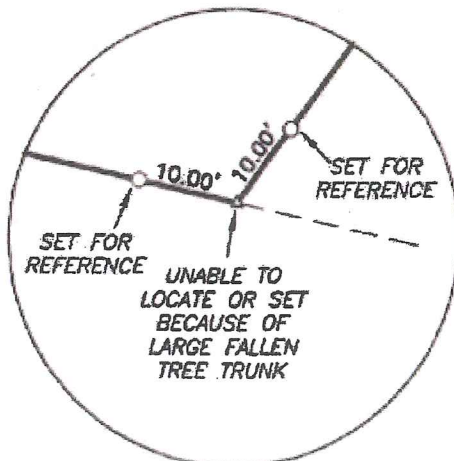
DETAIL B
NOT TO SCALE

LEGEND

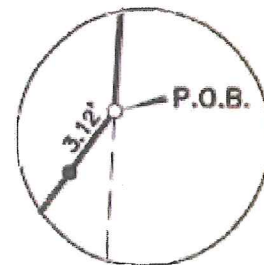
- 1/2" REBAR FOUND (OR AS NOTED)
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- TXDOT TYPE I MONUMENT FOUND
- △ CALCULATED POINT
- () RECORD INFORMATION



DATE OF SURVEY: 4/13/12
 PLOT DATE: 5/5/14
 DRAWING NO.: 828-001-WELL4
 PROJECT NO.: 828-001
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: JBE
 SHEET 1 OF 2



DETAIL C
NOT TO SCALE



DETAIL A
NOT TO SCALE

BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON GPS SOLUTIONS FROM THE NATIONAL GEODETIC SURVEY (NGS) ON-LINE POSITIONING USER SERVICE (OPUS)

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 828-001-WELL4

Chaparral

(A)
 GONZALO G. BARRIENTOS, JR.
 & EMMA BARRIENTOS
 0.81 ACRES
 (288/441)

DOES NOT MAKE
 A MATHEMATICALLY
 CLOSED FIGURE BY B'

(B)
 BUCK ALFORD, THOMAS WHITE
 AND JOSIAH PERKINS,
 TRUSTEES OF ZION CHAPEL
 MISSIONARY BAPTIST CHURCH
 NO ACREAGE GIVEN
 (55/282)

(C)
 ROBERT BURTON AND
 SCHARLOTT BURTON
 1 ACRE
 (75/211)

RALPH MOCK AND WIFE,
 MARGARET A. MOCK
 PORTION OF
 154.20 ACRES
 (191/165)

XS RANCH FUND VI, L.P.
 8.953 ACRES
 (201209359)

RALPH MOCK AND WIFE,
 MARGARET A. MOCK
 PORTION OF
 154.20 ACRES
 (191/185)

(D)
 W.E. MAYNARD
 PORTION OF
 169 4/10 ACRES
 (64/460)

LESS
 38 X 27 X 20
 YARDS
 TRIANGLE
 (104/273)

GONZALO
 BARRIENTOS, SR.
 (1031/463)

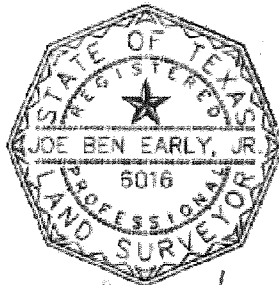
3.92 ACRES
 DESCRIBED IN
 (852/101)

6.117 ACRES
 APPROX. 266,451
 SQ. FT.
 XS RANCH
 FUND VI, L.P.
 6.117 ACRES
 (201209388)

PERRY TAYLOR
 4 ACRES
 (118/96)

RANELDA
 CRANEY
 0.21 ACRES
 (1185/748)

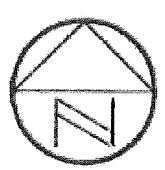
COUNTY ROAD 45
 B.J. MAYES ROAD
 (NO DEFINED
 RIGHT-OF-WAY
 WIDTH FOUND)



88 5/5/14

N04°39'58"E 544.12'
 (N6°10'E TXDOT)

SEE DETAIL B



1" = 200'

F.M. 1441

TXDOT HWY. STA.
 764+91.3
 50' RT

P.O.B.
 SEE
 DETAIL
 A

STATE
 HIGHWAY 95
 (100' R.O.W.)
 (95/416)

SEE
 DETAIL
 C

TXDOT HWY. STA.
 777+96.3
 50' RT

N81°45'12"E
 100.00'

TXDOT HWY. STA.
 777+96.3
 50' LT

DRAWING NO.:
 828-001-WELL4
 SHEET 2 OF 2

Chaparral



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**11.937 ACRES
S.F. AUSTIN SURVEY, ABSTRACT 3
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 11.937 ACRES IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 2.984 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JUNE 19, 2012 AND RECORDED IN DOCUMENT NO. 201207547 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS AND BEING ALL OF AN 8.953 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209359 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 11.937 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found in the southeast right-of-way line of County Road 36 – Phelan Road (no defined right-of-way width found), being the northernmost corner of the said 2.984 acre tract, being also the westernmost corner of a 1.000 acre tract described in Volume 578, Page 406 of the Deed Records of Bastrop County, Texas;

THENCE South 52°51'50" East with the northeast line of the said 2.984 acre tract and the southwest line of the said 1.000 acre tract, a distance of 250.61 feet to a 1/2" rebar found for the easternmost corner of the said 2.984 acre tract, being the southernmost corner of the said 1.000 acre tract, being also in the northwest line of a 154.20 acre tract described in Volume 191, Page 165 of the Deed Records of Bastrop County, Texas;

THENCE South 42°30'04" West with the southeast line of the said 2.984 acre tract and the northwest line of the said 154.20 acre tract, a distance of 54.26 feet to a 1/2" rebar with "Chaparral" cap set for an angle point in the north line of the said 8.953 acre tract;

THENCE crossing the said 154.20 acre tract and with the north line of the said 8.953 acre tract, the following five (5) courses and distances:

1. South 61°11'07" East, a distance of 161.24 feet to a 1/2" rebar with "Chaparral" cap set;
2. With a curve to the right, having a radius of 300.00 feet, a delta angle of 21°56'13", an arc length of 114.86 feet, and a chord which bears South 50°13'01" East, a distance of 114.16 feet to a 1/2" rebar with "Chaparral" cap set;
3. With a curve to the left, having a radius of 450.00 feet, a delta angle of 48°06'01",

an arc length of 377.78 feet, and a chord which bears South 63°17'55" East, a distance of 366.78 feet to a 1/2" rebar with "Chaparral" cap set;

4. With a curve to the left, having a radius of 1140.00 feet, a delta angle of 28°59'50", an arc length of 576.95 feet, and a chord which bears North 78°09'09" East, a distance of 570.82 feet to a 1/2" rebar with "Chaparral" cap set, from which a 1/2" iron pipe found at the southwest intersection of County Road 45 – B.J. Mayes Road and County Road 36 – Phelan Road, being also the northeast corner of the said 154.20 acre tract, bears North 19°19'49" East, a distance of 2340.63 feet;
5. North 63°39'14" East, a distance of 924.84 feet to a 1/2" rebar with "Chaparral" cap set in the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced (no defined right-of-way width found), being the northeast corner of the said 8.953 acre tract, being also the east line of the said 154.20 acre tract, from which a 1/2" rebar with "Chaparral" cap set in the apparent east right-of-way line of County Road 45 – B.J. Mayes Road as fenced, being an angle point in the west line of a 6.117 acre tract described in Document No. 201209388 of the Official Public Records of Bastrop County, Texas, bears North 67°12'31" East, a distance of 61.94 feet;

THENCE South 00°08'51" West with the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced and the east line of the said 8.953 acre tract, a distance of 134.08 feet to a 1/2" rebar with "Chaparral" cap set for the southeast corner of the said 8.953 acre tract, from which a 4" wood fence post found in the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced, being in the east line of the said 154.20 acre tract, bears South 00°08'51" West, a distance of 52.93 feet;

THENCE crossing the said 154.20 acre tract and with the south line of the said 8.953 acre tract, the following three (3) courses and distances:

1. South 63°39'14" West, a distance of 865.03 feet to a 1/2" rebar with "Chaparral" cap set;
2. With a curve to the right, having a radius of 1260.00 feet, a delta angle of 29°07'06", an arc length of 640.34 feet, and a chord which bears South 78°12'47" West, a distance of 633.48 feet to a 1/2" rebar with "Chaparral" cap set;
3. With a curve to the right, having a radius of 1000.00 feet, a delta angle of 48°57'20", an arc length of 854.43 feet, and a chord which bears North 79°59'35" West, a distance of 828.68 feet to a 1/2" rebar with "Chaparral" cap set for the

westernmost corner of the said 8.953 acre tract, being in the northwest line of the said 154.20 acre tract, being also in the southeast line of the said 2.984 acre tract;

THENCE South 42°36'28" West with the southeast line of the said 2.984 acre tract and the northwest line of the said 154.20 acre tract, a distance of 78.52 feet to a 1/2" rebar found for the northernmost corner of a 10.00 acre tract described in Volume 1534, Page 858 of the Deed Records of Bastrop County, Texas;

THENCE with the southeast line of the said 2.984 acre tract and the northwest line of the said 10.00 acre tract, the following three (3) courses and distances:

1. South 43°00'28" West, a distance of 145.46 feet to a 1/2" rebar found;
2. South 42°03'33" West, a distance of 150.19 feet to a 1/2" rebar found;
3. South 44°06'50" West, a distance of 203.73 feet to a 1/2" iron pipe found in the southeast right-of-way line of County Road 36 – Phelan Road, being the southernmost corner of the said 2.984 acre tract, from which a 1/2" rebar found in the southeast right-of-way line of County Road 36 – Phelan Road, being the westernmost corner of the said 10.00 acre tract, bears South 28°29'00" West, a distance of 49.98 feet;

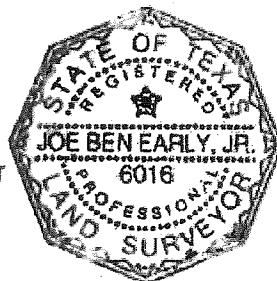
THENCE with the southeast right-of-way line of County Road 36 – Phelan Road and the northwest line of the said 2.984 acre tract, the following two (2) courses and distances:

1. North 28°55'39" East, a distance of 839.56 feet to a 1/2" rebar found;
2. North 28°45'47" East, a distance of 193.64 feet to the **POINT OF BEGINNING**, containing 2.984 acres of land, more or less.

Surveyed on the ground on May 8, 2012. Bearing Basis: The Texas Coordinate System of 1983, Central Zone, based on GPS solutions from The National Geodetic Survey (NGS) on-line positioning user service (OPUS). Attachments: Survey Drawing 828-001-WELL 3-4.

JB 5/5/14

Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



SKETCH TO ACCOMPANY A DESCRIPTION OF 11.937 ACRES IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 2.984 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JUNE 19, 2012 AND RECORDED IN DOCUMENT NO. 201207547 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS AND BEING ALL OF AN 8.953 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209359 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE

NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	21°56'13"	300.00'	58.14'	114.86'	114.16'	S50°13'01"E
C2	48°06'01"	450.00'	200.82'	377.78'	366.78'	S63°17'55"E
C3	28°59'50"	1140.00'	294.80'	576.95'	570.82'	N78°09'09"E
C4	29°07'06"	1260.00'	327.25'	640.34'	633.48'	S78°12'47"W
C5	48°57'20"	1000.00'	455.26'	854.43'	828.68'	N79°59'35"W

LINE TABLE

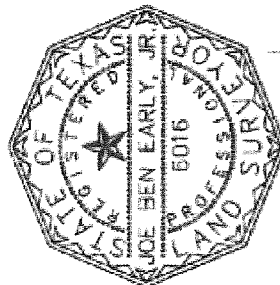
LINE	BEARING	DISTANCE
L1	S52°51'50"E	250.61'
L2	S42°30'04"W	54.26'
L3	S61°11'07"E	161.24'
L4	N63°39'14"E	924.84'
L5	S00°08'51"W	134.08'
L6	S63°39'14"W	865.03'
L7	S42°36'28"W	78.52'
L8	S43°00'28"W	145.46'
L9	S42°03'33"W	150.19'
L10	S44°06'50"W	203.73'
L11	N28°55'39"E	839.56'
L12	N28°45'47"E	193.64'
L13	N42°24'42"E	162.22'
L14	S00°08'51"W	52.93'
L15	S28°29'00"W	49.98'
L16	S42°30'04"W	138.09'
L17	S42°36'28"W	257.48'

LEGEND

- 1/2" REBAR FOUND (OR AS NOTED)
- ⊙ 1/2" IRON PIPE FOUND
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- ⊗ 4" WOOD FENCE POST FOUND
- () RECORD INFORMATION

BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON GPS SOLUTIONS FROM THE NATIONAL GEODETIC SURVEY (NGS) ON-LINE POSITIONING USER SERVICE (OPUS)

ATTACHMENTS: METES AND BOUNDS DESCRIPTION
828-001--WELL 3--4



Handwritten signature and date: 5/8/12

DATE OF SURVEY: 5/8/12
 PLOT DATE: 5/5/14
 DRAWING NO.: 828-001--WELL 3--4
 PROJECT NO.: 828-001
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: JBE
 SHEET 1 OF 2

Chaparral



1" = 300'

COUNTY ROAD 36 - PHELAN ROAD (NO DEFINED RIGHT-OF-WAY WIDTH FOUND)

SOUTHWEST INTERSECTION OF
COUNTY ROAD 45 - B.J. MAYES ROAD &
COUNTY ROAD 36 - PHELAN ROAD

NORTHEAST CORNER OF
RALPH MOCK AND WIFE,
MARGARET A. MOCK
154.20 ACRES
(191/165)

THE PIONEER
FOUNDATION
1,000 ACRES
(578/406)

UNION PACIFIC RAILROAD (100' R.O.W.)
P.O.B.

X5 RANCH FUND VI, L.P.
2,984 ACRES
(201207547)

X5 RANCH
FUND VI, L.P.
8,953 ACRES
(201209359)

RALPH MOCK AND WIFE,
MARGARET A. MOCK
PORTION OF
154.20 ACRES
(191/165)

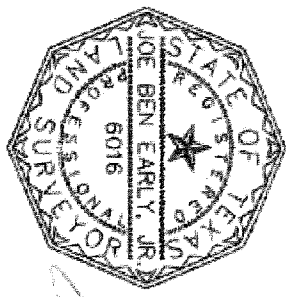
11,957 ACRES

N19°19'48"E 2340.63'

COUNTY ROAD 45 -
B.J. MAYES ROAD
(NO DEFINED RIGHT-OF-WAY
WIDTH FOUND)

X5 RANCH
FUND VI, L.P.
6,117 ACRES
(201209388)

RALPH MOCK AND WIFE, MARGARET A. MOCK
PORTION OF 154.20 ACRES
(191/165)



Handwritten signature and date: JBE 5/5/12

Handwritten name: Chapparral

DRAWING NO.:
828-001-WELL 3-4
SHEET 2 OF 2

Exhibit "C"



COAST RANGE
INVESTMENTS

RE: Water Rights Sale
XS Water Company LLC
City of Bastrop

April 10, 2014

Mr. Talbot,

After careful consideration, XS Ranch is proceeding on contract negotiations for the sale of water rights to the City of Bastrop following the terms outlined below:

1. Parties: XS Water Company LLC (XS) and City of Bastrop (City)
2. XS will sell to City the Groundwater Rights owned by XS over the XS Ranch—the groundwater rights are in the form of a Lease/Conveyance of Rights between XS and the owner of XS Ranch
3. Price/Schedule/Mutual Cooperation:
 1. Initial Purchase:
 - May 1, 2014 City Purchases 3000 acre feet of water rights from XS for \$2,000,000.

2. Additional Water:

XS Ranch agrees that it will reserve for the City, at no reservation cost, rights to an additional 3000 acre feet of groundwater, which will be made available to the City, for purchase at the price of \$1,000,000, upon the following terms:

- a. The initial purchase of 3000 acre feet of water rights from XS for \$2,000,000 is funded.



COAST RANGE
INVESTMENTS

Water Term Sheet
Page 2

- b. On or before October 28, 2014, the City and XS Ranch will use best efforts to evaluate and execute an amendment to the XS Ranch Development Agreement, which will provide for an increase in the number of dwelling units within the MUD, in a range of approximately 2,500 to 3,000 units and, further, the Parties will use best efforts to have such amendment approved by the City within a reasonable time period, which the Parties agree will be on or about October 28, 2104, or by a date that is otherwise mutually agreed by the Parties.
- c. Upon completion of the above-described process and approval of the projected increase in units of the XS Ranch Development Agreement, XS Ranch agrees it will convey to the City the right to an additional 3,000 acre feet of groundwater, for price of \$1,000,000, and will agree that payment may be spread over five (5) years, with a payment of \$200,000.00 due annually, with first payment on January 1, 2015 and, thereafter, on January 1st for the remaining four (4) years.
- d. If the City and XS Ranch are unable to agree to a mutually satisfactory amendment to the XS Development Agreement, as generally described herein, then XS Ranch's reservation of the additional 3,000 acre feet of groundwater for the City, at no cost, will end, and XS Ranch will continue to retain ownership of the remaining 3,000 acre feet of groundwater. In such event, XS Ranch may, at its option, negotiate a sale of all or part of the remaining 3,000 acre feet of groundwater to the City, under terms that may be different from those detailed herein, or may elect to sell the reserved water to another entity.
- e. Upon execution of the purchase of the initial 3000 acft the existing MOU will be terminated and both parties will enter into a new MOU for the permitting and testing of well sites 1 & 2. As



COAST RANGE
INVESTMENTS

Water Term Sheet
Page 3

agreed upon in the original MOU dated September 27, 2013 between the Parties (and the Amendment to same), the Parties will use best efforts to acquire the necessary well permits from the LPGWD, which will allow production of the groundwater, as detailed herein, from XS Ranch for the City's use.

4. Groundwater Lease Rights will include rights for City to obtain, at no cost, permanent easement right for the facilities needed to extract, produce, store and transport the water to City's places of use. Location of easement areas to be mutually agreed upon.

5. This offer expires May 1, 2014

Thank you for the City's consideration of this proposal and we look forward to a continued partnership with the City.

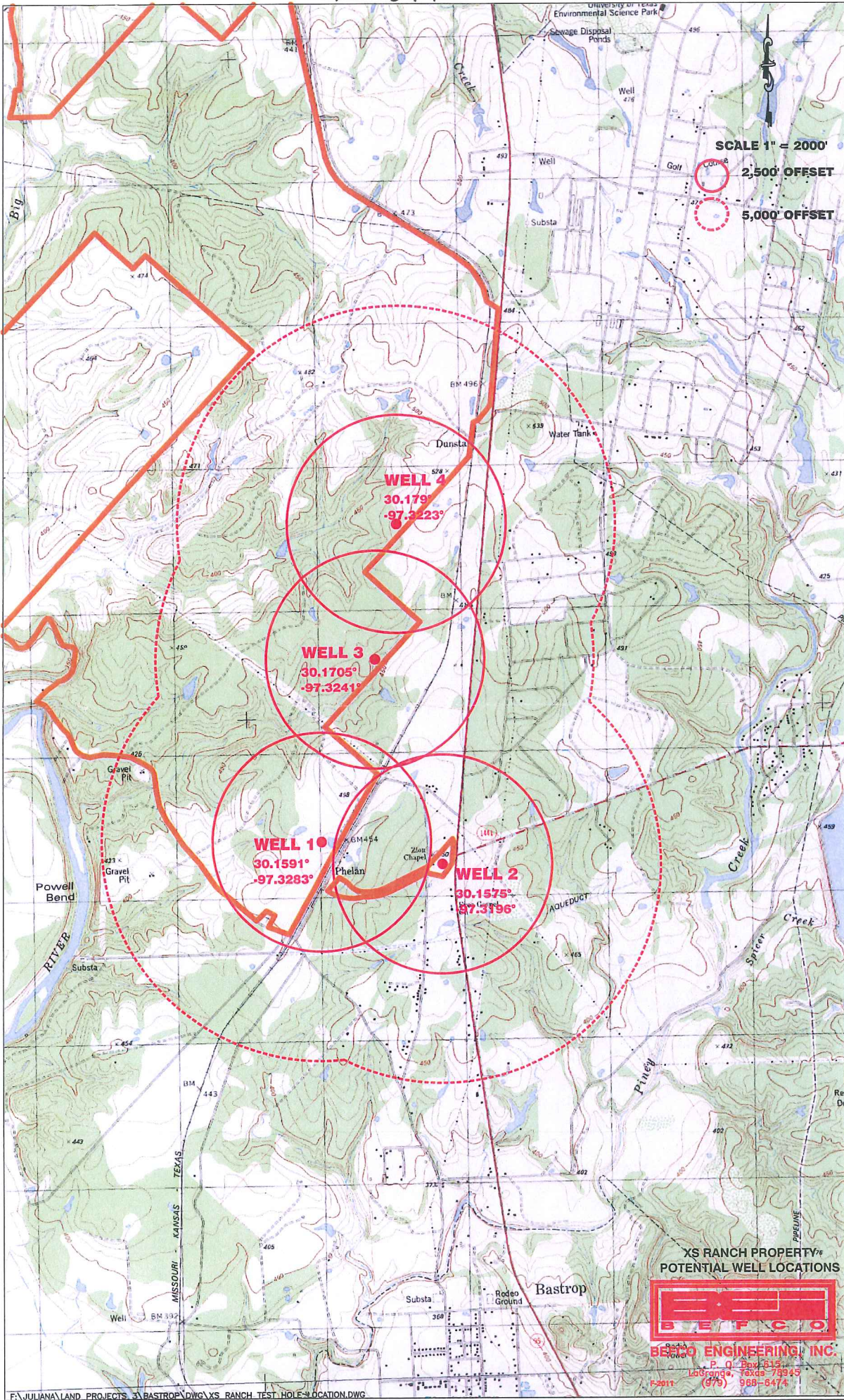
Regards,

John C Landwehr

Vice President

Coast Range Investments

Exhibit "D"



XS RANCH PROPERTY
POTENTIAL WELL LOCATIONS

BEFCO ENGINEERING, INC.
P. O. Box 613
Ladonia, Texas 77345
(779) 968-6474
F-2011

Exhibit "E"

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY DOCUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY WATER DEED, BILL OF SALE AND ASSIGNMENT OF PERMIT RIGHTS

STATE OF TEXAS §
 § **KNOW ALL MEN BY THESE PRESENTS:**
COUNTY OF BASTROP §

THAT XS WATER COMPANY LLC, a Texas limited liability company (hereinafter called "Grantor"), whose mailing address is 818 Sayers Road, Bastrop TX 78602, for and in consideration of the sum of TEN AND NO/100 DOLLARS (\$10.00), and other good and valuable consideration in hand paid by CITY OF BASTROP, a Texas Home Rule City (hereinafter called "Grantee") whose mailing address is 1311 Chestnut Street, P.O. Box 427, Bastrop, TX 78602, the receipt of which is hereby acknowledged; hereby ASSIGNS unto said Grantee, the following property rights in perpetuity (the "Conveyed Rights"), consisting of the following:

(A) Underground water in the Simsboro Aquifer and Lower Colorado River Alluvium in and under the land described in Exhibit "A" attached hereto (the "Real Property") but subject to the annual volume limit stated herein;

(B) The rights to develop, explore, produce, withdraw, transport, convey, store and/or beneficially use groundwater (being all underground, percolating, artesian and other groundwater) from the Simsboro Aquifer and Lower Colorado River Alluvium from or appurtenant to the Real Property and all rights associated therewith but (i) limited to a maximum amount of 3,000 acre-feet per year (the groundwater conveyed in paragraph (A) above together with the rights conveyed in this paragraph (B) are hereafter referred to collectively as the "Groundwater") and (ii) at locations specified in the associated "Permits" (as defined below);

(C) Grantor's interest in Permits [3 and 4] (the "Permits"), applications for which are on file with the Lost Pines Groundwater Conservation District ("District"), and the right to file future renewal applications with, and obtain any substitute or successor permits or approvals from, any governmental entities with jurisdiction over the Groundwater to allow for the possession, withdrawal, production, conveyance, storage or use of the Groundwater to the extent provided in paragraphs (A) and (B) above, including, without limitation, any applications with, or permits or approvals from, the District, and Grantor agrees to not object to any of said applications, permits or approvals;

(D) The right to drill groundwater wells on, to withdraw or produce the Groundwater from, and to transport, convey, store and use the Groundwater produced from the Simsboro Aquifer from the Conveyed Rights, but (i) limited to a maximum amount of 3,000 acre-feet per year and (ii) at locations specified in the associated Permit;

(E) The right for Grantee to obtain from Grantor's affiliate, XS Ranch Fund VI, L.P. ("Affiliate"), the following:

(1) subject to all encumbrances and covenants currently of record as described in Exhibit "B" attached hereto or that a true and current survey would reveal (collectively, the "Permitted Encumbrances"), a special warranty deed conveying a 10,000 square foot tract ("Well Site") in the form of a square at a mutually agreed location surrounding and centered on each of the groundwater wells heretofore or hereafter drilled or completed within the Real Property pursuant to the Permits and upon such drilling or completion of the groundwater well by Grantee, Affiliate shall execute a recordable special warranty deed confirming that the Well Site has been conveyed to Grantee;

(2) subject the Permitted Encumbrances, a perpetual sanitary control easement area to consist of an area in the form of a circle surrounding and centered on each Well Site, such easement area to have a radius of at least one hundred and fifty feet (150') from the well or an area of such reasonable size and configuration as may be necessary to comply with the requirements or regulations of any and all regulatory entities relating to any Groundwater produced from the well and in that regard, upon request by Grantee, Grantor agrees to execute a separate document in a form substantially as set forth in Title 30 Texas Administrative Code, Section 290.47, as amended to provide sanitation easements around the wells;

(3) subject to the Permitted Encumbrances, a special warranty deed conveying a _____ square foot tract ("Ground Storage and Pump Station Site") in the form of a square surrounding and centered on a ground storage tank and pump station facility heretofore or hereafter constructed by Grantee within the Real Property at a mutually agreeable location in the vicinity of the well associated with Permit 3 and upon completion of the ground storage and pump station by Grantee, Affiliate shall execute a recordable special warranty deed confirming that the Ground Storage and Pump Station Site has been conveyed to Grantee;

(4) subject to the Permitted Encumbrances, a perpetual easement not to exceed 15 feet in width over and across portions of the Real Property for the purposes of constructing and operating Groundwater transportation pipelines and associated electric lines that are necessary, convenient or useful in Grantee's operations to produce and transport the Groundwater from and over the Real Property, including, without limitation, the right to install, place, operate and maintain water transportation lines and interconnection facilities, and together with the right of access for ingress and egress reasonably necessary to conduct the foregoing activities on, over and across the Real Property; provided, however, Affiliate may modify the ingress and egress areas from time to time to accommodate Affiliates development of the Real property so long as such changes do not significantly affect Grantee's ability to conduct its Groundwater activities related to the Conveyed Rights.

Affiliate, by signing and acknowledging this conveyance in the space provided below, acknowledges and agrees to make the conveyances to Grantee described in this subsection (E).

(F) Any easements shall provide that locations of the easement areas may be changed by mutual agreement of the parties consistent with the criteria described in this section or by Seller or XS Ranch, in Seller's or XS Ranch's sole discretion and at Seller's or XS Ranch's sole expense (including the cost of relocating any of Grantee's facilities in said easement areas), if necessary to accommodate development of the Total Groundwater Rights Property by XS Ranch

Grantor and Affiliate, to the extent applicable as provided in subsection (E), respectively, hereby convey the Conveyed Rights to Buyer free from all liens, claims or encumbrances, other than the Permitted Encumbrances. Grantor and Affiliate, to the extent applicable as provided in subsection (E), respectively, covenant and agree that the Conveyed Rights are to be vested solely, exclusively and absolutely in Grantee, including all rights and benefits accruing from historical production, use and usage, usage rights, titles, claims, interests and any and all permits, licenses or other valuable governmental approvals that now or hereafter pertain or accrue to such Conveyed Rights.

TO HAVE AND TO HOLD the Conveyed Rights, together with all and singular the rights and appurtenances belonging in any way to the Conveyed Rights to Grantee, Grantee's successors and assigns forever, subject only to the Permitted Encumbrances, and Grantor binds itself and its successors and assigns TO WARRANT AND FOREVER DEFEND all and singular the Conveyed Rights to Grantee and Grantee's successors and assigns against every person lawfully claiming or to claim all or any part of the Conveyed Rights, by, through or under Grantor but not otherwise.

This conveyance is made pursuant to that certain "Groundwater Rights Purchase Agreement ("Sales Agreement") entered into between Seller, and Buyer, on or about the ___ day of May, 2014.

Reservation of Certain Rights by Grantor (the "Reserved Rights"). *Notwithstanding anything herein to the contrary, Seller and Affiliate, to the extent applicable as provided in subsection (E), respectively, reserve, and there shall be excepted from any conveyance of the*

Conveyed Rights to Buyer, any of Seller's or Affiliates property rights and rights (a) to groundwater associated with any other real property owned by Seller or Affiliate and (b) any groundwater associated with the Real Property not expressly conveyed hereunder, including rights to produce groundwater (i) from aquifers or groundwater formations other than the Simsboro Aquifer and Lower Colorado River Alluvium and (ii) to the extent the Simsboro Aquifer and Lower Colorado River Alluvium may extend to areas outside the Real Property.

Seller also reserves, and there is hereby excepted from this conveyance of the Conveyed Rights to Buyer, all groundwater rights on behalf of Seller, or its Affiliate, individual land owners, lessees or tenants who succeed to Seller's interests in the Real Property for domestic, livestock, agricultural and environmental use for wells within the Real Property producing water solely for domestic, livestock, agricultural and environmental use in amounts not to exceed 25,000 gallons per day per domestic, livestock, agricultural and environmental well.

This conveyance is made and accepted subject to the Permitted Exceptions, the Reserved Rights and any other laws of the State of Texas to the extent applicable.

GRANTOR AND AFFILIATE MAKE NO WARRANTIES OR REPRESENTATIONS, EXPRESS OR IMPLIED, CONCERNING THE AMOUNT OR QUALITY OF WATER CAPABLE OF BEING PRODUCED FROM THE CONVEYED RIGHTS. GRANTEE IS SOLELY RESPONSIBLE FOR HAVING MADE ANY STUDIES OR INVESTIGATIONS TO DETERMINE THAT THE CONVEYED RIGHTS ARE CAPABLE OF PRODUCING THE QUANTITY OF WATER CONTEMPLATED HEREUNDER AND THAT THE QUALITY OF SUCH WATER WILL BE ACCEPTABLE FOR GRANTEE'S INTENDED USES. GRANTEE AGREES THAT THE WATER TO BE PRODUCED BY GRANTEE FROM THE CONVEYED RIGHTS IS CONSIDERED TO BE IN ITS "AS-IS" CONDITION.

Grantor hereby undertakes and agrees to execute and deliver such additional, supplement, confirming, or other documents of transfer as Grantee may reasonably request from time to time hereafter to perfect the transfer intended to be effected by this instrument.

Current ad valorem taxes and assessments on the Conveyed Rights, if any, have been prorated to the date hereof.

All of the covenants, terms and conditions set forth herein shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

When used herein, the terms Grantor and Grantee include any successors or assigns of Grantor and Grantee, respectively.



Exhibit "A"

Professional Land Surveying, Inc.
Surveying and Mapping

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**548.477 ACRES
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 548.477 ACRES IN THE S.F. AUSTIN SURVEY, ABSTRACT NO. 3 AND THE ISAAC HARRIS SURVEY NO. 2, ABSTRACT NO. 38, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 5,566.770 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619026 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 548.477 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with "Chaparral" cap set in the northwest right-of-way line of the Union Pacific Railroad (100' right-of-way width), being in the fenced northeast line of County Road 157 (no apparent defined right-of-way width), being also the southernmost corner of the said 5566.770 acre tract;

THENCE North 70°54'45" West with the fenced northeast line of County Road 157 and the southwest line of the said 5566.770 acre tract, a distance of 508.46 feet to a fence post found for the southernmost corner of a cemetery (no record description found);

THENCE leaving the fenced northeast line of County Road 157, with the southwest line of the said 5566.770 acre tract, and the fenced line of said cemetery, the following three (3) courses and distances:

1. North 27°36'53" East, a distance of 295.98 feet to a fence post found;
2. North 59°21'01" West, a distance of 213.96 feet to a fence post found;
3. South 46°04'58" West, a distance of 334.28 feet to a fence post found in the fenced northeast line of County Road 157;

THENCE with the fenced northeast line of County Road 157 and the southwest line of the said 5566.770 acre tract, the following thirty-three (33) courses and distances:

1. North 48°55'26" West, a distance of 1197.98 feet to a fence post found;
2. With a curve to the right, an arc length of 270.39 feet, having a radius of 959.67 feet and a chord which bears North 35°25'39" West, a distance of 269.50 feet to a fence post found;

3. North 29°09'39" West, a distance of 153.76 feet to a fence post found;
4. North 40°47'14" West, a distance of 639.58 feet to a fence post found;
5. North 34°04'48" West, a distance of 832.33 feet to a fence post found;
6. North 31°21'24" West, a distance of 118.29 feet to a fence post found;
7. North 24°22'16" West, a distance of 176.75 feet to a fence post found;
8. North 18°55'11" West, a distance of 120.47 feet to a fence post found;
9. North 10°15'52" West, a distance of 264.46 feet to a fence post found;
10. North 07°51'48" West, a distance of 327.03 feet to a fence post found;
11. North 12°13'41" West, a distance of 91.49 feet to a fence post found;
12. With a curve to the left, an arc length of 230.63 feet, having a radius of 290.55 feet and a chord which bears North 35°03'33" West, a distance of 224.62 feet to a fence post found;
13. North 60°03'33" West, a distance of 88.80 feet to a fence post found;
14. North 62°48'40" West, a distance of 325.21 feet to a fence post found, from which a 1/2" rebar found, bears South 58°18'36" West, a distance of 60.73 feet;
15. North 71°52'04" West, a distance of 98.90 feet to a 1/2" rebar with "Chaparral" cap set;
16. North 84°51'25" West, a distance of 548.44 feet to a fence post found;
17. South 86°27'29" West, a distance of 73.98 feet to a fence post found;
18. South 78°51'37" West, a distance of 39.75 feet to a fence post;
19. South 73°16'07" West, a distance of 141.66 feet to a fence post;
20. With a curve to the right, an arc length of 139.35 feet, having a radius of 290.37 feet and a chord which bears South 87°41'13" West, a distance of 138.02 feet to a fence post found;

21. With a curve to the right, an arc length of 165.02 feet, having a radius of 774.91 feet and a chord which bears North 68°44'53" West, a distance of 164.71 feet to a fence post found;
22. North 52°54'39" West, a distance of 123.41 feet to a fence post found;
23. North 31°56'06" West, a distance of 79.58 feet to a fence post found;
24. North 21°29'47" West, a distance of 191.24 feet to a fence post found;
25. North 22°51'02" West, a distance of 86.71 feet to a fence post found;
26. With a curve to the left, an arc length of 228.67 feet, having a radius of 548.91 feet and a chord which bears North 38°10'46" West, a distance of 227.02 feet to a fence post found, from which a 1/2" rebar with cap found, bears South 11°31'55" West, a distance of 58.42 feet;
27. North 48°39'12" West, a distance of 119.64 feet to a fence post found, from which a 1/2" rebar with cap found, bears South 74°52'45" West, a distance of 56.05 feet;
28. With a curve to the right, an arc length of 124.62 feet, having a radius of 489.39 feet and a chord which bears North 37°56'09" West, a distance of 124.29 feet to a fence post found;
29. North 30°09'55" West, a distance of 171.71 feet to a fence post found;
30. North 34°19'30" West, a distance of 193.48 feet to a fence post found;
31. North 41°24'11" West, a distance of 112.93 feet to a fence post found;
32. North 55°09'35" West, a distance of 71.44 feet to a fence post found;
33. North 72°29'33" West, a distance of 137.95 feet to a fence post found for an angle point in the southeast line of a 22.43 acre tract of land described in Volume 176, Page 62 of the Deed Records of Bastrop County, Texas;

THENCE leaving the northeast line of County Road 157, with the fenced common line of the said 5566.770 acre tract and the said 22.43 acre tract, the following three (3) courses and distances:

1. North $37^{\circ}28'32''$ East, a distance of 131.53 feet to a fence post found;
2. North $49^{\circ}29'56''$ East, a distance of 92.62 feet to a fence post found;
3. North $46^{\circ}23'18''$ East, a distance of 54.61 feet to a calculated point;

THENCE crossing the said 5566.770 acre tract, the following twenty (20) courses and distances:

1. South $72^{\circ}29'33''$ East, a distance of 55.69 feet to a calculated point;
2. South $55^{\circ}09'35''$ East, a distance of 139.70 feet to a calculated point;
3. South $41^{\circ}24'11''$ East, a distance of 158.55 feet to a calculated point;
4. South $34^{\circ}19'30''$ East, a distance of 218.02 feet to a calculated point;
5. South $30^{\circ}09'55''$ East, a distance of 179.57 feet to a calculated point;
6. With a curve to the left, an arc length of 53.96 feet, having a radius of 239.39 feet and a chord which bears South $37^{\circ}18'08''$ East, a distance of 53.84 feet to a calculated point;
7. South $48^{\circ}39'12''$ East, a distance of 107.96 feet to a calculated point;
8. With a curve to the right, an arc length of 337.44 feet, having a radius of 798.91 feet and a chord which bears South $37^{\circ}45'51''$ East, a distance of 334.93 feet to a calculated point;
9. South $22^{\circ}51'02''$ East, a distance of 96.38 feet to a calculated point;
10. South $21^{\circ}29'47''$ East, a distance of 171.36 feet to a calculated point;
11. South $31^{\circ}56'06''$ East, a distance of 10.46 feet to a calculated point;
12. South $52^{\circ}54'39''$ East, a distance of 53.75 feet to a calculated point;
13. With a curve to the left, an arc length of 81.36 feet, having a radius of 524.91 feet and a chord which bears South $69^{\circ}11'17''$ East, a distance of 81.28 feet to a calculated point;

14. With a curve to the left, an arc length of 13.51 feet, having a radius of 40.37 feet and a chord which bears North 84°39'16" East, a distance of 13.45 feet to a calculated point;
15. North 73°16'07" East, a distance of 151.74 feet to a calculated point;
16. North 78°51'37" East, a distance of 68.56 feet to a calculated point;
17. North 86°27'29" East, a distance of 109.56 feet to a calculated point;
18. South 84°51'25" East, a distance of 205.92 feet to a calculated point;
19. With a curve to the right, an arc length of 1407.67 feet, having a radius of 5250.00 feet and a chord which bears North 33°01'02" East, a distance of 1403.46 feet to a calculated point;
20. With a curve to the right, an arc length of 2253.33 feet, having a radius of 5250.00 feet and a chord which bears North 04°00'11" East, a distance of 2236.08 feet to a calculated point in the southwest line of a 125 foot wide LCRA transmission line easement described in Volume 184, Page 58, Volume 184, Page 404, Volume 193, Page 908 and amended in Volume 1007, Page 606, all of the Deed Records of Bastrop County, Texas;

THENCE crossing the said 5566.770 acre tract and with the southwest line of the said 125 foot wide LCRA transmission line easement, the following two (2) courses and distances:

1. South 52°06'26" East, a distance of 3184.22 feet to a calculated point;
2. South 52°05'40" East, a distance of 1921.20 feet to a calculated point in the northeast line of the said 5566.770 acre tract, being in the southwest line of a 100.714 acre tract described in Volume 276, Page 639 of the Deed Records of Bastrop County, Texas;


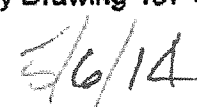
THENCE South 48°02'42" East with the common line of the said 5566.770 acre tract and the said 100.714 acre tract, a distance of 1435.57 feet to a 1/2" rebar found in the northwest right-of-way line of the Union Pacific Railroad, being the southernmost corner of the said 100.714 acre tract;

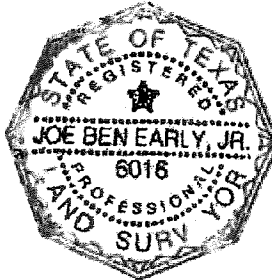
THENCE South 28°48'40" West with the northwest right-of-way line of the Union Pacific Railroad and the southeast line of the said 5566.770 acre tract, a distance of 4189.17 feet to the **POINT OF BEGINNING** containing 548.477 acres of land, more or less.

Surveyed on the ground in August, September and October, 2005.

Bearing Basis: The Texas Coordinate System of 1983 (NAD83), Central Zone, based on 1983/93 HARN Values from LCRA Control Network.

Attachments: Survey Drawing 457-001-WELL-2-3.

 
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



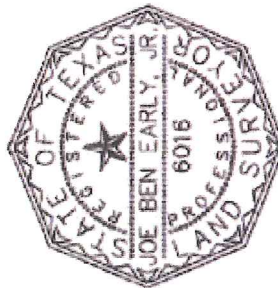
SKETCH TO ACCOMPANY A DESCRIPTION OF 548.477 ACRES IN THE S.F. AUSTIN SURVEY, ABSTRACT NO. 3 AND THE ISAAC HARRIS SURVEY NO. 2, ABSTRACT NO. 38, BASTROP COUNTY, TEXAS, BEING A PORTION OF A 5,566.770 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED WITH VENDOR'S LIEN DATED DECEMBER 19, 2006 AND RECORDED IN DOCUMENT NO. 200619026 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

LINE TABLE		
LINE	BEARING	DISTANCE
L1	N70°54'45"W	508.46'
L2	N27°36'53"E	295.98'
L3	N59°21'01"W	213.96'
L4	S46°04'58"W	334.28'
L5	N48°55'26"W	1197.98'
L6	N29°09'39"W	153.76'
L7	N40°47'14"W	639.58'
L8	N34°04'48"W	832.33'
L9	N31°21'24"W	118.29'
L10	N24°22'16"W	176.75'
L11	N18°55'11"W	120.47'
L12	N10°15'52"W	264.46'
L13	N07°51'48"W	327.03'
L14	N12°13'41"W	91.49'
L15	N60°03'33"W	88.80'
L16	N62°48'40"W	325.21'
L17	N71°52'04"W	98.90'
L18	N84°51'25"W	548.44'
L19	S86°27'29"W	73.98'
L20	S78°51'37"W	39.75'
L21	S73°16'07"W	141.66'
L22	N52°54'39"W	123.41'
L23	N31°56'06"W	79.58'
L24	N21°29'47"W	191.24'
L25	N22°51'02"W	86.71'
L26	N48°39'12"W	119.64'
L27	N30°09'55"W	171.71'
L28	N34°19'30"W	193.48'
L29	N41°24'11"W	112.93'

LINE TABLE		
LINE	BEARING	DISTANCE
L30	N55°09'35"W	71.44'
L31	N72°29'33"W	137.95'
L32	N37°28'32"E	131.53'
L33	N49°29'56"E	92.62'
L34	N46°23'18"E	54.61'
L35	S72°29'33"E	55.69'
L36	S55°09'35"E	139.70'
L37	S41°24'11"E	158.55'
L38	S34°19'30"E	218.02'
L39	S30°09'55"E	179.57'
L40	S48°39'12"E	107.96'
L41	S22°51'02"E	96.38'
L42	S21°29'47"E	171.36'
L43	S31°56'06"E	10.46'
L44	S52°54'39"E	53.75'
L45	N73°16'07"E	151.74'
L46	N78°51'37"E	68.56'
L47	N86°27'29"E	109.56'
L48	S84°51'25"E	205.92'
L49	S52°06'26"E	3184.22'
L50	S52°05'40"E	1921.20'
L51	S48°02'42"E	1435.57'
L52	S28°48'40"W	4189.17'

LEGEND

- 1/2" REBAR FOUND
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- ⊙ FENCE POST FOR MONUMENT
- △ CALCULATED POINT
- ⊕ WELL LOCATION



Handwritten signature and date: 5/6/14

BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON 1983/93 HARN VALUES FROM LCRA CONTROL NETWORK.

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 457-001-WELL-2-3

Chaparral

DATE OF SURVEY: 10/2005
 PLOT DATE: 5/6/14
 DRAWING NO.: 457-001-WELL-2-3
 PROJECT NO.: 457-001
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: BBP & JBE
 SHEET 1 OF 3

DRAWING NO.: 457-001-WELL-2-3
SHEET 2 OF 3

COUNTY ROAD 157
(SAYERS ROAD)

Chaparral

COUNTY ROAD 157
(SAYERS ROAD)

CEMETERY

P.O.B.

(100' R.O.W.)
UNION PACIFIC RAILROAD

XS RANCH FUND VI, L.P.
PORTION OF
5,566.770 ACRES
(200619026)

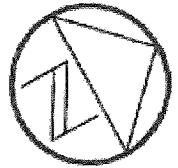
548,477 ACRES
XS RANCH FUND VI, L.P.
PORTION OF
5,566.770 ACRES
(200619026)

XS RANCH FUND VI, L.P.
PORTION OF
5,566.770 ACRES
(200619026)

125' LCRA
TRANSMISSION
LINE ESMT.
(185/404)

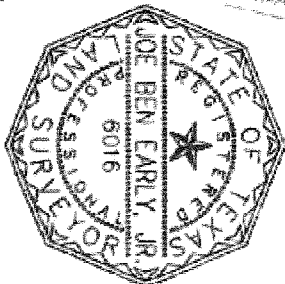
125' LCRA
TRANSMISSION
LINE ESMT.
(193/908)
AMENDED IN (1007/606)

125' LCRA
TRANSMISSION
LINE ESMT.
(184/58)

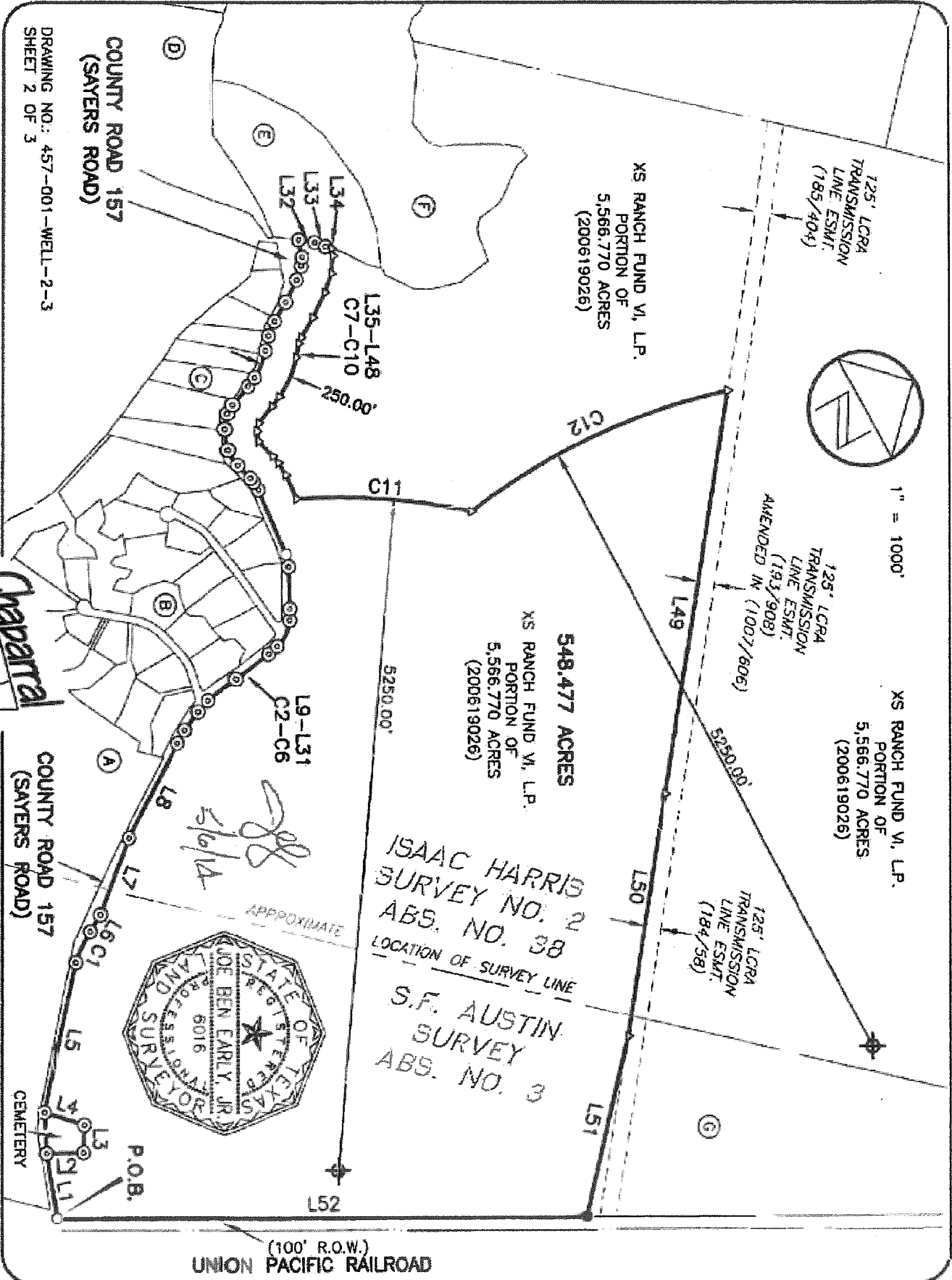


1" = 1000'

ISAAC HARRIS
SURVEY NO. 2
ABS. NO. 38
LOCATION OF SURVEY LINE
S.F. AUSTIN
SURVEY
ABS. NO. 3



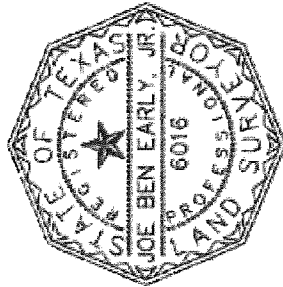
APPROXIMATE



(A) BASTROP 552, L.P.
552.7604 ACRES
(1481/280)

(B) COLORADO SHORES
(2/314A)

(C) RIVERSIDE HEIGHTS
(1/19-A)



Handwritten signature and date: 5/6/14

CURVE TABLE

CURVE	RADIUS	DELTA	ARC	BEARING	CHORD
C1	959.67'	16°08'35"	270.39'	N35°25'39"W	269.50'
C2	290.55'	45°28'48"	230.63'	N35°03'33"W	224.62'
C3	290.37'	27°29'49"	139.35'	S87°41'13"W	138.02'
C4	774.91'	12°12'05"	165.02'	N68°44'53"W	164.71'
C5	548.91'	23°52'09"	228.67'	N38°10'46"W	227.02'
C6	489.39'	14°35'25"	124.62'	N37°56'09"W	124.29'
C7	239.39'	12°54'51"	53.96'	S37°18'08"E	53.84'
C8	798.91'	24°12'00"	337.44'	S37°45'51"E	334.93'
C9	524.91'	8°52'52"	81.36'	S69°11'17"E	81.28'
C10	40.37'	19°10'42"	13.51'	N84°39'16"E	13.45'
C11	5250.00'	15°21'45"	1407.67'	N33°01'02"E	1403.46'
C12	5250.00'	24°35'30"	2253.33'	N04°00'11"E	2236.08'

(D) McCall Ranch, L.P.
772.304 ACRES
(819/733)

(E) CALVIN D. McCALL &
ANN McCALL
REMAINDER OF 159.25 ACRES
TRACT #1
(176/62)

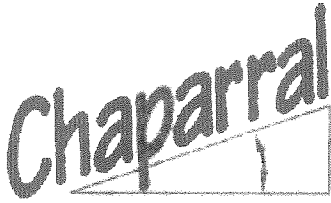
(F) McCall Ranch, L.P.
772.304 ACRES
(819/733)

(G) CALVIN D. McCALL &
ANN McCALL
22.43 ACRES
TRACT #2
(176/62)

(H) MAURICE L. BENNIGHT &
MINNIE M. BENNIGHT
62.5 ACRES
(149/477)

(I) HUBERT L. LINENBERGER &
ANITA K. LINENBERGER
100.714 ACRES
(276/639)

Chaparral



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**6.117 ACRES
S.F. AUSTIN SURVEY, ABSTRACT 3
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 6.117 ACRES (APPROXIMATELY 266,451 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 6.117 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209388 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 6.117 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar with "Chaparral" cap set in the west right-of-way line of State Highway 95 (100' right-of-way width) as described in Volume 95, Page 416 of the Deed Records of Bastrop County, Texas, being an angle point in the east line of the said 6.117 acre tract, being also the northernmost corner of a 0.81 acre tract described in Volume 288, Page 441 of the Deed Records of Bastrop County, Texas, from which a TxDOT type I monument found in the west right-of-way line of State Highway 95 at TxDOT highway station 777+96.3, 50' right, bears with a curve to the left, having a radius of 5779.58 feet, a delta angle of 11°35'44", an arc length of 1169.68 feet, and a chord which bears South 02°35'10" East, a distance of 1167.69 feet;

THENCE South 36°40'27" West with the southeast line of the said 6.117 acre tract and the northwest line of the said 0.81 acre tract as fenced, passing a 1/2" rebar found at a distance of 3.12 feet, passing a 1/2" rebar with "Chaparral" cap set for reference at a distance of 354.99 feet and continuing for a total distance of 364.99 feet to a calculated point underneath a large fallen tree trunk for the southernmost corner of the said 6.117 acre tract, being the southwest corner of the said 0.81 acre tract, being also in the north line of a 4 acre tract conveyed to Perry Taylor in Volume 118, Page 96 of the Deed Records of Bastrop County, Texas;

THENCE North 77°07'30" West with the south line of the said 6.117 acre tract and the north line of the said 4 acre Taylor tract as fenced, passing a 1/2" rebar with "Chaparral" cap set for reference at a distance of 10.00 feet and continuing for a total distance of 366.37 feet to a 1/2" rebar with "Chaparral" cap set in the apparent east right-of-way line of County Road 45 – B.J. Mayes Road as fenced (no defined right-of-way width found), being the southwest corner of the said 6.117 acre tract, being also the apparent northwest corner of the said 4 acre Taylor tract;

THENCE North 01°12'36" East with the apparent east right-of-way line of County Road 45 – B.J. Mayes Road and the west line of the said 6.117 acre tract as fenced, a

distance of 131.38 feet to a 1/2" rebar with "Chaparral" cap set for the southernmost corner of the Zion Chapel Missionary Baptist Church tract described in Volume 55, Page 282 of the Deed Records of Bastrop County, Texas;

THENCE North 42°22'56" East with the northwest line of the said 6.117 acre tract and the southeast line of the said Zion Chapel Missionary Baptist Church tract, a distance of 381.24 feet to a 1/2" rebar found for the easternmost corner of the said Zion Chapel Missionary Baptist Church tract, being an angle point in the southeast line of a 3.92 acre tract described in Volume 852, Page 101 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the north line of the said Zion Chapel Missionary Baptist Church tract, being a southwest corner of the said 3.92 acre tract, bears North 89°21'22" West, a distance of 57.02 feet;

THENCE North 42°22'56" East with the northwest line of the said 6.117 acre tract and the southeast line of the said 3.92 acre tract, a distance of 488.97 feet to a 1/2" rebar with "Chaparral" cap set for the northernmost corner of the said 6.117 acre tract, being the westernmost corner of a 169 4/10 acre tract described in Volume 64, Page 460 of the Deed Records of Bastrop County, Texas, same being the westernmost corner of a 38 yard by 27 yard by 20 yard triangle tract described in Volume 104, Page 273 of the Deed Records of Bastrop County, Texas, from which a 1/2" rebar found in the southeast line of the said 3.92 acre tract, being in the northwest line of the said 169 4/10 acre tract, same being the northwest line of the said 38 yard by 27 yard by 20 yard triangle tract, bears North 42°22'56" East, a distance of 48.40 feet;

THENCE South 26°56'32" East with the northeast line of the said 6.117 acre tract and the southwest line of the said 169 4/10 acre tract, same being the southwest line of the said 38 yard by 27 yard by 20 yard triangle tract, a distance of 56.83 feet to a 1/2" rebar with "Chaparral" cap set in the west right-of-way line of State Highway 95, being the southernmost corner of the said 38 yard by 27 yard by 20 yard triangle tract, from which a TxDOT type I monument found in the west right-of-way line of State Highway 95, bears North 04°39'58" East, a distance of 544.12 feet;

THENCE with the west right-of-way line of State Highway 95 and east line of the said 6.117 acre tract, the following two (2) courses and distances:

1. South 04°39'58" West, a distance of 367.24 feet to a 1/2" rebar with "Chaparral" cap set at TxDOT highway station 764+91.3, 50' right;
2. With a curve to the left, having a radius of 5779.58 feet, a delta angle of 01°27'16", an arc length of 146.71 feet, and a chord which bears South 03°56'20" West, a distance of 146.70 feet to the **POINT OF BEGINNING**, containing 6.117

acres of land, more or less.

Surveyed on the ground on April 13, 2012.

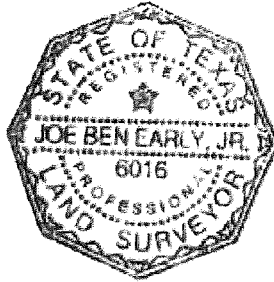
Bearing Basis: The Texas Coordinate System of 1983, Central Zone, based on GPS solutions from The National Geodetic Survey (NGS) on-line positioning user service (OPUS).

Attachments: Survey Drawing 828-001-WELL4.



5/5/14

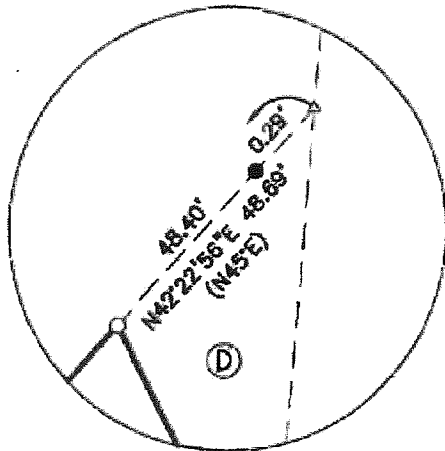
Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



SKETCH TO ACCOMPANY A DESCRIPTION OF 6.117 ACRES (APPROXIMATELY 266,451 SQ. FT.) IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 6.117 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209388 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE						
NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	1°27'16"	5779.58'	73.36'	146.71'	146.70'	S03°56'20"W
C2	11°35'44"	5779.58'	586.85'	1169.68'	1167.69'	S02°35'10"E

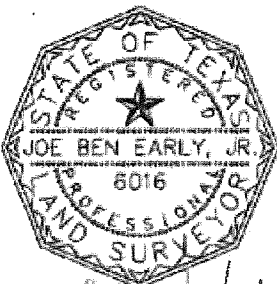
LINE TABLE			
No.	BEARING	LENGTH	(RECORD)
L1	S26°56'32"E	58.83'	(S24°30'E)
L2	N89°21'22"W	57.02'	(N87°16'40"W 57.00')



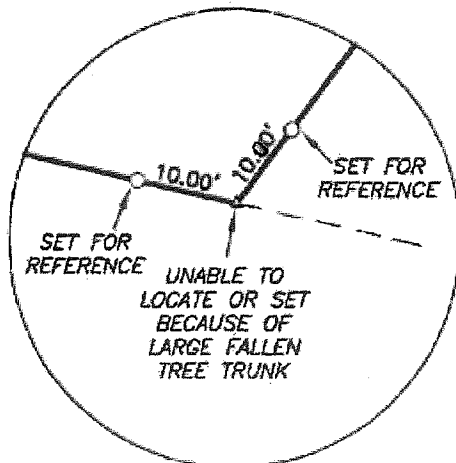
DETAIL B
NOT TO SCALE

LEGEND

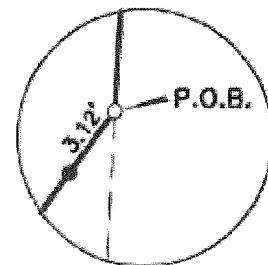
- 1/2" REBAR FOUND (OR AS NOTED)
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- TxDOT TYPE I MONUMENT FOUND
- △ CALCULATED POINT
- () RECORD INFORMATION



DATE OF SURVEY: 4/13/12
 PLOT DATE: 5/5/14
 DRAWING NO.: 828-001-WELL4
 PROJECT NO.: 828-001
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: JBE
 SHEET 1 OF 2



DETAIL C
NOT TO SCALE



DETAIL A
NOT TO SCALE

BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON GPS SOLUTIONS FROM THE NATIONAL GEODETIC SURVEY (NGS) ON-LINE POSITIONING USER SERVICE (OPUS)

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 828-001-WELL4

Chaparral

(A)
 GONZALO G. BARRIENTOS, JR.
 & EMMA BARRIENTOS
 0.81 ACRES
 (288/441)

DOES NOT MAKE
 A MATHEMATICALLY
 CLOSED FIGURE BY 8'

(B)
 BUCK ALFORD, THOMAS WHITE
 AND JOSIAH PERKINS,
 TRUSTEES OF ZION CHAPEL
 MISSIONARY BAPTIST CHURCH
 NO ACREAGE GIVEN
 (55/282)

(C)
 ROBERT BURTON AND
 SCHARLOTT BURTON
 1 ACRE
 (75/211)

RALPH MOCK AND WIFE,
 MARGARET A. MOCK
 PORTION OF
 154.20 ACRES
 (191/165)

XS RANCH FUND VI, L.P.
 8.953 ACRES
 (201209389)

RALPH MOCK AND WIFE,
 MARGARET A. MOCK
 PORTION OF
 154.20 ACRES
 (191/165)

(D)
 W.E. MAYNARD
 PORTION OF
 169 4/10 ACRES
 (64/460)

LESS
 38 X 27 X 20
 YARDS
 TRIANGLE
 (104/273)

GONZALO
 BARRIENTOS, SR.
 (1031/463)

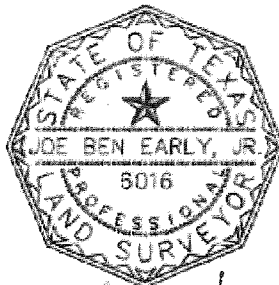
3.92 ACRES
 DESCRIBED IN
 (852/101)

6.117 ACRES
 APPROX. 266,451
 SQ. FT.
 XS RANCH
 FUND VI, L.P.
 6.117 ACRES
 (201209388)

PERRY TAYLOR
 4 ACRES
 (118/96)

RANELDA
 CRANEY
 0.21 ACRES
 (1165/748)

COUNTY ROAD 45
 B.J. MAYES ROAD
 (NO DEFINED
 RIGHT-OF-WAY
 WIDTH FOUND)



5/5/14

N04°39'58"E 544.12'
 (N6°10'E TXDOT)

SEE DETAIL B



1" = 200'

F.M. 1441

TXDOT HWY. STA.
 764+91.3
 50' RT

P.O.B.
 SEE
 DETAIL
 A

STATE
 HIGHWAY 95
 (100' R.O.W.)
 (95/416)

SEE
 DETAIL
 C

TXDOT HWY. STA.
 777+96.3
 50' RT

N81°45'12"E
 100.00'

TXDOT HWY. STA.
 777+96.3
 50' LT

DRAWING NO.:
 828-001-WELL4
 SHEET 2 OF 2

Chaparral



**Professional Land Surveying, Inc.
Surveying and Mapping**

Office: 512-443-1724
Fax: 512-389-0943

3500 McCall Lane
Austin, Texas 78744

**11.937 ACRES
S.F. AUSTIN SURVEY, ABSTRACT 3
BASTROP COUNTY, TEXAS**

A DESCRIPTION OF 11.937 ACRES IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 2.984 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JUNE 19, 2012 AND RECORDED IN DOCUMENT NO. 201207547 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS AND BEING ALL OF AN 8.953 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209359 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS; SAID 11.937 ACRES BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING at a 1/2" rebar found in the southeast right-of-way line of County Road 36 – Phelan Road (no defined right-of-way width found), being the northernmost corner of the said 2.984 acre tract, being also the westernmost corner of a 1.000 acre tract described in Volume 578, Page 406 of the Deed Records of Bastrop County, Texas;

THENCE South 52°51'50" East with the northeast line of the said 2.984 acre tract and the southwest line of the said 1.000 acre tract, a distance of 250.61 feet to a 1/2" rebar found for the easternmost corner of the said 2.984 acre tract, being the southernmost corner of the said 1.000 acre tract, being also in the northwest line of a 154.20 acre tract described in Volume 191, Page 165 of the Deed Records of Bastrop County, Texas;

THENCE South 42°30'04" West with the southeast line of the said 2.984 acre tract and the northwest line of the said 154.20 acre tract, a distance of 54.26 feet to a 1/2" rebar with "Chaparral" cap set for an angle point in the north line of the said 8.953 acre tract;

THENCE crossing the said 154.20 acre tract and with the north line of the said 8.953 acre tract, the following five (5) courses and distances:

1. South 61°11'07" East, a distance of 161.24 feet to a 1/2" rebar with "Chaparral" cap set;
2. With a curve to the right, having a radius of 300.00 feet, a delta angle of 21°56'13", an arc length of 114.86 feet, and a chord which bears South 50°13'01" East, a distance of 114.16 feet to a 1/2" rebar with "Chaparral" cap set;
3. With a curve to the left, having a radius of 450.00 feet, a delta angle of 48°06'01",

an arc length of 377.78 feet, and a chord which bears South $63^{\circ}17'55''$ East, a distance of 366.78 feet to a 1/2" rebar with "Chaparral" cap set;

4. With a curve to the left, having a radius of 1140.00 feet, a delta angle of $28^{\circ}59'50''$, an arc length of 576.95 feet, and a chord which bears North $78^{\circ}09'09''$ East, a distance of 570.82 feet to a 1/2" rebar with "Chaparral" cap set, from which a 1/2" iron pipe found at the southwest intersection of County Road 45 – B.J. Mayes Road and County Road 36 – Phelan Road, being also the northeast corner of the said 154.20 acre tract, bears North $19^{\circ}19'49''$ East, a distance of 2340.63 feet;
5. North $63^{\circ}39'14''$ East, a distance of 924.84 feet to a 1/2" rebar with "Chaparral" cap set in the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced (no defined right-of-way width found), being the northeast corner of the said 8.953 acre tract, being also the east line of the said 154.20 acre tract, from which a 1/2" rebar with "Chaparral" cap set in the apparent east right-of-way line of County Road 45 – B.J. Mayes Road as fenced, being an angle point in the west line of a 6.117 acre tract described in Document No. 201209388 of the Official Public Records of Bastrop County, Texas, bears North $67^{\circ}12'31''$ East, a distance of 61.94 feet;

THENCE South $00^{\circ}08'51''$ West with the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced and the east line of the said 8.953 acre tract, a distance of 134.08 feet to a 1/2" rebar with "Chaparral" cap set for the southeast corner of the said 8.953 acre tract, from which a 4" wood fence post found in the apparent west right-of-way line of County Road 45 – B.J. Mayes Road as fenced, being in the east line of the said 154.20 acre tract, bears South $00^{\circ}08'51''$ West, a distance of 52.93 feet;

THENCE crossing the said 154.20 acre tract and with the south line of the said 8.953 acre tract, the following three (3) courses and distances:

1. South $63^{\circ}39'14''$ West, a distance of 865.03 feet to a 1/2" rebar with "Chaparral" cap set;
2. With a curve to the right, having a radius of 1260.00 feet, a delta angle of $29^{\circ}07'06''$, an arc length of 640.34 feet, and a chord which bears South $78^{\circ}12'47''$ West, a distance of 633.48 feet to a 1/2" rebar with "Chaparral" cap set;
3. With a curve to the right, having a radius of 1000.00 feet, a delta angle of $48^{\circ}57'20''$, an arc length of 854.43 feet, and a chord which bears North $79^{\circ}59'35''$ West, a distance of 828.68 feet to a 1/2" rebar with "Chaparral" cap set for the

westernmost corner of the said 8.953 acre tract, being in the northwest line of the said 154.20 acre tract, being also in the southeast line of the said 2.984 acre tract;

THENCE South 42°36'28" West with the southeast line of the said 2.984 acre tract and the northwest line of the said 154.20 acre tract, a distance of 78.52 feet to a 1/2" rebar found for the northernmost corner of a 10.00 acre tract described in Volume 1534, Page 858 of the Deed Records of Bastrop County, Texas;

THENCE with the southeast line of the said 2.984 acre tract and the northwest line of the said 10.00 acre tract, the following three (3) courses and distances:

1. South 43°00'28" West, a distance of 145.46 feet to a 1/2" rebar found;
2. South 42°03'33" West, a distance of 150.19 feet to a 1/2" rebar found;
3. South 44°06'50" West, a distance of 203.73 feet to a 1/2" iron pipe found in the southeast right-of-way line of County Road 36 – Phelan Road, being the southernmost corner of the said 2.984 acre tract, from which a 1/2" rebar found in the southeast right-of-way line of County Road 36 – Phelan Road, being the westernmost corner of the said 10.00 acre tract, bears South 28°29'00" West, a distance of 49.98 feet;

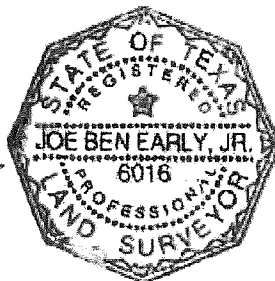
THENCE with the southeast right-of-way line of County Road 36 – Phelan Road and the northwest line of the said 2.984 acre tract, the following two (2) courses and distances:

1. North 28°55'39" East, a distance of 839.56 feet to a 1/2" rebar found;
2. North 28°45'47" East, a distance of 193.64 feet to the **POINT OF BEGINNING**, containing 2.984 acres of land, more or less.

Surveyed on the ground on May 8, 2012. Bearing Basis: The Texas Coordinate System of 1983, Central Zone, based on GPS solutions from The National Geodetic Survey (NGS) on-line positioning user service (OPUS). Attachments: Survey Drawing 828-001-WELL 3-4.

JB 5/5/14

Joe Ben Early, Jr.
Registered Professional Land Surveyor
State of Texas No. 6016



SKETCH TO ACCOMPANY A DESCRIPTION OF 11.937 ACRES IN THE S.F. AUSTIN SURVEY, ABS. 3, BASTROP COUNTY, TEXAS, BEING ALL OF A 2.984 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JUNE 19, 2012 AND RECORDED IN DOCUMENT NO. 201207547 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS AND BEING ALL OF AN 8.953 ACRE TRACT CONVEYED TO XS RANCH FUND VI, L.P. IN A SPECIAL WARRANTY DEED DATED JULY 25, 2012 AND RECORDED IN DOCUMENT NO. 201209359 OF THE OFFICIAL PUBLIC RECORDS OF BASTROP COUNTY, TEXAS.

CURVE TABLE

NO.	DELTA	RADIUS	TAN	ARC	CHORD	BEARING
C1	21°56'13"	300.00'	58.14'	114.86'	114.16'	S50°13'01"E
C2	48°06'01"	450.00'	200.82'	377.78'	366.78'	S63°17'55"E
C3	28°59'50"	1140.00'	294.80'	576.95'	570.82'	N78°09'09"E
C4	29°07'06"	1260.00'	327.25'	640.34'	633.48'	S78°12'47"W
C5	48°57'20"	1000.00'	455.26'	854.43'	828.68'	N79°59'35"W

LINE TABLE

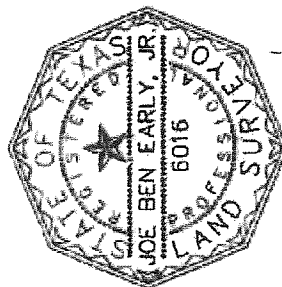
LINE	BEARING	DISTANCE
L1	S52°51'50"E	250.61'
L2	S42°30'04"W	54.26'
L3	S61°11'07"E	161.24'
L4	N63°39'14"E	924.84'
L5	S00°08'51"W	134.08'
L6	S63°39'14"W	865.03'
L7	S42°36'28"W	78.52'
L8	S43°00'28"W	145.46'
L9	S42°03'33"W	150.19'
L10	S44°06'50"W	203.73'
L11	N28°55'39"E	839.56'
L12	N28°45'47"E	193.64'
L13	N42°24'42"E	162.22'
L14	S00°08'51"W	52.93'
L15	S28°29'00"W	49.98'
L16	S42°30'04"W	138.09'
L17	S42°36'28"W	257.48'

LEGEND

- 1/2" REBAR FOUND (OR AS NOTED)
- ⊙ 1/2" IRON PIPE FOUND
- 1/2" REBAR WITH "CHAPARRAL" CAP SET
- ⊗ 4" WOOD FENCE POST FOUND
- () RECORD INFORMATION

BEARING BASIS: THE TEXAS COORDINATE SYSTEM OF 1983 (NAD83), CENTRAL ZONE, BASED ON GPS SOLUTIONS FROM THE NATIONAL GEODETIC SURVEY (NGS) ON-LINE POSITIONING USER SERVICE (OPUS)

ATTACHMENTS: METES AND BOUNDS DESCRIPTION 828-001-WELL 3-4



5/5/14

DATE OF SURVEY: 5/8/12
 PLOT DATE: 5/5/14
 DRAWING NO.: 828-001-WELL 3-4
 PROJECT NO.: 828-001
 T.B.P.L.S. FIRM NO. 10124500
 DRAWN BY: JBE
 SHEET 1 OF 2

Chaparral



1" = 300'

COUNTY ROAD 36 - PHELAN ROAD
(NO DEFINED RIGHT-OF-WAY WIDTH FOUND)

SOUTHWEST INTERSECTION OF
COUNTY ROAD 45 - B.J. MAYES ROAD &
COUNTY ROAD 36 - PHELAN ROAD

NORTHEAST CORNER OF
RALPH MOCK AND WIFE,
MARGARET A. MOCK
154.20 ACRES
(191/165)

THE PIONEER
FOUNDATION
1,000 ACRES
(578/406)

P.O.B.

UNION PACIFIC RAILROAD (100' R.O.W.)

X.S. RANCH FUND VI, L.P.
2,984 ACRES
(201207547)

X.S. RANCH
FUND VI, L.P.
8,953 ACRES
(201209359)

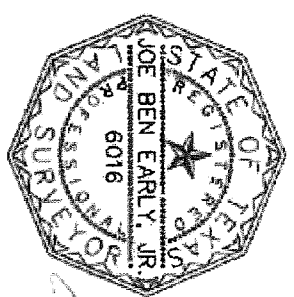
RALPH MOCK AND WIFE,
MARGARET A. MOCK
PORTION OF
154.20 ACRES
(191/165)

RALPH MOCK AND WIFE, MARGARET A. MOCK
PORTION OF 154.20 ACRES
(191/165)

COUNTY ROAD 45 -
B.J. MAYES ROAD
(NO DEFINED RIGHT-OF-WAY
WIDTH FOUND)

X.S. RANCH
FUND VI, L.P.
6,117 ACRES
(201209388)

TOMMY ODOM
10.00 ACRES
(1534/858)



5/5/12

Chapparral

DRAWING NO.:
828-001-WELL 3-4
SHEET 2 OF 2

EXHIBIT "F"

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

SPECIAL WARRANTY DEED

THE STATE OF TEXAS §
 § KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BASTROP §

XS RANCH FUND VI, L. P., a Delaware limited partnership ("Grantor"), for and in consideration of the sum of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration paid by City of Bastrop, a home rule municipal corporation located in Bastrop County, Texas ("Grantee"), whose mailing address is 1311 Chestnut Street, P.O. Box 427, Bastrop, Texas 78602, the receipt and sufficiency of which consideration is hereby acknowledged, and confessed, has GRANTED, SOLD AND CONVEYED, and by these presents does GRANT, SELL AND CONVEY unto Grantee, subject to all of the reservations, exceptions, and other matters set forth or referred to herein, all of that certain real property described on Exhibit "A" attached hereto and incorporated herein by reference, together with all improvements thereon, if any (the "Property").

TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, and Grantee's successors or assigns, forever, and, subject to all of the matters set forth or referred to herein, Grantor does hereby bind itself and its successors to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise; provided, however, that this conveyance is made by Grantor and accepted by Grantee subject to: (a) all of the title exceptions revealed in or by the recorded documents and other matters listed on Exhibit "B" attached hereto and incorporated herein by reference, to the extent the same are valid and subsisting and affect the Property; (b) all regulations, restrictions, laws, statutes, ordinances, obligations or other matters which affect the Property and which are imposed by or exist by reason of any regulatory, governmental or quasi-governmental districts, entities, agencies, authorities or other bodies of any kind or nature ("Governmental Authorities"); (c) riparian rights, water rights, access rights or other rights of any kind or nature which affect the Property and which are held by or relate to any Governmental Authorities, the public generally or any persons or entities; (d) all liens securing the payment of taxes or assessments for the current and all subsequent years; and (e) all reservations, restrictions, covenants, conditions, and other matters set forth herein. Ad valorem taxes with respect to the Property for the current year have been prorated as of the date hereof. By acceptance of this Deed, Grantee assumes and agrees to pay all taxes and assessments relating to the Property for the current and

all subsequent years, and for any and all assessments for the current and any prior years which arise due to any change in usage or ownership of the Property.

In addition to the foregoing, Grantor hereby grants and conveys to Grantee a non-exclusive easement including: (i) a twenty foot (20') wide area for vehicular and pedestrian access purposes and (ii) a fifteen foot (15') wide area for a water pipeline (the "Easement") over, upon and across that certain tract of real property which is described on Exhibit "C" attached hereto and incorporated herein by reference (the "Easement Property") subject, however, to the following conditions, restrictions and limitations: (a) the Easement Property may be utilized solely by the Grantee and may not be used by any other persons or entities without the prior written consent of Grantor; (b) Grantor reserves and retains the right to use and improve the Easement Property for vehicular and pedestrian access purposes, roadway purposes, utility and drainage purposes and any and all other purposes which are not inconsistent with the rights granted to Grantee under this agreement; and (c) the Easement is nonexclusive and Grantor has the right to grant additional easements over and across the Easement Property.

EXECUTED AND DELIVERED the ___ day of _____, 2014.

GRANTOR:

XS RANCH FUND VI, L.P.

By: XS Ranch VI Manager, L. P., its general partner

By: Coast Range Investments, LLC, its general partner

By: _____
James P. Foster, Manager

GRANTEE:

City of Bastrop, a home rule municipal corporation located in Bastrop County, Texas

By: _____
Printed Name: _____
Title: _____
Date: _____

STATE OF _____

§

COUNTY OF _____

§

§

This instrument was acknowledged before me on the _____ day of _____, 2014, by James P. Foster, Manager of Coast Range Investments, LLC, general partner of XS Ranch VI Manager, L.P., general partner of XS RANCH FUND VI, L.P., a Delaware limited partnership, on behalf of said company and limited partnerships.

Notary Public, State of _____

THE STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 2014
by _____ of
City of Bastrop, a home rule municipal corporation located in Bastrop County, Texas, on behalf
of the City.

(SEAL)

Notary Public Signature

Exhibit "A"
Legal Description of the Land

Exhibit "B"
Title Exceptions

Exhibit "C"

Legal Description of the Easement Property

EXHIBIT "F"

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TO HAVE AND TO HOLD the Property, together with all and singular the rights and appurtenances thereto in anywise belonging unto Grantee, and Grantee's successors or assigns, forever, and, subject to all of the matters set forth or referred to herein, Grantor does hereby bind itself and its successors to WARRANT AND FOREVER DEFEND all and singular the Property unto Grantee, Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same, or any part thereof, by, through or under Grantor, but not otherwise; provided, however, that this conveyance is made by Grantor and accepted by Grantee subject to: (a) all of the title exceptions revealed in or by the recorded documents and other matters listed on Exhibit "B" attached hereto and incorporated herein by reference, to the extent the same are valid and subsisting and affect the Property; (b) all regulations, restrictions, laws, statutes, ordinances, obligations or other matters which affect the Property and which are imposed by or exist by reason of any regulatory, governmental or quasi-governmental districts, entities, agencies, authorities or other bodies of any kind or nature ("Governmental Authorities"); (c) riparian rights, water rights, access rights or other rights of any kind or nature which affect the Property and which are held by or relate to any Governmental Authorities, the public generally or any persons or entities; (d) all liens securing the payment of taxes or assessments for the current and all subsequent years; and (e) all reservations, restrictions, covenants, conditions, and other matters set forth herein. Ad valorem taxes with respect to the Property for the current year have been prorated as of the date hereof. By acceptance of this Deed, Grantee assumes and agrees to pay all taxes and assessments relating to the Property for the current and

all subsequent years, and for any and all assessments for the current and any prior years which arise due to any change in usage or ownership of the Property.

In addition to the foregoing, Grantor hereby grants and conveys to Grantee a non-exclusive easement including: (i) a twenty foot (20') wide area for vehicular and pedestrian access purposes and (ii) a fifteen foot (15') wide area for a water pipeline (the "Easement") over, upon and across that certain tract of real property which is described on Exhibit "C" attached hereto and incorporated herein by reference (the "Easement Property") subject, however, to the following conditions, restrictions and limitations: (a) the Easement Property may be utilized solely by the Grantee and may not be used by any other persons or entities without the prior written consent of Grantor; (b) Grantor reserves and retains the right to use and improve the Easement Property for vehicular and pedestrian access purposes, roadway purposes, utility and drainage purposes and any and all other purposes which are not inconsistent with the rights granted to Grantee under this agreement; and (c) the Easement is nonexclusive and Grantor has the right to grant additional easements over and across the Easement Property.

EXECUTED AND DELIVERED the ____ day of _____, 2014.

GRANTOR:

XS RANCH FUND VI, L.P.

By: XS Ranch VI Manager, L. P., its general partner

By: Coast Range Investments, LLC, its general partner

By: _____
James P. Foster, Manager

GRANTEE:

City of Bastrop, a home rule municipal corporation located in Bastrop County, Texas

By: _____
Printed Name: _____
Title: _____
Date: _____

STATE OF _____ §

COUNTY OF _____ §

This instrument was acknowledged before me on the ____ day of _____, 2014, by James P. Foster, Manager of Coast Range Investments, LLC, general partner of XS Ranch VI Manager, L.P., general partner of XS RANCH FUND VI, L.P., a Delaware limited partnership, on behalf of said company and limited partnerships.

Notary Public, State of _____

THE STATE OF TEXAS §

COUNTY OF _____ §

This instrument was acknowledged before me this ____ day of _____, 2014
by _____ of
City of Bastrop, a home rule municipal corporation located in Bastrop County, Texas, on behalf
of the City.

(SEAL)

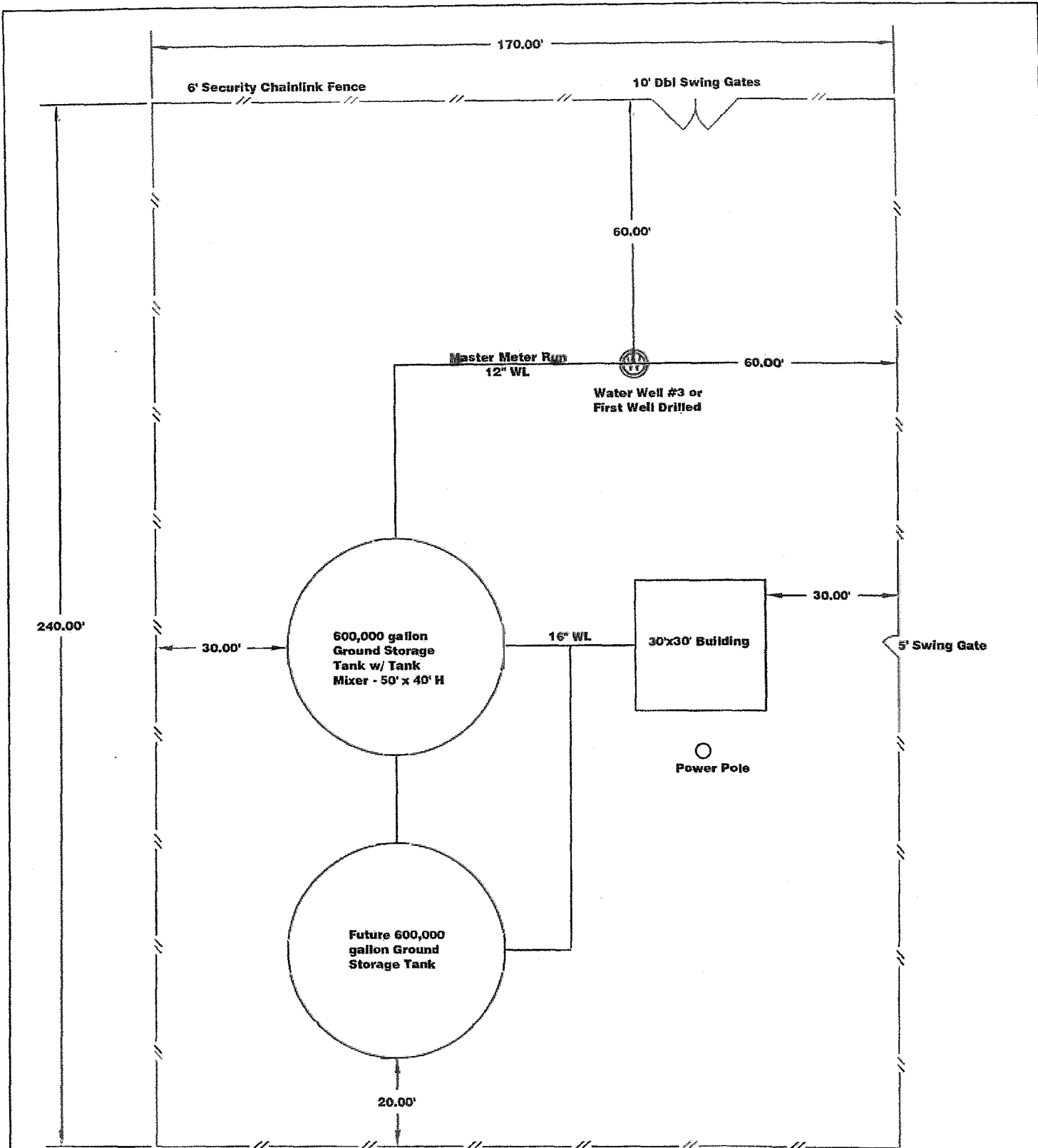
Notary Public Signature

Exhibit "A"
Legal Description of the Land

Exhibit "B"
Title Exceptions

Exhibit "C"

Legal Description of the Easement Property



SCALE 1" = 30'

Exhibit "G"

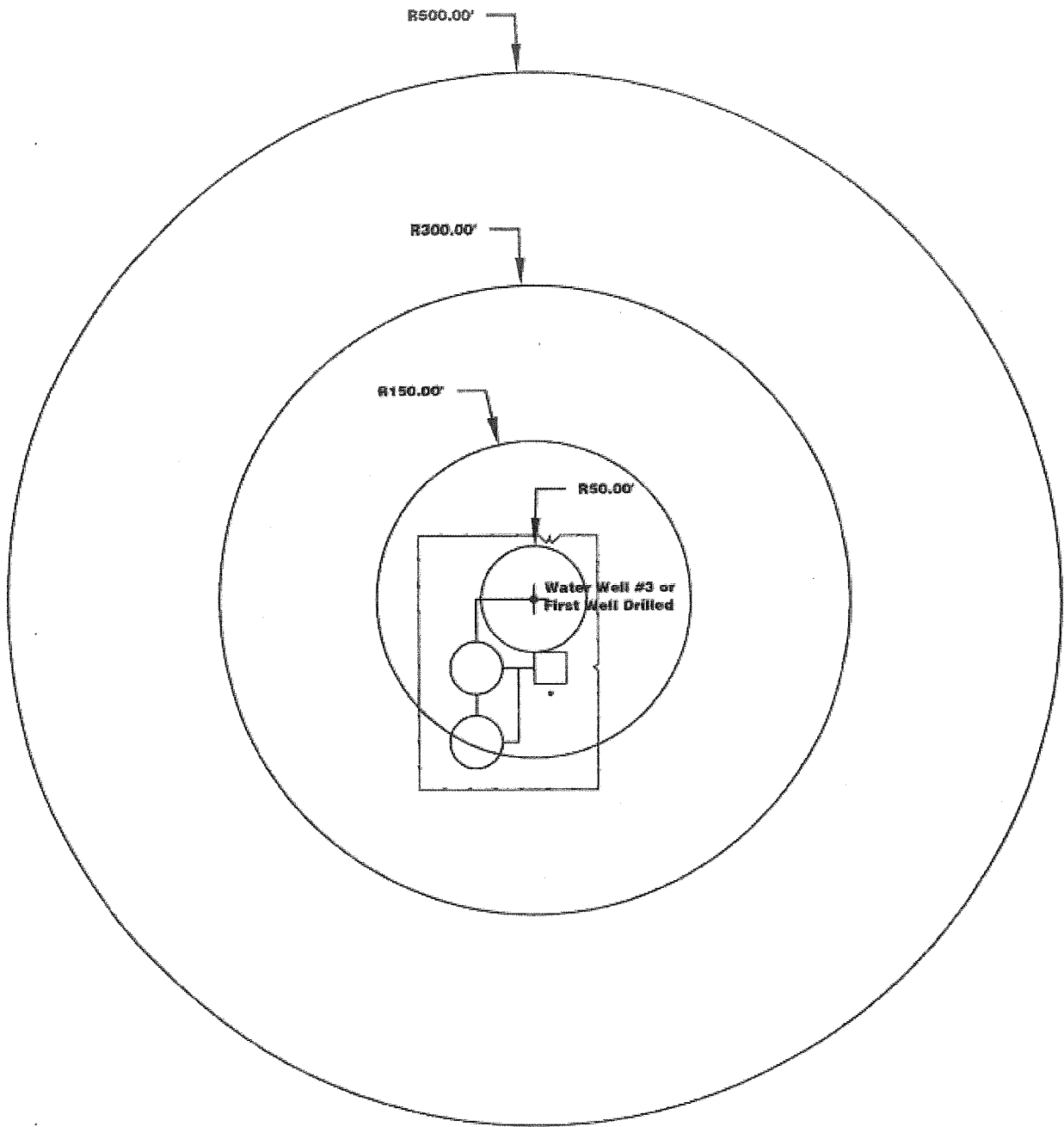
CITY OF BASTROP WATER WELL #3 ~ XS RANCH SITE



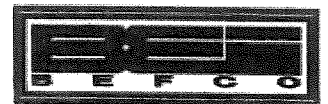
BEFCO ENGINEERING, INC.

P. O. Box 615
LaGrange, Texas 78945
(979) 968-6474

F-2011



**CITY OF BASTROP
WATER WELL #3 ~ XS RANCH SITE**



BEFCO ENGINEERING, INC.

P. O. Box 615
LaGrange, Texas 78945
(979) 968-6474

F-2011

FILED AND RECORDED
OFFICIAL PUBLIC RECORDS

Rose Pietsch

May 15, 2014 03:45:05 PM
KRISTAB FEE: \$316.00 BOOK:2320 PAGE:85-161
ROSE PIETSCH, County Clerk
Bastrop, Texas

AGREE

201405875

ORDINANCE NO. 2017-__

**ORDINANCE
AUTHORIZING THE ISSUANCE OF**

**\$5,800,000
CITY OF BASTROP, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION
SERIES 2017**

Adopted on _____, 2017

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EXECUTION

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ORDINANCE NO. 2017-__

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS, AUTHORIZING THE ISSUANCE AND SALE OF CITY OF BASTROP, TEXAS, COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2017; PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID CERTIFICATES; PRESCRIBING THE FORM OF SAID CERTIFICATES; AWARDED THE SALE THEREOF; APPROVING THE PAYING AGENT/REGISTRAR AGREEMENT, AND THE OFFICIAL STATEMENT; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

WHEREAS, the City Council (the "City Council") of the City of Bastrop, Texas (the "City"), by resolution adopted on _____, 2017, directed publication of notice of the City's intention to issue certificates of obligation in an aggregate principal amount not to exceed \$5,800,000 for the purposes hereinafter set forth;

WHEREAS, such notice was published in the manner and to the extent required by law;

WHEREAS, there has not been filed with the City Secretary or any other officer of the City a petition protesting the issuance of such certificates of obligation and requesting an election on the same;

WHEREAS, it is affirmatively found and determined that the City is authorized to proceed with the issuance and sale of such certificates of obligation as authorized by the Constitution and laws of the State of Texas, including, particularly, Chapter 271, Texas Local Government Code, as amended, and Chapter 1502, Texas Government Code, as amended; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Ordinance has been adopted was open to the public and public notice of the date, hour, place and subject of said meeting, including this Ordinance, was given, all as required by the applicable provisions of Tex. Gov't Code Ann. Ch. 551; Now, Therefore

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BASTROP:

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

Unless otherwise expressly provided or unless the context clearly requires otherwise, in this Ordinance the following terms shall have the meanings specified below:

"Certificate" means any of the Certificates.

"Certificates" means the City's certificates of obligation entitled "City of Bastrop, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017" authorized to be issued by Section 3.01 of this Ordinance.

"Closing Date" means the date of the initial delivery of and payment for the Certificates.

"Code" means the Internal Revenue Code of 1986, as amended, including applicable regulations, published rulings and court decisions relating thereto.

"Construction Fund" means the construction fund established by Section 8.01(a) of this Ordinance.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Certificates are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the City Council adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Certificates, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Certificates.

"Designated Payment/Transfer Office" means (i) with respect to the initial Paying Agent/Registrar named herein, its corporate trust office in Houston, Texas, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the City and such successor.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means any broker, dealer, bank, trust company, clearing corporation or certain other organizations with Certificates credited to an account maintained on its behalf by DTC.

"Event of Default" means any Event of Default as defined in Section 10.01 of this Ordinance.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Initial Certificate" means the Certificate described in Section 3.04(d) and 6.02.

"Interest and Sinking Fund" means the interest and sinking fund established by Section 8.01(a) of this Ordinance.

"Interest Payment Date" means the date or dates upon which interest on the Certificates is scheduled to be paid until the maturity of the Certificates, such dates being August 1 and February 1 of each year commencing August 1, 2018.

"MSRB" means the Municipal Securities Rulemaking Board.

"Ordinance" means this Ordinance.

"Original Issue Date" means the initial date from which interest on the Certificates accrues and which is designated in Section 3.02(a) of this Ordinance.

"Owner" means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

"Paying Agent/Registrar" means Regions Bank, any successor thereto or an entity which is appointed as and assumes the duties of paying agent/registrar as provided in this Ordinance.

"Purchaser" means the person, firm or entity initially purchasing the Certificates from the City and which is designated in Section 7.01 of this Ordinance.

"Record Date" means the 15th day of the month next preceding an Interest Payment Date.

"Register" means the Register specified in Section 3.06(a) of this Ordinance.

"Representation Letter" means the Blanket Issuer Letter of Representations with respect to the Certificates and other obligations of the City, between the City and DTC.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"Special Payment Date" means the Special Payment Date prescribed by Section 3.03(b) of this Ordinance.

"Special Record Date" means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for 30 days thereafter, as described in Section 3.03(b) of this Ordinance.

"Surplus Revenues" means the revenues of the City's water and wastewater system, available after deduction of the reasonable expenses of said System and the payment of all debt service,

reserve and other requirements with respect to all of the City's revenue bonds and other obligations, now outstanding or hereafter issued, that are payable in whole or in part from a pledge of all or part of the revenues of such System.

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of principal, redemption premium, if any, or interest on the Certificates as the same become due and payable or money set aside for the payment of Certificates duly called for redemption prior to maturity, and remaining unclaimed for 90 days after the applicable payment or redemption date.

Section 1.02. Other Definitions.

The terms "City Council" and "City" shall have the meanings assigned in the preamble to this Ordinance.

Section 1.03. Findings.

The declarations, determinations and findings declared, made and found in the preamble to this Ordinance are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. Table of Contents, Titles and Headings.

The table of contents, titles and headings of the Articles and Sections of this Ordinance 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 and shall never be considered or given any effect in construing this Ordinance or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.05. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Ordinance and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein to sustain the validity of this Ordinance.

ARTICLE II

SECURITY FOR THE CERTIFICATES

Section 2.01. Tax Levy for Payment of the Certificates.

(a) The City Council hereby declares and covenants that it will provide and levy a tax legally and fully sufficient for payment of the Certificates, it having been determined that the existing

and available taxing authority of the City for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations of the City.

(b) In order to provide for the payment of the debt service requirements on the Certificates, being (i) the interest on the Certificates and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent (whichever amount is the greater), there is hereby levied for the current year and each succeeding year thereafter, while the Certificates or interest thereon remain outstanding and unpaid, a tax within legal limitations on each \$100 valuation of taxable property in the City that is sufficient to pay such debt service requirements, full allowance being made for delinquencies and costs of collection.

(c) The tax levied by this Section shall be assessed and collected each year and applied to the payment of the debt service requirements on the Certificates, and the tax shall not be diverted to any other purpose.

Section 2.02. Revenue Pledge.

The Certificates are additionally secured by and shall be payable from a limited pledge of the Surplus Revenues of the City's water and wastewater system not to exceed \$1,000.

Section 2.03. Perfection of Security Interest.

Chapter 1208, Texas Government Code applies to the issuance of the Certificates and the pledge of the taxes and revenues granted by the City under Sections 2.01 and 2.02 of this Ordinance, and such pledge, therefore, is valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the taxes granted by the City under Section 2.01 of this Ordinance is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve to the registered owners of the Certificates the perfection of the security interest in said pledge, the City agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.01. Authorization.

(a) The City's certificates of obligation to be designated "City of Bastrop, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017," are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas in the aggregate principal amount of \$8,500,000 for the purpose of paying contractual obligations incurred or to be incurred for: (i) constructing, improving, extending and/or expanding the City's water system including equipment, vehicles, additional water supply well and related pipeline and related roadway

improvements; and (ii) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation.

(b) The Issuer hereby appropriates from current funds on hand and directs to the Interest and Sinking Fund relating to the Bonds of an amount sufficient to pay the interest scheduled to come due on the Bonds prior to the collection of the initial tax levy associated with the Bonds.

Section 3.02. Date, Denomination, Maturities, Numbers and Interest.

(a) The Certificates shall be dated _____, 2017 and have an Original Issue Date of _____, 2017, shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof, and shall be numbered separately from one upward or such other designation acceptable to the City and the Paying Agent/Registrar.

(b) The Certificates shall mature on February 1 in the years and in the principal amounts and interest rates set forth below, interest on each Certificate accruing from the Original Issue Date or the most recent Interest Payment Date to which interest has been paid or provided for at the per annum rates of interest, payable semiannually on August 1 and February 1 of each year commencing August 1, 2018 until the principal amount shall have been paid or provision for such payment shall have been made, as follows:

Year	Principal Amount	Interest Rate	Year	Principal Amount	Interest Rate
2019	\$250,000		2029	\$305,000	
2020	255,000		2030	315,000	
2021	260,000		2031	320,000	
2022	265,000		2032	330,000	
2023	270,000		2033	340,000	
2024	275,000		2034	350,000	
2025	280,000		2035	360,000	
2026	285,000		2036	370,000	
2027	290,000		2037	385,000	
2028	295,000				

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of, premium, if any, and interest on the Certificates shall be paid in lawful money of the United States of America as provided in this Section.

(b) Interest on the Certificates shall be payable to the Owners whose names appear in the Register at the close of business on the Record Date; provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date", which shall be at least 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

(c) Interest on the Certificates shall be paid by check (dated as of the Interest Payment Date) and sent by the Paying Agent/Registrar to the person entitled to such payment by United States mail, first class postage prepaid, to the address of such person as it appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expenses of such other customary banking arrangements.

(d) The principal of each Certificate shall be paid to the person in whose name such Certificate is registered on the due date thereof (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office.

(e) If a date for the payment of the principal of or interest on the Certificates is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are 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 institutions are required or 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.

(f) Subject to Title 6, Texas Property Code, as amended, Unclaimed Payments remaining unclaimed for three years after the applicable payment or redemption date shall be paid by the Paying Agent/Registrar to the City, to be used for any lawful purpose. Thereafter, neither the City, the Paying Agent/Registrar, nor any other person shall be liable or responsible to any Owners of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to any applicable escheat, abandoned property, or similar law.

Section 3.04. Execution and Initial Registration.

(a) The Certificates shall be executed on behalf of the City by the Mayor and City Secretary of the City, by their manual or facsimile signatures, and the official seal of the City shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said

officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the City had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the City whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Ordinance unless and until there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided in this Ordinance, duly authenticated by manual execution by an officer or duly authorized representative of the Paying Agent/Registrar. It shall not be required that the same authorized representative of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered on the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided in this Ordinance, manually executed by the Comptroller of Public Accounts of the State of Texas or by his duly authorized agent, which certificate shall be evidence that the Initial Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the City, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, one Initial Certificate representing the entire principal amount of the Certificates, payable in stated installments to the Purchaser or its designee, executed by manual or facsimile signature of the Mayor and City Secretary of the City, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to the Purchaser or its designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver to DTC on behalf of the Purchaser one registered definitive Certificate for each year of maturity of the Certificates in the aggregate principal amount of all Certificates for such maturity, registered in the name of Cede & Co., as nominee for DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Certificates in safekeeping for DTC.

Section 3.05. Ownership.

(a) The City, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof and premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein that interest is to be paid to the person in whose name the Certificate is registered on the Record Date or Special Record Date, as applicable), and for all other purposes, whether or not such Certificate is overdue, and neither the City nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the person deemed to be the Owner of any Certificate in accordance with this Section shall be valid and effectual and shall discharge the liability of the City and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Certificates remain outstanding, the City shall cause the Paying Agent/Registrar to keep at the Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Ordinance.

(b) Registration of any Certificate may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Certificates, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Certificate or any portion thereof registered in the name of such assignee or assignees. No transfer of any Certificate shall be effective until entered in the Register. Upon assignment and transfer of any Certificate or portion thereof, a new Certificate or Certificates will be issued by the Paying Agent/Registrar in conversion and exchange for such transferred and assigned Certificate. To the extent possible the Paying Agent/Registrar will issue such new Certificate or Certificates in not more than three business days after receipt of the Certificate to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Certificate may be converted and exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office, together with a written request therefor duly executed by the registered owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination and in an aggregate principal amount equal to the unpaid principal amount of the Certificate presented for exchange. If a portion of any Certificate is redeemed prior to its scheduled maturity as provided herein, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the registered owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon surrender thereof for cancellation. To the extent possible, a new Certificate or Certificates shall be delivered by the Paying Agent/Registrar to the Owner of the Certificate or Certificates in not more than three business days after receipt of the Certificate to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Certificate issued in exchange for any Certificate or portion thereof assigned, transferred or converted shall have the same principal maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall convert and exchange the Certificates as provided herein, and each substitute Certificate delivered

in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such substitute Certificate is delivered.

(e) The City will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer, exchange or conversion of Certificates, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, exchange or conversion of a Certificate. In addition, the City hereby covenants with the Owners of the Certificates that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Certificates, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration, conversion and exchange of Certificates as provided herein.

(f) Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled balance of a Certificate.

Section 3.07. Cancellation and Authentication.

(a) All Certificates paid or redeemed before scheduled maturity in accordance with this Ordinance, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Ordinance, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the City with certificates of destruction of such Certificates.

(b) Each substitute Certificate issued pursuant to the provisions of Sections 3.06 and 3.08 of this Ordinance, in conversion of and exchange for or replacement of any Certificate or Certificates issued under this Ordinance, shall have printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, manually sign and date such Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the City Council or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Certificates in the manner prescribed herein. Pursuant to Title 9, Tex. Gov't Code Ann., as amended, and particularly Chapter 1201, Subchapter D thereof, the duty of conversion and exchange or replacement of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Certificates shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Certificate which was originally delivered pursuant

to this Ordinance, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Certificates issued in conversion and exchange or replacement of any other Certificate or portion thereof, (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Certificates, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) shall be payable as to principal of and interest, all as provided, and in the manner required or indicated, in the Form of Certificates set forth in this Ordinance.

Section 3.08. Replacement Certificates.

(a) Upon the presentation and surrender to the Paying Agent/Registrar, at the Designated Payment/Transfer Office, of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding. The City or the Paying Agent/ Registrar may require the Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the City to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the City and the Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the City and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom,

except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the City or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Certificate, may pay such Certificate if it has become due and payable or may pay such Certificate when it becomes due and payable.

(e) Each replacement Certificate delivered in accordance with this Section shall constitute an original contractual obligation of the City and shall be entitled to the benefits and security of this Ordinance to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.09. Book-Entry-Only System.

(a) The definitive Certificates shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the City and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates, except as provided in this Ordinance. Without limiting the immediately preceding sentence, the City and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Ordinance to the contrary, the City and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners, as shown in the Register as provided in this Ordinance, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the City's obligations with respect to payment of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the register, shall receive a Certificate evidencing the obligation of the City to make payments of amounts due pursuant to this Ordinance. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to

substitute a new nominee in place of Cede & Co., and subject to the provisions in this Ordinance with respect to interest checks or drafts being mailed to the registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Ordinance shall refer to such new nominee of DTC.

(c) The execution and delivery of the Representation Letter is hereby ratified and confirmed; and the provisions thereof shall be fully applicable to the Certificates.

Section 3.10. Successor Securities Depository; Transfer Outside Book-Entry Only System.

In the event that the City or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, and that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the City or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by DTC, of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts, as identified by DTC. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Ordinance.

Section 3.11. Payments to Cede & Co.

Notwithstanding any other provision of this Ordinance to the contrary, so long as any Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificates, and all notices with respect to such Certificates, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.01. Limitation on Redemption.

The Certificates shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Redemption of Certificates Prior to Maturity

(i) The City reserves the option to redeem the Certificates maturing on and after August 1, 2024, in whole or from time to time in part, before their scheduled maturity date, on August 1, 2023, or on any date thereafter (such redemption date or dates to be fixed by the City) at a price equal to the principal amount of the Certificates called for redemption plus accrued interest from the most recent interest payment date on which interest has been paid or duly provided for to the redemption date.

(ii) The City, at least forty-five (45) days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and of the principal amount of Certificates to be redeemed.

Section 4.03. Partial Redemption.

(a) If less than all of the Certificates are to be redeemed pursuant to Section 4.02, the City shall determine the maturities and amounts thereof to be redeemed and shall direct the Paying Agent/Registrar (or DTC or a successor securities depository, as applicable, if the Certificates are in Book-Entry-Only form) to call by lot Certificates, or portions thereof within such maturity and in such principal amounts, for redemption.

(b) A portion of a single Certificate of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of the Certificate as though it were a single Certificate for purposes of selection for redemption.

(c) Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06, shall authenticate and deliver in exchange a Certificate or Certificates in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered.

(d) The Paying Agent/Registrar shall promptly notify the City in writing of the principal amount to be redeemed of any Certificate as to which only a portion thereof is to be redeemed.

Section 4.04. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Certificates by sending notice by United States mail, first class postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Certificate (or part thereof) to be redeemed, at the address shown on the Register.

(b) The notice shall state the redemption date, the redemption price, the place at which the Certificates are to be surrendered for payment, and, if less than all the Certificates outstanding are to be redeemed, an identification of the Certificates or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.05. Payment Upon Redemption.

(a) Before or on each redemption date, the Paying Agent/Registrar shall make provision for the payment of the Certificates to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the City sufficient to pay the redemption price of such Certificates.

(b) Upon presentation and surrender of any Certificate called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the redemption price of such Certificate to the date of redemption from the money set aside for such purpose.

Section 4.06. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04, the Certificates or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the City defaults in the payment of the redemption price thereof, such Certificates or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Certificates are presented and surrendered for payment on such date.

(b) If any Certificate or portion thereof called for redemption is not so paid upon presentation and surrender of such Certificate for redemption, such Certificate or portion thereof shall continue to bear interest at the rate stated on the Certificate until paid or until due provision is made for the payment of same.

Section 4.07. Conditional Notice of Redemption.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by this have been met and the moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The City hereby appoints Regions Bank, as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the City and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfer and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The City or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar has agreed to maintain a copy of the Register at its offices, or the office of its agent, located in Houston, Texas.

(b) The City hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates. The Paying Agent/Registrar shall keep proper records of all payments made by the City and the Paying Agent/Registrar with respect to the Certificates, and of all conversions, exchanges and replacements of such Certificates, as provided in this Ordinance.

(c) The execution and delivery of a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the City and the Paying Agent/Registrar, is hereby approved with such changes as may be approved by the Mayor of the City, and the Mayor and City Secretary of the City are hereby authorized to execute such agreement.

Section 5.02. Qualifications.

Each Paying Agent/Registrar shall be (i) a commercial bank, trust company, or other entity duly qualified and legally authorized under applicable law, (ii) authorized under such laws to exercise trust powers, (iii) subject to supervision or examination by a federal or state governmental authority, and (iv) a single entity.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the City will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Ordinance.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the City will promptly appoint a replacement.

Section 5.04. Termination.

The City reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated a certified copy of a resolution of the City (i) giving notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such termination, and (ii) appointing a successor Paying Agent/Registrar; provided that no such termination shall be effective until a successor Paying Agent/Registrar has accepted the duties of Paying Agent/Registrar for the Certificates.

Section 5.05. Notice of Change to Owners.

Promptly upon each change in the entity serving as Paying Agent/Registrar, the City will cause notice of the change to be sent to each Owner by United States mail, first class postage prepaid, at the address in the Register, stating the effective date of the change and the name of the replacement Paying Agent/Registrar and the mailing address of its Designated Payment/Transfer Office.

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Ordinance and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor.

If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.01. Form Generally.

(a) The Certificates, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Certificates, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Ordinance, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the City or by the officers executing such Certificates, as evidenced by their execution thereof.

(b) Any portion of the text of any Certificates may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Certificates.

(c) The Certificates shall be printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof, except that the Initial Certificate submitted to the Attorney General of Texas, the definitive Certificates delivered to DTC and any temporary Certificates may be typewritten or photocopied or otherwise produced.

Section 6.02. Form of Certificates.

The form of Certificates, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially as follows:

(a) [Form of Certificate]

REGISTERED

REGISTERED

No. _____

\$ _____

United States of America
State of Texas

CITY OF BASTROP, TEXAS
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION
SERIES 2017

Interest Rate	Maturity Date	Dated Date	Original Issue Date	CUSIP Number
		_____, 2017	_____, 2017	

The City of Bastrop (the "City") in the County of Bastrop, State of Texas, for value received, hereby promises to pay to

or registered assigns, on the Maturity Date specified above, the sum of

_____ DOLLARS

unless this Certificate shall have been sooner called for redemption and the payment of the principal hereof shall have been paid or provision for such payment shall have been made, and to pay interest on the unpaid principal amount hereof from the later of the Original Issue Date specified above or the most recent interest payment date to which interest has been paid or provided for until such

principal amount shall have been paid or provided for, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest to be paid semiannually on August 1 and February 1 of each year commencing August 1, 2018 .

The principal of this Certificate shall be payable without exchange or collection charges in lawful money of the United States of America upon presentation and surrender of this Certificate at the corporate trust office in Houston, Texas (the "Designated Payment/Transfer Office"), of the Paying Agent/Registrar executing the registration certificate appearing hereon, or, with respect to a successor Paying Agent/Registrar, at the Designated Payment/Transfer Office of such successor. Interest on this Certificate is payable by check dated as of the interest payment date, mailed by the Paying Agent/Registrar to the registered owner at the address shown on the registration books kept by the Paying Agent/Registrar or by such other customary banking arrangements acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the person to whom interest is to be paid. For the purpose of the payment of interest on this Certificate, the registered owner shall be the person in whose name this Certificate is registered at the close of business on the "Record Date," which shall be the 15th day of the month next preceding such interest payment date; provided, however, that in the event of nonpayment of interest on a scheduled interest payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the City. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each registered owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing such notice.

If a date for the payment of the principal of or interest on the Certificates is a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city in which the Designated Payment/Transfer Office is located are 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 institutions are 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 Certificate is one of a series of fully registered certificates of obligation specified in the title hereof issued in the aggregate principal amount of \$5,800,000 (herein referred to as the "Certificates"), issued pursuant to a certain Ordinance of the City Council of the City (the "Ordinance"), for the following purposes (i) constructing, improving, extending and/or expanding the City's water system including equipment, vehicles, additional water supply well and related pipeline and related roadway improvements; and (ii) the payment of professional services in connection therewith including legal, fiscal and engineering fees and the costs of issuing the certificates of obligation.

The Certificates and the interest thereon are payable from the levy of a direct and continuing ad valorem tax, within the limit prescribed by law, against all taxable property in the City and by a

limited pledge of certain Surplus Revenues of the City's water and wastewater system, all as provided in the Ordinance.

The City has reserved the option to redeem the Certificates maturing on and after _____, 20__, before their respective scheduled maturity in whole or from time to time in part in integral multiples of \$5,000, on _____, 20__, or on any date thereafter, at a price equal to the principal amount of the Certificates so called for redemption plus accrued interest to the redemption date. If less than all of the Certificates are to be redeemed, the City shall determine the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar (or DTC or a successor securities depository, as applicable, if the Certificates are in book-entry form) to call by lot Certificates, or portions thereof within such maturity or maturities and in such amounts, for redemption.

Notice of such redemption or redemptions shall be sent by United States mail, first class postage prepaid, not less than 30 days before the date fixed for redemption, to the registered owner of each of the Certificates to be redeemed in whole or in part. Notice having been so given, the Certificates or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice, and from and after such date, notwithstanding that any of the Certificates or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Certificates or portions thereof shall cease to accrue. Conditional notice of redemption may also be given as provided in the Ordinance.

With respect to any optional redemption of the Certificates, unless certain prerequisites to such redemption required by the Ordinance have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Certificates to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the City, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the City shall not redeem such Certificates and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Certificates have not been redeemed.

As provided in the Ordinance, and subject to certain limitations therein set forth, this Certificate is transferable upon surrender of this Certificate for transfer at the Designated Payment/Transfer Office, with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar, and, thereupon, one or more new fully registered Certificates of the same stated maturity, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

Neither the City nor the Paying Agent/Registrar shall be required to transfer or exchange any Certificate called for redemption, in whole or in part, within 45 days of the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled balance of a Certificate.

The City, the Paying Agent/Registrar, and any other person may treat the person in whose name this Certificate is registered as the owner hereof for the purpose of receiving payment as herein provided (except interest shall be paid to the person in whose name this Certificate is registered on the Record Date or Special Record Date, as applicable) and for all other purposes, whether or not this Certificate be overdue, and neither the City nor the Paying Agent/Registrar shall be affected by notice to the contrary.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate and the series of which it is a part is duly authorized by law; that all acts, conditions and things required to be done precedent to and in the issuance of the Certificates have been properly done and performed and have happened in regular and due time, form and manner, as required by law; and that the total indebtedness of the City, including the Certificates, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, this Certificate has been duly executed on behalf of the City, under its official seal, in accordance with law.

City Secretary, City of Bastrop, Texas

Mayor, City of Bastrop, Texas

[CITY SEAL]

(b) [Form of Certificate of Paying Agent/Registrar]

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is one of the Certificates referred to in the within mentioned Ordinance. The series of Certificates of which this Certificate is a part was originally issued as one Initial Certificate which was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

as Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signatory

(c) [Form of Assignment]

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto (print or typewrite name, address and zip code of transferee):

_____ (Social Security or other identifying number: _____) the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed in a manner acceptable to the Paying Agent/Registrar.

Signature Guaranteed By:

Authorized Signatory

(d) Initial Certificate Insertions.

(i) The Initial Certificate shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Certificate, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As Shown Below" and "CUSIP Number. ____" deleted;

B. in the first paragraph:

the words "on the Maturity Date specified above" shall be deleted and the following will be inserted: "on _____ in the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

	Principal	Interest
Years	Installments	Rates

(Information to be inserted from Section 3.02(b) hereof.)

C. In the second paragraph of the Initial Certificate, "initial" shall be inserted before "Paying Agent/Registrar" in the first sentence, "executing the registration certificate appearing hereon," shall be deleted and an additional sentence shall be added to the paragraph as follows: "The initial Paying Agent/Registrar is Regions Bank.";

D. the Initial Certificate shall be numbered R-1.

(ii) The following Registration Certificate of Comptroller of Public Accounts shall appear on the Initial Certificate in lieu of the Certificate of Paying Agent/Registrar:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
§
THE STATE OF TEXAS §

I HEREBY CERTIFY THAT there is on file and of record in my office a certificate to the effect that the Attorney General of the State of Texas has approved this Certificate, and that this Certificate has been registered this day by me.

WITNESS MY SIGNATURE AND SEAL OF OFFICE this _____.

[SEAL]

Comptroller of Public Accounts
of the State of Texas

Section 6.03. CUSIP Registration.

The City may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect as regards the legality thereof and neither the City nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.04. Municipal Bond Insurance.

If municipal bond guaranty insurance is obtained with respect to the Certificates, the Certificates, including the Initial Certificate, may bear an appropriate legend, as provided by the insurer.

ARTICLE VII

SALE OF CERTIFICATES; USE OF PROCEEDS.

7.01 Sale of Certificates.

That the Certificates are hereby sold to The Texas Water Development Board (the "TWDB") for the price of par, less an origination fee of ____% of the principal amount of the Certificates. The Certificates have been purchased by the TWDB pursuant to its Resolution No. 17-____, adopted on _____, 2017 ("TWDB Resolution No. 15-____"). The Certificates initially delivered shall be registered in the name of the Texas Water Development Board. The Private Placement Memorandum prepared in connection with the sale of the Certificates to the TWDB in substantially the form attached to this Resolution is approved. The Issuer has determined, based upon the advice provided by its financial advisors, that acceptance of the purchase price for the Certificates is on terms advantageous to, and in the best interests of, the Issuer.

It is the intent of the parties to the sale of the Certificates that if TWDB ever determines to sell all or a part of the Certificates, it shall notify the Issuer at least 60 days prior to the sale of the Certificates of the decision to so sell the Certificates.

7.02 Use of Proceeds.

The proceeds from the sale of the Certificates shall be used in the manner described in the letter of instructions executed by the Issuer, or on behalf of the Issuer by its financial advisor.

Payment of amounts due and owing on the Certificates to the TWDB shall be made by wire transfer, at no expense to the TWDB, as provided in the Form of Certificate in such 6.02 of the Ordinance.

By agreeing to the purchase the Certificates, the TWDB agrees that the bond proceeds shall be deposited into the escrow fund established in the Escrow Agreement between the Issuer and _____, a substantially final copy of which is hereby approved and attached hereto as Exhibit B, and that the procedures set forth in this Ordinance satisfy TWDB Resolution.

7.03 Investment of Certificate Proceeds.

Proceeds from the sale of the Certificates shall be held at a designated state depository or other properly chartered and authorized institution in accordance with Chapter 2256, Texas Government Code, and Chapter 2257, Texas Government Code.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS;
DEPOSIT OF PROCEEDS; INVESTMENTS

Section 8.01. Creation of Funds.

(a) The City hereby establishes the following special funds or accounts:

(i) the City of Bastrop, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017, Interest and Sinking Fund (the "Interest and Sinking Fund"); and

(ii) the City of Bastrop, Texas, Combination Tax and Revenue Certificates of Obligation, Series 2017, Construction Fund (the "Construction Fund").

(b) The Interest and Sinking Fund and the Construction Fund shall be maintained at an official depository of the City.

Section 8.02. Interest and Sinking Fund.

(a) The taxes levied and revenues pledged under Article II shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of the principal of and interest on the Certificates.

(b) The proceeds of the Certificates representing accrued interest on the Certificates shall be deposited to the credit of the Interest and Sinking Fund for the payment of interest on the Certificates.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay the principal of and interest on the Certificates as such become due and payable.

Section 8.03. Construction Fund.

(a) Money on deposit in the Construction Fund, including investment earnings thereof, shall be used for the purposes specified in Section 3.01 of this Ordinance.

(b) All amounts remaining in the Construction Fund after the accomplishment of the purposes for which the Certificates are hereby issued, including investment earnings of the Construction Fund, shall be deposited into the Interest and Sinking Fund, unless a change in applicable law, as evidenced by an opinion of bond counsel, permits or authorizes all or any part of such funds to be used for other purposes.

Section 8.04. Security of Funds.

All moneys on deposit in the funds referred to in this Ordinance shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Ordinance.

Section 8.05. Deposit of Proceeds.

(a) All amounts received on the Closing Date as accrued interest on the Certificates from the Original Issue Date to the Closing Date, and premium, if any, on the Certificates shall be deposited to the Interest and Sinking Fund.

(b) The remainder of the proceeds of the Certificates shall be deposited to the Construction Fund and used for the purposes specified in Section 3.01 hereof and for paying the costs of issuance with respect to the Certificates.

Section 8.06. Investments.

(a) Money in the funds established by this Ordinance, at the option of the City, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.07. Investment Income.

Interest and income derived from investment of any fund created by this Ordinance shall be credited to such fund.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Certificates.

While any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay the interest on and the principal of the Certificates, as applicable, as will accrue or mature on each applicable Interest Payment Date.

Section 9.02. Other Representations and Covenants.

(a) The City will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Ordinance and in each Certificate; the City will promptly pay or cause to be paid the principal of, interest on, and premium, if any, with respect to, each Certificate on the dates and at the places and manner prescribed in such Certificate; and the City will, at the times and in the manner prescribed by this Ordinance, deposit or cause to be deposited the amounts of money specified by this Ordinance.

(b) The City is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the City in accordance with their terms.

Section 9.03. Covenants Regarding Tax Exemption of Interest on the Certificates.

(a) Covenants. The City covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Certificates as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the City covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the City, with respect to such private business use, do not, under the terms of this Ordinance or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with:

(A) proceeds of the Certificates invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Certificates are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(7) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refundings); and

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the City for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The City understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Certificates. It is the understanding of the City that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the City will not be

required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the City agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under section 103 of the Code. In furtherance of such intention, the City hereby authorizes and directs the City Manager or Director of Finance to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the City, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates. The Ordinance is intended to satisfy the official intent requirements set forth in Section 1.152.2 of the Treasury Regulations.

(d) Allocation Of and Limitation On, Expenditures for the Project. The City covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 3.01 of this Ordinance (the "Project") on its books and records in accordance with the requirements of the Code. The City recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the City recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates, or (2) the date the Certificates are retired. The City agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes of this subsection, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The City covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the City of cash or other compensation, unless the City obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of this subsection, the portion of the property comprising personal property and disposed of in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes of this subsection, the City shall not be obligated to comply with this covenant if it obtains an opinion of nationally-recognized bond counsel to the effect that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Written Procedures. Unless superseded by another action of the City, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the City hereby adopts and establishes the instructions attached hereto as

Exhibit "A" as their written procedures for the Certificates and any other tax-exempt debt or obligation outstanding or hereafter issued.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

Each of the following occurrences or events for the purpose of this Ordinance is hereby declared to be an "Event of Default," to-wit:

(i) the failure to make payment of the principal of or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the City, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Ordinance, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the City.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the City, or any official, officer or employee of the City in their official capacity, for the purpose of protecting and enforcing the rights of the Owners under this Ordinance, by mandamus or other suit, action or special proceeding 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 to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Certificates then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Ordinance, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Ordinance.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Certificate authorized under this Ordinance, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the City or the City Council.

(d) No covenant or agreement contained in the Certificates, this Ordinance or any corollary instrument shall be deemed to be the covenant or agreement of any member of the City Council or any officer, agent, employee or representative of the City Council in his or her individual capacity, and neither the directors, officers, agents, employees or representatives of the City Council nor any person executing the Certificates shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Certificates.

ARTICLE XI

DISCHARGE AND DEFEASANCE

Section 11.01. Defeasance of Certificates.

(a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Ordinance, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Certificate, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the City with the Paying Agent/Registrar or an eligible trust company or commercial bank for the payment of its services until all Defeased Certificates shall have become due and payable or (3) any combination of (1) and (2). At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Ordinance, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Certificate as aforesaid when proper notice of redemption of such Certificates shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with this Ordinance. Any money so deposited with the Paying Agent/Registrar or an eligible trust company or commercial bank as provided in this Section may at the discretion of the City Council also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Certificate and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the City Council.

(c) Notwithstanding any provision of any other Section of this Ordinance which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Certificates and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Certificates and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Certificates shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Certificates the same as if they had not been defeased, and the City shall make proper arrangements to provide and pay for such services as required by this Ordinance.

(d) Notwithstanding anything elsewhere in this Ordinance, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or an eligible trust company or commercial bank pursuant to this Section for the payment of Certificates and such Certificates shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Certificate affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Certificate to be paid at its maturity, the City retains the right under Texas law to later call that Defeased Certificate for redemption in accordance with the provisions of this Ordinance, the City may call such Defeased Certificate for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Certificate as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Certificate.

ARTICLE XII

CONTINUING DISCLOSURE UNDERTAKING

12.01 Annual Reports.

The City shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of any fiscal year, financial information and operating data with respect to the City of the general type included in the final Official Statement authorized by Section 7.01(b) of this Ordinance, being the information described in Exhibit "C" hereto. Any financial statements to be so provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "C" hereto, or such other accounting principles as the City may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the City commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the City shall provide unaudited financial statements within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available.

If the City changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the City otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

12.02. Event Notices.

The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Certificates:

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults, if material within the meaning of the federal securities laws;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;

- F. 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 Certificates, or other events affecting the tax status of the Certificates
- G. Modifications to rights of holders of the Certificates, if material within the meaning of the federal securities laws;
- H. Certificate calls, if material within the meaning of the federal securities laws;
- I. Defeasances;
- J. Release, substitution, or sale of property securing repayment of the Certificates, if material within the meaning of the federal securities laws;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the City;
- M. The consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, other than in the ordinary course of business, the entry into 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 within the meaning of the federal securities laws; and
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

The City shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the City to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

12.03. Limitations, Disclaimers, and Amendments.

The City shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the City remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the City in any event will give notice of any deposit made in accordance with Section 12.02 of this Ordinance that causes the Certificates no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The City undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the City's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The City does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE CITY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE CITY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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.

No default by the City in observing or performing its obligations under this Section shall comprise a breach of or default under this Ordinance for purposes of any other provision of this Ordinance.

Should the Rule be amended to obligate the City to make filings with or provide notices to entities other than the MSRB, the City hereby agrees to undertake such obligation with respect to the Certificates in accordance with the Rule as amended.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the City under federal and state securities laws.

The provisions of this Section may be amended by the City from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the City, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Ordinance that authorizes such an amendment) of the outstanding Certificates consents to such amendment or (b) a person that is unaffiliated with the City (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Certificates. If the City so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information

or operating data so provided. The City may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

ARTICLE XIII

AMENDMENTS; FURTHER PROCEDURES; AND SEVERABILITY

Section 13.01. Amendments.

This Ordinance shall not be amended or repealed by the City while any Certificate remains outstanding, except as permitted by this Section. The City, without the consent of or notice to any Owner, from time to time and at any time, may amend this Ordinance in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the City, with the written consent of Owners holding a majority in aggregate principal amount of the Certificates then outstanding affected thereby, may amend, add to, or rescind any of the provisions of this Ordinance; provided that, without the consent of all Owners of then outstanding Certificates, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (ii) give any preference to any Certificate over any other Certificate, or (iii) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

Section 13.02. Further Procedures.

The officers and employees of the City are hereby authorized and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and on behalf of and under the corporate seal of the City all such instruments, whether mentioned herein or not, as may be necessary or desirable in order to carry out the terms and provisions of this Ordinance, the initial sale and delivery of the Certificates, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Certificates, the Mayor, the City Manager or Director of Finance of the City, and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Ordinance or to any of the instruments authorized and approved by this Ordinance necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Ordinance and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Certificates by the Attorney General of Texas. In the event that any officer of the City whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature nevertheless shall be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 13.03. Severability.

If any section, article, paragraph, sentence, clause, phrase or word in this Ordinance, or application thereof to any person or circumstance is held to be invalid or unenforceable, the remainder of this Ordinance and the application of such section, article, paragraph, sentence, clause, phrase or word to other persons and circumstances nevertheless shall be valid and enforceable; and it is hereby declared that this Ordinance would have been enacted without such invalid or unenforceable provision.

ARTICLE XIV

TEXAS WATER DEVELOPMENT BOARD REQUIREMENTS

That in connection with the sale of any Bonds to the TWDB, the Issuer and Participating Entities covenant as follows:

14.01 Compliance with the Texas Water Development Board's Rules and Regulations.

The Issuer and Participating Entities covenant to comply with the rules and regulations of the TWDB, and to maintain insurance on each System in such amount as may be required by TWDB, as further addressed in subsection (h) of this Section.

14.02 Audits.

For so long as the State of Texas owns any of the Bonds, the Issuer and Participating Entities shall mail a copy of the audit required by this Resolution to the TWDB. In addition, monthly operating statements for each System shall be maintained by the Issuer and Participating Entities and made available, on request, to the TWDB as long as the State owns any of the Bonds, and the monthly operating statement shall be in such detail as requested by the Development Fund Manager of the TWDB until this requirement is waived thereby.

14.03 Final Accounting.

The Issuer and Participating Entities shall render a final accounting to the TWDB in reference to the total cost incurred by the Issuer and Participating Entities for improvements and extensions to each System which were financed by the issuance of the Bonds, together with a copy of "as built" plans of such improvements and extensions upon completion.

14.04 Defeasance.

That should the Issuer and Participating Entities exercise its right under any Bond Resolution to effect the defeasance of the Bonds, the Issuer and Participating Entities agree that it will provide the TWDB with written notice of any such defeasance.

14.05 Segregation of Funds.

The Issuer and Participating Entities covenant that proceeds of the Bonds shall remain separate and distinct from other sources of funding from the date of the TWDB commitment through costing and final disbursement.

14.06 Environmental Indemnity.

Proceeds from the Bonds shall not be used by the Issuer and Participating Entities when sampling, testing, removing, or disposing of contaminated soils and/or media at the project site. To the extent permitted by law, the Issuer and Participating Entities agree to indemnify, hold harmless, and protect the TWDB from any and all claims, causes of action, or damages to the person or property of third parties arising from the sampling, analysis, transport, storage, treatment, and disposition of any contaminated sewage sludge, contaminated sediments, and/or contaminated media that may be generated by the Issuer and Participating Entities, its contractors, consultants, agents, officials, and employees as a result of activities relating to the project funded with proceeds of the Bonds.

14.07 Environmental Determination.

In connection with the project financed with the Bonds, the Issuer and Participating Entities agrees to implement any environmental determination issued by the Executive Administrator of TWDB to satisfy the environmental review requirements set forth in 31 Texas Administrative Code 371.

14.08 Insurance.

The Issuer and Participating Entities agree that it will maintain insurance on the System in an amount sufficient to protect TWDB's interest in the project financed with the proceeds of the Bonds. The Issuer and Participating Entities may self-insure in respect to satisfying this covenant.

14.09 Water Conservation Program.

The Issuer and Participating Entities have implemented or will implement an approved water conservation program in compliance with 31 Texas Administrative Code 371.71(a)(2)(F).

14.10 No Purchase of TWDB Bonds.

The Issuer and Participating Entities agree that it, nor any related party to the Issuer and Participating Entities, will not purchase, as an investment or otherwise, bonds issued by TWDB including, without limitation, bonds issued by TWDB, the proceeds of which were used by TWDB to purchase the Bonds.

14.11 Compliance with Federal Contracting Law.

The Issuer and Participating Entities acknowledge that it has a legal obligation to comply with any applicable requirements of federal law relating to contracting with disadvantaged business enterprises.

14.12 Compliance with State Contracting Law.

The Issuer and Participating Entities acknowledge that it has a legal obligation to comply with any applicable requirements of State law relating to contracting with historically underutilized businesses.

[Execution Page Follows]

In accordance with Section 1201.028, Texas Government Code, PASSED AND APPROVED
on first and final reading on this _____.

Mayor, City of Bastrop, Texas

ATTEST:

City Secretary, City of Bastrop, Texas

[CITY SEAL]

EXHIBIT "A"

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, Notes, Certificates, Leases or other Obligations now or hereafter outstanding as having the interest on such debt exempt from Federal income taxes of the debt holder (the "Obligations") the Issuer's City Manager or Director of Finance (the "Responsible Person") will, as applicable to each issuance of Obligations:

- instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Obligations will be entered into within 6 months of the Issue Date;
- monitor that at least 85% of the proceeds of the Obligations to be used for the construction, renovation or acquisition of any facilities are expended within 3 years of the date of delivery of the Obligations ("Issue Date");
- restrict the yield of the investments to the yield on the Obligations after 3 years of the Issue Date;
- monitor all amounts deposited into a sinking fund or funds, e.g., the Debt Service Fund/Bond Fund/Interest and Sinking Fund, to assure that the maximum amount invested at a yield higher than the yield on the Obligations does not exceed an amount equal to the debt service on the Obligations in the succeeding 12-month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Obligations for the immediately preceding 12-month period;
- ensure that no more than 50% of the proceeds of the Obligations are invested in an investment with a guaranteed yield for 4 years or more;
- assure that the maximum amount of any reserve fund for any Obligations invested at a yield higher than the yield on the Obligations will not exceed the lesser of (1) 10% of the principal amount of the Obligations, (2) 125% of the average annual debt service on the Obligations measured as of the Issue Date, or (3) 100% of the maximum annual debt service on the Obligations as of the Issue Date;
- monitor the actions of the escrow agent (to the extent an escrow is funded with proceeds) to ensure compliance with the applicable provisions of the escrow agreement, including with respect to reinvestment of cash balances;
- maintain any official action of the Issuer (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Obligations any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS;
- assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government

at such time and in such manner as directed by the IRS (i) at least every 5 years after the Issue Date and (ii) within 30 days after the date the Obligations are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- monitor whether, at any time the Obligations are outstanding, any person, other than the Issuer, the employees of the Issuer, the agents of the Issuer or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- determine whether, at any time the Obligations are outstanding, any person, other than the Issuer, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- determine whether, at any time the Obligations are outstanding, the facilities are sold or otherwise disposed of; and
- take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the facilities.

C. Record Retention. The Responsible Persons will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Obligations and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Obligations. If any portion of the Obligations is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Persons. Each Responsible Person shall receive appropriate training regarding the Issuer's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed with the proceeds of the Obligations. The foregoing notwithstanding, the Responsible Persons are authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT "B"

ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (Agreement), made by and between City of Bastrop, a political subdivision of the State of Texas in Bastrop County, Texas, (City), acting by and through its City Council and _____, as Escrow Agent together with any successor in such capacity;

W I T N E S S E T H:

WHEREAS, pursuant to an Ordinance adopted on _____, 20__ (Ordinance), the City of Bastrop authorized the issuance of \$ _____ City of Bastrop, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017, the City will accept certain contractual obligations (Obligations) to obtain financial assistance from the Texas Water Development Board (TWDB) for the purpose of funding water or wastewater system improvements (Project); and

WHEREAS, the Escrow Agent is a state or national bank designated by the Texas Comptroller as a state depository institution in accordance with Texas Government Code, Chapter 404, Subchapter C, or is a designated custodian of collateral in accordance with Texas Government Code, Chapter 404, Subchapter D and is otherwise qualified and empowered to enter into this Agreement, and hereby acknowledges its acceptance of the terms and provisions hereof; and

WHEREAS, a condition of the Obligations is the deposit of the proceeds of the Obligations (Proceeds) in escrow subject to being withdrawn only with the approval of the Executive Administrator or another designated representative; provided, however, the Proceeds can be transferred to different investments so long as all parties hereto consent to such transfer;

NOW, THEREFORE, in consideration of the mutual agreements herein contained and in consideration of the amount of fees to be paid by the City to the Escrow Agent, as set forth on **EXHIBIT A**, the receipt of which is hereby acknowledged, and in order to secure the delivery of the Obligations, the parties hereto mutually undertake, promise and agree for themselves, their respective representatives and successors, as follows:

SECTION 1: ESCROW ACCOUNT(S). Upon the delivery of the Obligations described above, the Proceeds identified under TWDB Commitment Number L _____ shall be deposited to the credit of a special escrow account(s) or escrow subaccount(s) (Escrow Account(s) maintained at the Escrow Agent on behalf of the City and the TWDB and shall not be commingled with any other accounts or with any other proceeds or funds. The Proceeds received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the City, and the Escrow Agent shall have no right to title with respect thereto except as Escrow Agent under the terms of this Agreement.

The Escrow Account(s) shall be entitled “\$ _____ City of Bastrop, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017, Texas Water Development Board L _____ Escrow Account” and shall not be subject to warrants, drafts or checks drawn by the City but shall be disbursed or withdrawn to pay the costs of the Project for which the Obligations were issued or other purposes in accordance with the Ordinance and solely upon written authorization from the

Executive Administrator or his/her designated representative. The Escrow Agent shall provide to the City and to the TWDB the Escrow Account(s) bank statements upon request.

SECTION 2: COLLATERAL. All cash deposited to the credit of such Escrow Account(s) and any accrued interest in excess of the amounts insured by the FDIC and remaining uninvested under the terms of this Agreement shall be continuously secured by a valid pledge of direct obligations of the United States of America or other collateral meeting the requirements of the Public Funds Collateral Act, Texas Government Code, Chapter 2257.

SECTION 3: INVESTMENTS. While the Proceeds are held in escrow, the Escrow Agent shall only invest escrowed Proceeds in investments that are authorized by the Public Funds Investment Act, Texas Government Code, Chapter 2256 (PFIA). It is the City's responsibility to direct the Escrow Agent to invest all public funds in a manner that is consistent not only with the PFIA but also with its own written investment policy.

SECTION 4: DISBURSEMENTS. The Escrow Agent shall not honor any disbursement from the Escrow Account(s), or any portion thereof, unless and until it has been supplied with written approval and consent by the Executive Administrator or his/her designated representative. However, no written approval and consent by the Executive Administrator shall be required if the disbursement involves transferring Proceeds from one investment to another within the Escrow Account(s) provided that all such investments are consistent with the PFIA requirements.

SECTION 5: UNEXPENDED FUNDS. Any Proceeds remaining unexpended in the Escrow Account(s) after completion of the Project and after the final accounting has been submitted to and approved by the TWDB shall be disposed of pursuant to the provisions of the Obligations. The City shall deliver a copy of such TWDB approval of the final accounting to the Escrow Agent together with instructions concerning the disbursement of unexpended Proceeds hereunder. The Escrow Agent shall have no obligation to ensure that such unexpended Proceeds are used as required by the provisions of the Obligations, that being the sole obligation of the City.

SECTION 6: CERTIFICATIONS. The Escrow Agent shall be authorized to accept and rely upon the certifications and documents furnished to the Escrow Agent by the City and shall not be liable for the payment of any funds made in reliance in good faith upon such certifications or other documents or approvals, as herein recited.

SECTION 7: LIABILITY OF ESCROW AGENT. To the extent permitted by law, the Escrow Agent shall not be liable for any act done or step taken or omitted by it or any mistake of fact or law, except for its negligence or default or failure in the performance of any obligation imposed upon it hereunder. The Escrow Agent shall not be responsible in any manner for any proceedings in connection with the Obligations or any recitation contained in the Obligations. No provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds satisfactory to it against such risks or liability is not assured to it. The Escrow Agent may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Escrow Agent. If the Escrow Agent renders any service hereunder not provided for

in this Agreement, or the Escrow Agent is made a party to or intervenes in any litigation pertaining to this Agreement or institutes interpleader proceedings relative hereto, the Escrow Agent shall be compensated reasonably by the City for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees occasioned thereby to the extent provided by law, unless such claim, liability, loss, damages, fine, penalty, and expense shall have been finally adjudicated to have resulted from the bad faith or negligence of the Escrow Agent.

SECTION 8: RECORDS. The Escrow Agent will keep complete and correct books of record and account relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Account, and investments of the Escrow Account and all proceeds thereof. The records shall be available for inspection and copying at reasonable hours and under reasonable conditions by the City and the TWDB.

SECTION 9: MERGER/CONSOLIDATION. In the event that the Escrow Agent merges or consolidates with another bank or sells or transfers substantially all of its assets or corporate trust business, then the successor bank shall be the successor Escrow Agent without the necessity of further action as long as the successor bank is a state or national bank designated by the Texas Comptroller as a state depository institution in accordance with Texas Government Code, Chapter 404, Subchapter C, or is a designated custodian of collateral in accordance with Texas Government Code Chapter 404, Subchapter D. The Escrow Agent must provide the TWDB with written notification within 30 days of acceptance of the merger, consolidation, or transfer. If the merger, consolidation or other transfer has occurred between state banks, the newly-created entity shall forward the certificate of merger or exchange issued by the Texas Department of Banking as well as the statement filed with the pertinent chartering authority, if applicable, to the TWDB within five business days following such merger, consolidation or exchange.

SECTION 10: AMENDMENTS. This Agreement may be amended from time to time as necessary with the written consent of the City and the TWDB, but no such amendments shall increase the liabilities or responsibilities or diminish the rights of the Escrow Agent without its consent.

SECTION 11: TERMINATION. The City may terminate this Agreement with the Escrow Agent by giving the Escrow Agent and the TWDB thirty days written notice of termination; the Escrow Agent may resign and be replaced following the giving of thirty days prior written notice to the City. In the event that this Agreement is terminated by either the City or by the Escrow Agent, the Escrow Agent must report said termination in writing to the TWDB within five business days of such termination. The City is responsible for ensuring that the following criteria are satisfied in selecting the successor escrow agent and notifying the TWDB of the change in escrow agents: (a) the successor escrow agent must be an FDIC-insured state or national bank designated by the Texas Comptroller as a state depository; (b) the successor escrow agent must be retained prior to or at the time of the termination; (c) an escrow agreement must be executed by and between the City and the successor escrow agent and must contain the same or substantially similar terms and conditions as are present in this Agreement; and (d) the City must forward a copy of the executed escrow agreement with the successor escrow agent within five business days of said termination. No funds shall be released by the TWDB until it has received, reviewed and approved the escrow agreement with the successor escrow agent. If the City has not appointed a successor escrow agent within thirty (30) days of the

notice of termination, the Escrow Agent may petition any court of competent jurisdiction in Texas for the appointment of a successor escrow agent or for other appropriate relief, and any such resulting appointment shall be binding upon the City. Whether appointed by the City or a court, the successor escrow agent and escrow agreement must be approved by the TWDB for the appointment to be effective. The Escrow Agent is responsible for performance under this Agreement until a successor has been approved by the TWDB and has signed an acceptable escrow agreement.

SECTION 12: EXPIRATION. This Agreement shall expire upon final transfer of the funds in the Escrow Account(s) to the City.

SECTION 13: POINT OF CONTACT. The points of contact for the Escrow Agent and the TWDB are as follows:

Executive Administrator
Texas Water Development Board
1700 North Congress Avenue
Austin, Texas 78701

SECTION 14: CHOICE OF LAW. This Agreement shall be governed exclusively by the applicable laws of the State of Texas. Venue for disputes shall be in the District Court of Travis County, Texas.

SECTION 15: ASSIGNABILITY. This Agreement shall not be assignable by the parties hereto, in whole or in part, and any attempted assignment shall be void and of no force and effect.

SECTION 16: ENTIRE AGREEMENT. This Agreement evidences the entire Escrow Agreement between the Escrow Agent and the City and supersedes any other agreements, whether oral or written, between the parties regarding the Proceeds or the Escrow Account(s). No modification or amendment of this Agreement shall be valid unless the same is in writing and is signed by the City and consented to by the Escrow Agent and the TWDB.

SECTION 17: VALIDITY OF PROVISIONS. If any term, covenant, condition or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the provisions shall remain in full force and effect and shall in no way be affected, impaired or invalidated thereby.

SECTION 18: COMPENSATION FOR ESCROW SERVICES. The Escrow Agent shall be entitled to compensation for its services as stated in Exhibit A, which compensation shall be paid by the City but may not be paid directly from the Escrow Account(s).

SECTION 19. DESIGNATION OF CITY REPRESENTATIVE. Each Authorized Official (as such term is defined in the Ordinance) is hereby designated as the duly appointed agent and financial official of the City under this Agreement. Such designation may be changed by written direction of the City delivered to the Escrow Agent (with a copy of such directive delivered to the TWDB by the City, as well).

SECTION 20. COMPENSATION FOR ESCROW SERVICES. The Escrow Agent shall be entitled to compensation for its services as stated in the fee schedule agreed to by the Escrow Agent and the City from time to time (which initial schedule is attached hereto as Exhibit A), as well as reimbursement to the Escrow Agent of its out-of-pocket expenses incurred in connection with the administration of its duties hereunder. Payment of this fee by the City is deemed and confessed by the Escrow Agent to be reasonable and to constitute full and valid consideration to the Escrow Agent for its services hereunder. Compensation owed to the Escrow Agent by the City hereunder shall be paid by the City but may not be paid directly from the Escrow Account(s).

SECTION 21. DUTIES OF ESCROW AGENT. The Escrow Agent undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

SECTION 22. FAX/E-MAIL. The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods; provided, however, that the City shall provide to the Escrow Agent an incumbency certificate listing designated persons authorized to provide such instructions, which incumbency certificate shall be amended whenever a person is to be added or deleted from the listing. If the City elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's reasonable understanding of such instructions, after consultation with the City, shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reasonable reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The City agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions which it reasonably believes were appropriately authorized, and the risk of interception and misuse by third parties.

SECTION 23. COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective upon signature of both parties.

City of Bastrop, Texas

By: _____
Authorized Representative

Date: _____

_____,
as Escrow Agent

By: _____

Title: _____

Date: _____

(Bank Seal)

EXHIBIT A

Fee Schedule

\$ _____

EXHIBIT "C"

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Article XII of this Ordinance.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the City to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The portions of the financial statements of the City appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Statistical and financial data set forth in Tables 1 through 5, inclusive, and 7 through 11, inclusive in the Official Statement.

Accounting Principles

The accounting principles referred to in such Article are the accounting principles described in the notes to the financial statements referred to in Paragraph 1 above.

PRIVATE PLACEMENT MEMORANDUM DATED MAY 4, 2017

NEW ISSUE BOOK-ENTRY-ONLY

On the date of initial delivery of the Obligations (defined below), Issuer Bond Counsel (defined on page 2) will render its opinion substantially in the form attached in "APPENDIX C – FORM OF OPINION OF BOND COUNSEL."

\$5,800,000
CITY OF BASTROP
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2017
(THE "OBLIGATIONS")

Dated: _____, 2017

Due: February 1

Interest accrues from the Delivery Date shown below

Interest Date: Interest on the Obligations will be payable on August 1 and February 1 each year, commencing August 1, 2018 (each an "Interest Payment Date"). The Obligations will bear interest at the rates per annum set forth in "APPENDIX A – MATURITY SCHEDULE."

Record Date: The fifteenth day of the calendar month next preceding each Interest Payment Date.

Date Interest Accrues: Each Bond shall bear interest from the Delivery Date thereof or the most recent Interest Payment Date to which interest has been paid or provided for at the rate set forth, such interest payable semiannually on August 1 and February 1 of each year until the earliest of maturity or prior redemption, commencing on August 1, 2018.

Redemption: The Obligations maturing on and after February 1, 20___, shall be subject to redemption prior to maturity, at the option of the Authority, in whole or in part, in inverse order of maturity if fewer than all, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on February 1, 20___, or on any date thereafter at the redemption price of par plus accrued interest to the date of redemption. See "THE OBLIGATIONS – Redemption Provisions" herein.

Authorized Denominations: The Obligations are being issued as fully registered bonds in denominations of **\$5,000**, or any integral multiple thereof.

Paying Agent/Registrar/Registrar: The paying agent ("Paying Agent/Registrar/Registrar") for the Obligations is BOKF, NA, Austin, Texas.

Book-Entry-Only System Upon initial issuance, the ownership of the Obligations will be registered in the registration books of the Issuer kept by the Paying Agent/Registrar, in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC") to which principal, redemption premium, if any, and interest payments on the Obligations will be made. The purchasers of the Obligations will not receive physical delivery of bond certificates. Principal of, interest, and premium if any, on the Obligations will be payable at the designated office of the Paying Agent/Registrar in St. Paul, Minnesota as the same become due and payable.

Issuer: City of Bastrop

Official Action: Resolution, dated _____, 2017.

Purpose: See "APPENDIX B – OFFICIAL ACTION."

Security for the Obligations: See APPENDIX B – OFFICIAL ACTION."

Ratings: See "OTHER INFORMATION – Ratings"

Delivery Date: _____, 2017.

See "APPENDIX A – MATURITY SCHEDULE" for Principal Amounts, Maturities, Interest Rates, Prices or Yields, and Initial CUSIP Numbers

ELECTED OFFICIALS

<u>City Council</u>	<u>Length of Service</u>	<u>Term Expires</u>
Kenneth W. Kesselus Mayor	7½ Years ⁽¹⁾	May 2017
Willie DeLaRosa Mayor Pro-Tem	5½ Years	May 2018
Gary Schiff Councilmember	1½ Years	May 2018
W.L. “Bill” Peterson Councilmember	6 Months	May 2019
Kay Garcia McAnally Councilmember	8½ Years	May 2017
Deborah Jones Councilmember	6 Months	May 2019

(1) Elected as Mayor in May, 2014. Previously served as a Councilmember.

APPOINTED OFFICIALS

<u>Name</u>	<u>Position</u>
Marvin Townsend	Interim City Manager
Tracy Waldron	Chief Financial Officer
Ann Franklin	City Secretary

CONSULTANTS AND ADVISORS

Auditors	Patillo, Brown & Hill, L.L.C. Waco, Texas
Bond Counsel	McCall, Parkhurst & Horton L.L.P. Austin, Texas
Financial Advisor.....	Specialized Public Finance Inc. Austin, Texas

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**PRIVATE PLACEMENT MEMORANDUM
relating to**

\$5,800,000

**CITY OF BASTROP
COMBINATION TAX AND REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2017
(the “Obligations”)**

INTRODUCTION

This Private Placement Memorandum, including the cover page and appendices, contains brief descriptions of the Issuer, provides certain information with respect to the issuance by the Issuer, and summaries of certain provisions of the “Obligations” pursuant to the Official Action. Except as otherwise set forth herein, capitalized terms used but not defined in this Private Placement Memorandum have the meanings assigned to them in the Official Action. See “APPENDIX B – FORM OF OFFICIAL ACTION” attached hereto.

APPENDIX A contains the maturity schedule for the Obligations. APPENDIX B contains the Official Action and a description of the purpose for the proceeds of the Obligations. APPENDIX C contains a copy of the proposed opinion of Bond Counsel with respect to the Obligations. The summaries of the documents contained in the forepart of this Private Placement Memorandum are not complete or definitive, and every statement made in this Private Placement Memorandum concerning any provision of any document is qualified by reference to such document in its entirety.

THE OBLIGATIONS

General Description

The Obligations are being issued in the aggregate principal amount set forth in APPENDIX A of this Private Placement Memorandum and will mature and be subject to redemption prior to maturity as described therein. The Obligations are being issued as fully registered bonds in denominations of **\$5,000**, or any integral multiple thereof. The Obligations will be dated as of the stated date of issue and will mature on the dates referenced thereon, and will bear interest at the rates per annum set forth in “APPENDIX A – MATURITY SCHEDULE.”

Interest on the Obligations is payable semiannually on each Interest Payment Date, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. Principal of and the redemption price with respect to the Obligations will be payable to the Owners upon presentation and surrender at the designated office of the Paying Agent/Registrar.

Purpose

See “APPENDIX B – FORM OF OFFICIAL ACTION.”

Authority for Issuance

The Obligations are issued pursuant to the Constitution and the general laws of the State of Texas, including the Texas Special District Local Laws Code, Chapter 8283 (the “Act”); Texas Government Code, Chapter 1371, as amended; and a bond resolution passed by the Board of Directors of the Authority, as amended, and the Official Action adopted by the Issuer.

Security for the Obligations

See “APPENDIX B – FORM OF OFFICIAL ACTION.”

Redemption Provisions

On February 1, 20___, or on any date thereafter, the Obligations maturing on and after February 1, 20___ may be redeemed prior to their scheduled maturities, upon the written direction of the Issuer, with funds provided by the Issuer, at par plus accrued interest to the date fixed for redemption as a whole, or in part, in inverse order of maturity if fewer than all, and if less than all of a maturity is to be redeemed the Paying Agent/Registrar will determine by lot the Obligations, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in Authorized Denominations).

Book-Entry-Only System

The information in this caption concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book entry system has been obtained from DTC and the Issuer makes no representation or warranty nor takes any responsibility for the accuracy or completeness of such information.

DTC will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations and deposited with DTC. See “APPENDIX B – FORM OF OFFICIAL ACTION.”

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instrument (from over 100 countries) that DTC’s participants (the “Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities, through electronic computerized book entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearance Corporation, and Fixed Income Clearance Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: “AAA.” The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

TAX MATTERS

Opinion

Bond Counsel will deliver its opinion on the date of delivery of the Obligations substantially in the form as attached in “APPENDIX C – FORM OF OPINION OF BOND COUNSEL.”

OTHER INFORMATION

Forward Looking Statements

The statements contained in this Private Placement Memorandum, including the cover page, appendices, and any other information or documents provided by the Issuer, that are not purely historical, are forward-looking statements, including statements regarding the Issuer’s expectations, hopes, intentions, or strategies regarding the future. Holders and beneficial owners of the Obligations have placed reliance on forward-looking statements. All forward looking statements included in this Private Placement Memorandum are based on information available to the Issuer on the date hereof. It is important to note that the Issuer’s actual results could differ materially from those in such forward-looking statements.

Ratings

No application has been made to any ratings agency or municipal bond insurance company for qualification of the Obligations for ratings or municipal bond insurance, respectively.

LITIGATION

General

On the date of delivery of the Obligations to the initial purchasers thereof, the Issuer will execute and deliver a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Obligations or which would affect the provisions made for their payment or security or in any manner questioning the validity of the Obligations.

The Issuer

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Issuer, threatened) that adversely affects the power, authority or obligation of the Issuer to deliver the Obligations, the security for, or the validity of, the Obligations or the financial condition of the Issuer.

CONTINUING DISCLOSURE OF INFORMATION

In the Official Action, the Issuer has made the following agreement for the benefit of the holders and beneficial owners of the Obligations. The Issuer is required to observe the agreement for so long as it remains obligated to advance funds to pay the Obligations. Under the agreement, the Issuer will be obligated to provide certain updated financial information and operating data, and timely notice of specified material events, to the Municipal Securities Rulemaking Board through the Electronic Municipal Market Access System. See “APPENDIX B – FORM OF OFFICIAL ACTION.”

Compliance with Prior Undertakings

During the last five years, the Authority has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

MISCELLANEOUS

Any statements made in this Private Placement Memorandum involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Private Placement Memorandum nor any statement that may have been made verbally or in writing is to be construed as a contract with the owners of the Obligations.

The information contained above is neither guaranteed as to accuracy or completeness nor to be construed as a representation by the Issuer. The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Private Placement Memorandum nor any sale made hereunder is to create, under any circumstances, any implication that there has been no change in the affairs of the Issuer or the Issuer from the date hereof.

The Private Placement Memorandum is submitted in connection with the sale of the securities referred to herein to the Texas Water Development Board on the Delivery Date and may not be reproduced or used, as a whole or in part, for any other purpose.

ADDITIONAL INFORMATION

The Private Placement Memorandum speaks only as of its date and the information contained herein is subject to change. Descriptions of the Obligations and the Official Action and any other agreements and documents contained herein constitute summaries of certain provisions thereof and do not purport to be complete. This Private Placement Memorandum was approved by the Issuer.

APPENDIX A

MATURITY SCHEDULE

February 1 Maturity	Principal Amount	Rate	Initial Yield	CUSIP Numbers
2019	\$ 250,000			
2020	255,000			
2021	260,000			
2022	265,000			
2023	270,000			
2024	275,000			
2025	280,000			
2026	285,000			
2027	290,000			
2028	295,000			
2029	305,000			
2030	315,000			
2031	320,000			
2032	330,000			
2033	340,000			
2034	350,000			
2035	360,000			
2036	370,000			
2037	385,000			

APPENDIX B

FORM OF OFFICIAL ACTION

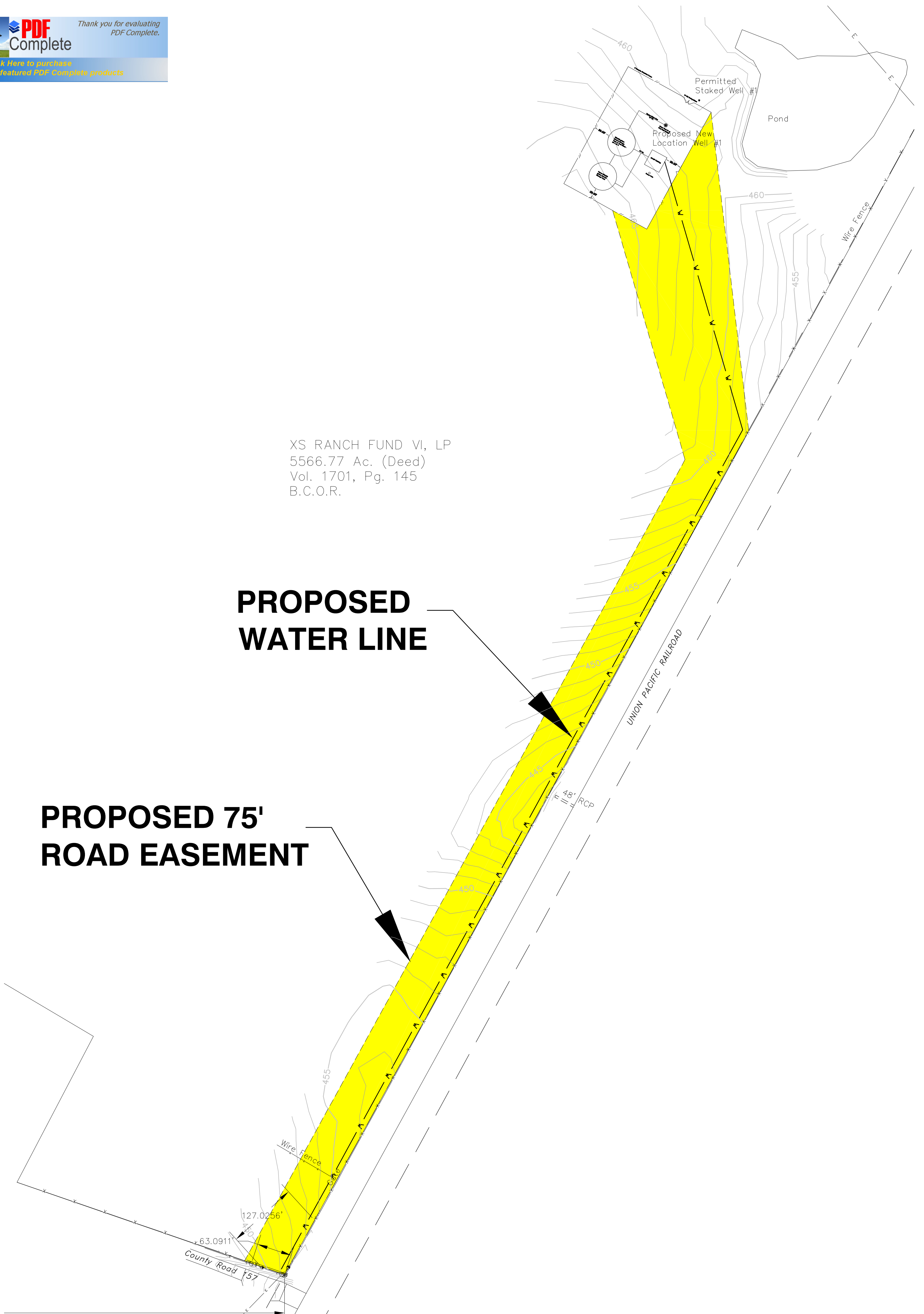
APPENDIX C

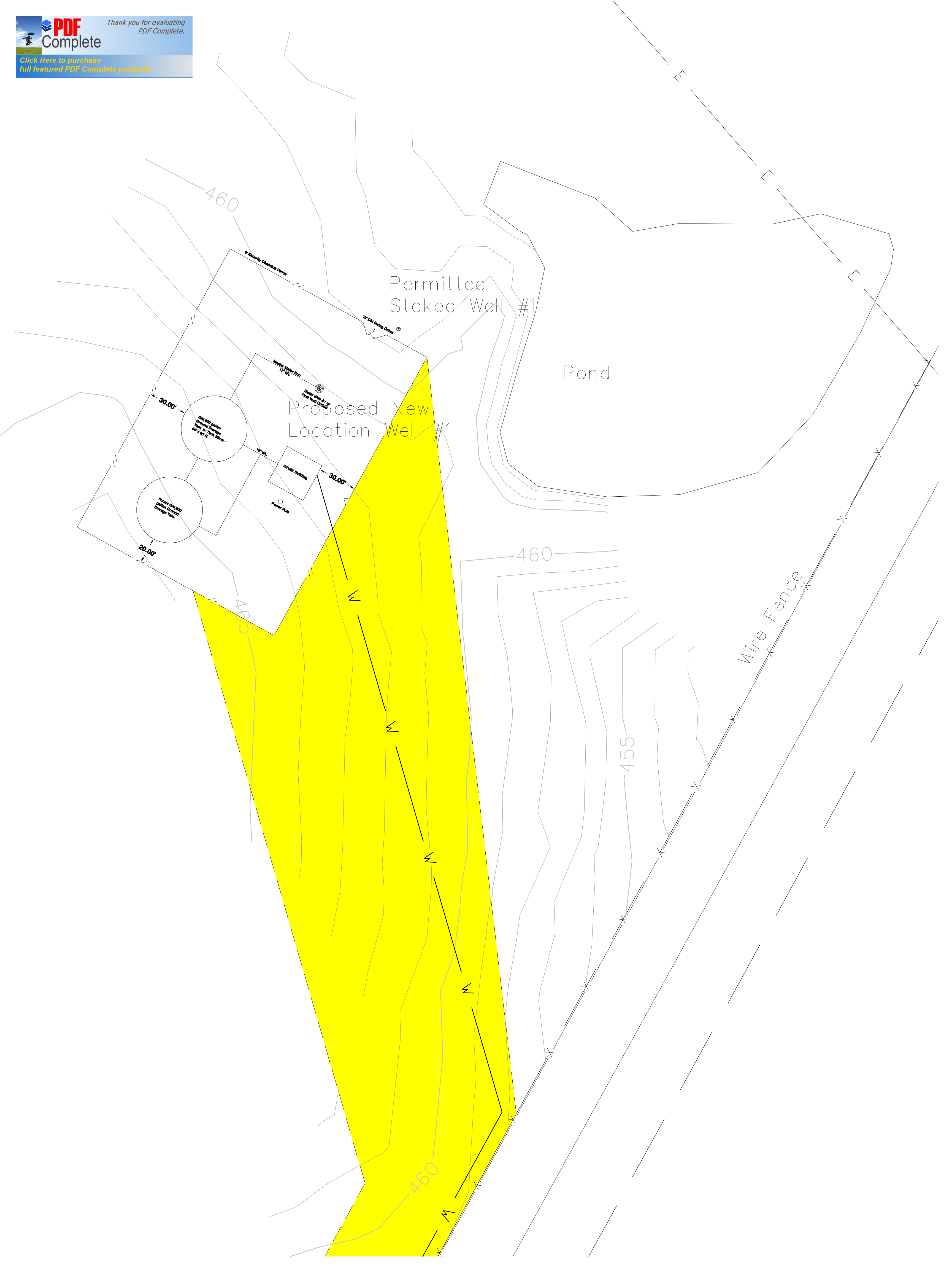
FORM OF OPINION OF BOND COUNSEL

XS RANCH FUND VI, LP
5566.77 Ac. (Deed)
Vol. 1701, Pg. 145
B.C.O.R.

**PROPOSED
WATER LINE**

**PROPOSED 75'
ROAD EASEMENT**





M^cCALL, PARKHURST & HORTON L.L.P.

717 NORTH HARWOOD
SUITE 900
DALLAS, TEXAS 75201-6587
TELEPHONE: 214 754-9200
FACSIMILE: 214 754-9250

600 CONGRESS AVENUE
SUITE 1800
AUSTIN, TEXAS 78701-3248
TELEPHONE: 512 478-3805
FACSIMILE: 512 472-0871

700 N. ST. MARY'S STREET
SUITE 1525
SAN ANTONIO, TEXAS 78205-3503
TELEPHONE: 210 225-2800
FACSIMILE: 210 225-2984

*******DRAFT*******

_____, 2017

City of Bastrop, Texas
1311 Chestnut Street
Bastrop, Texas 78602

Ladies and Gentlemen:

This engagement letter will outline our proposed services as Bond Counsel to the City of Bastrop, Texas (the "City") in connection with the issuance of bonds, certificates of obligation, notes or other obligations by the City.

SERVICES

We will perform all usual and necessary legal services as Bond Counsel. Specifically, we will prepare and direct legal proceedings and perform other necessary legal services with reference to the authorization, sale, and delivery of the City's bonds, certificates of obligation, notes or other obligations referenced above (for convenience hereafter collectively referred to as "bonds"), including the following:

1. Consultation with the City, as appropriate, and any advisors in planning for bond issues, including consultations concerning federal tax considerations;
2. Preparation of all contracts, ordinances, resolutions, trust indentures, and other instruments pursuant to which bonds will be authorized, secured, sold and delivered in consultation with the City, the City's attorney, financial advisors, the underwriters and their counsel and any officials and consultants thereof;
3. Prepare any applicable election proceedings, if necessary, in connection with the bonds;
4. Draft the continuing disclosure undertaking of the City;

5. Attendance at meetings of the City, as appropriate, and with other representatives thereof to the extent required or requested with reference to the authorization and issuance of the bonds;
6. Preparation of all documents necessary to seek the approval of the Attorney General of Texas and the submission of such documents to the Attorney General for approval and to the Comptroller of Public Accounts for registration of the bonds as required by law;
7. Supervision of the printing and execution of the bonds and the delivery thereof to the initial purchaser of the bonds;
8. Subject to the completion of proceedings to our satisfaction, rendering our nationally accepted legal opinion (the "Bond Opinion") covering the validity of the bonds under Texas law and tax status of the interest thereon under federal income tax laws; and
9. Preparation of a transcript of all proceedings in connection with the issuance of the bonds.

Our Bond Opinion will be delivered by us on the date bonds are exchanged for their purchase price (the "Closing"). The City will be entitled to rely on our Bond Opinion.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the City with applicable laws relating to the bonds. With regard to the issuance of bonds, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the bonds and their security. We understand that you will direct members of your staff and other employees of the City to cooperate with us in this regard.

The foregoing legal services as Bond Counsel do not include any direct responsibility for litigation of any kind. However, if during the issuance of the bonds any litigation should develop regarding the issuance of the bonds or the provisions made for their payment or security, we will consult, advise and cooperate with the City's attorney concerning any such litigation.

Our duties in this engagement are limited to those expressly set forth above. Unless we are separately engaged in writing to perform other services, our duties do not include any other services, including the following:

- (a) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.
- (b) Preparing state securities law memoranda or investment surveys with respect to the bonds.

- (c) Drafting state constitutional or legislative amendments.
- (d) Pursuing test cases or other litigation.
- (e) Making an investigation or expressing any view as to the creditworthiness of the City or the bonds.
- (f) Except as described in paragraph 4 above, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the bonds or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking.
- (g) Representing the City in Internal Revenue Service examinations or inquiries, or Securities and Exchange Commission investigations.
- (h) Negotiating the terms of, or opining as to, any investment contract.
- (i) Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

In addition, our services as Bond Counsel do not include any direct responsibility for the "disclosure obligations" owed to the investing public under the federal securities laws and the various state securities laws. We will not be responsible for the preparation of any Official Statement and will not assume any responsibility with respect thereto nor undertake independently to verify any of the information therein, except that, in our capacity as bond counsel, we will review various statements in any Official Statement to verify that such statements conform to the provisions of the legal instruments and documents therein described.

The firm will undertake upon the request of the City such services as may be necessary to assist the City in satisfying the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission. The firm will undertake upon the request of the City such services as may be necessary to render a written opinion with respect to any matters relating to the compliance by the City with the ongoing disclosure or other compliance requirements of Rule 15c2-12, provided in connection with the delivery of the opinion.

Our services as Bond Counsel do not include any responsibility for investigating the financial condition and affairs of the City. Our Bond Opinion will contain a paragraph substantially to the effect that we have acted as Bond Counsel for the City for the sole purpose of rendering an opinion with respect to the legality and validity of the bonds under the Constitution and laws of the State of Texas, and with respect to the exemption of the interest on the bonds from federal income taxes, and for no other reason or purpose. The paragraph will also disclose that we have not been requested to investigate or verify, and have not investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the City, and have not assumed any responsibility with respect thereto.

COMPENSATION

We propose a Bond Counsel fee for legal services for the issuance of each series of bonds as follows:

Principal Amount of Bonds Plus Premium	Fee
\$1 - \$1,000,000	\$____
\$1,000,000 - \$25,000,000	\$____/\$1,000 over \$1,000,000
\$25,000,000 - \$50,000,000	\$____/\$1,000 over \$25,000,000
each million thereafter	\$____/\$1,000 over \$50,000,000

Our Bond Counsel fee is contingent upon issuance of bonds. Additionally, any bonds requiring an election for their issuance will have a \$_____ fee added to the first issuance of bonds under such voted authority, provided that if multiple elections were required before passage of such authority then an additional \$_____ is to be added to the first issuance of bonds for each additional election held. For an initial issuance by the City of revenue bonds, such as water and sewer revenue bonds, under a new financing system structure our fees will also include an additional \$_____. Fees in connection with refunding bonds, public improvement district financings and tax increment financings will be negotiated at that time.

In addition, for certain complex transactions, including financings through a program funded by the United States Department of Agriculture, the Texas Water Development Board or a similar agency or entity, our fee will be a minimum of \$_____ for up to the first \$1,000,000 in principal amount, plus \$____ per each \$1,000 in principal amount from \$1,000,000 to \$5,000,000, and plus \$____ per each \$1,000 in principal amount over \$5,000,000.

We also expect to be reimbursed for all normal, actual out-of-pocket expenses incurred (such as travel with all mileage reimbursed at the then current rate established by the Internal Revenue Service, Attorney General filing fees, communications, reproduction and delivery service) in connection with the services performed. Since the work for the City will be performed by attorneys in the Austin office, it is not anticipated that travel expenses to the City will be billed; however, in the event other travel is necessary it will not be undertaken without prior approval by the City. Copying charges are normally twenty cents a page. Large copying orders are sometimes subcontracted out, in which case the actual charges are billed. Our Bond Counsel fee and all then available expenses will be billed at or soon after Closing and certain post-Closing expenses (such as bond transcript preparation and delivery expenses) may be billed subsequently.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the City will be our client and an attorney-client relationship will exist between us. We further assume that all other parties in this transaction understand that we represent only the City in this transaction, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the City's execution of this engagement letter will constitute an

acknowledgment of those limitations. Our representation of the City will not affect, however, our responsibility to render an objective Bond Opinion.

CONFLICTS

As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. It is possible that during the time that we are representing the City, one or more of our present or future clients will have transactions with the City. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the bonds so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the bonds. Execution of this letter will signify the City's consent to our representation of others consistent with the circumstances described in this paragraph.

Attached hereto is a conflict of interest questionnaire completed in the form prescribed by Chapter 176 of the Texas Local Government Code, as amended. Please have the records administrator of the District hold the completed questionnaire.

TERMINATION

This engagement may be terminated by either party upon thirty (30) days written notice; provided, however, if the City exercises the early termination, the City shall pay Bond Counsel all fees and expenses accrued to the date of such termination from the proceeds of future bond issues. There shall not be individual liability on any member of the City Council, or other official of the City, for the payment of any amounts due hereunder.

If the City finds this proposal to be satisfactory, we ask that a copy of this letter be signed and returned to us for our files. We look forward to working with the City.

Respectfully submitted,

McCall, Parkhurst & Horton L.L.P.

J. Bart Fowler

The foregoing agreement is hereby accepted on behalf of the City of Bastrop, Texas.

Date: _____, 2017.

By: _____
Mayor

I, James P. Foster, General Partner for Coast Range Investments, LLC, do hereby give my permission to the City of Bastrop, Texas, to drill production well #1 and monitoring well #3 as shown in Exhibit A, and grant permanent 15 ft. utility easement and temporary 60 ft. roadway and access agreement for construction of the above aforementioned wells and access to ancillary infrastructure as shown in Exhibits B and C.

XS RANCH FUND VI, L.P.

BY: XS Ranch VI Manager, L.P., its general partner

BY: Coast Range Investments, LLC, its general partner

BY: *James P. Foster*
James P. Foster Manager

Date: 3/8/17

STATE OF TEXAS
COUNTY OF BASTROP

BEFORE ME, the undersigned authority, on this day personally appeared James P. Foster known to me to be the Manager and general partner for Coast Range Investments, LLC, and the person whose name appears on the foregoing instrument, and acknowledged to me that he executed same for the purpose and consideration therein express, as the act and deed of the said corporation.

GIVEN UNDER MY HAND AND SEAL OF OFFICE, on this 8TH day of March, 2017

Traci H. Chavez
Notary Public, State of Texas



EXHIBIT A

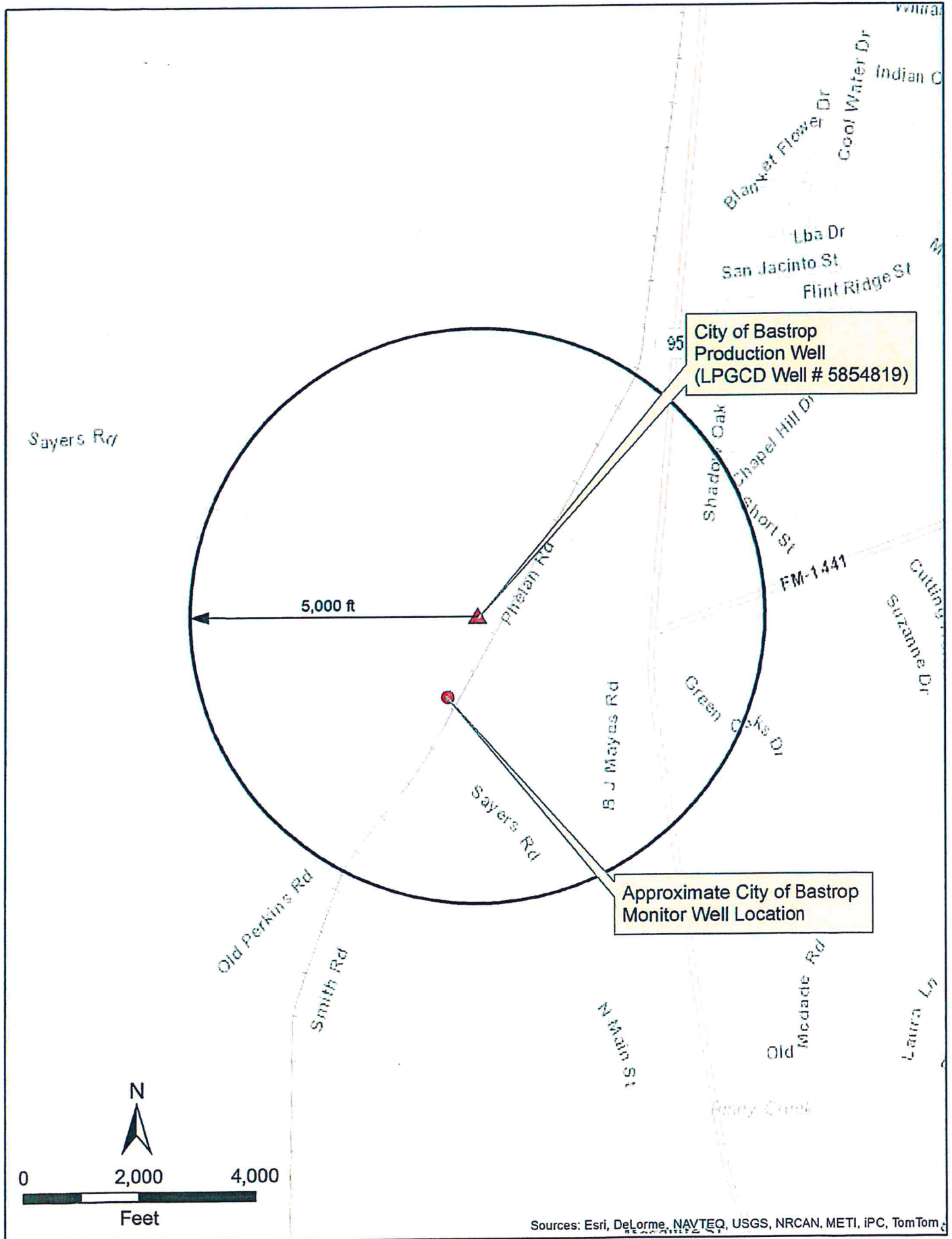


EXHIBIT B

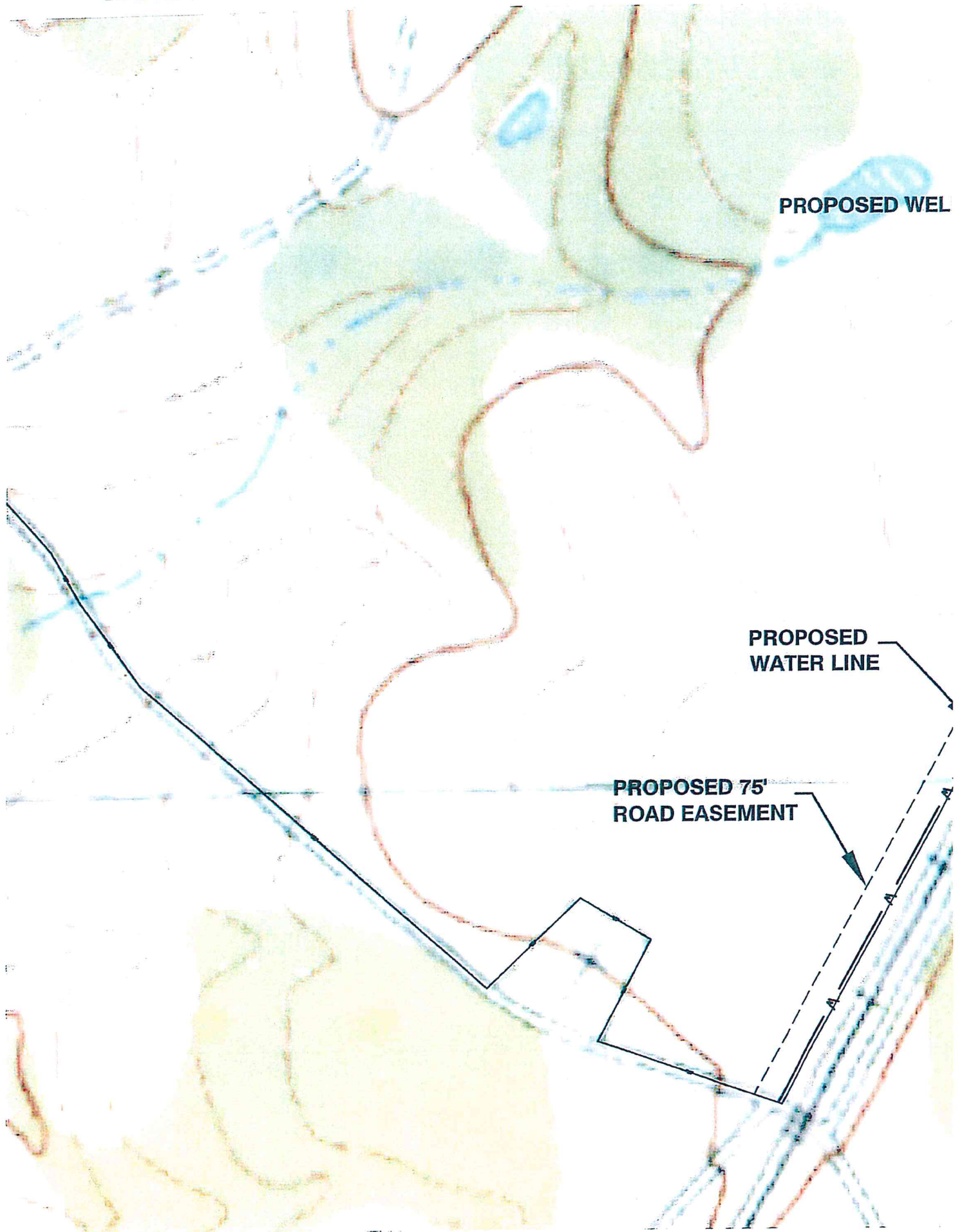


EXHIBIT C



FINANCIAL ADVISORY SERVICES AGREEMENT

This Financial Advisory Services Agreement (the "Agreement") is made and entered into by and between the City of Bastrop, Texas ("Issuer") and Specialized Public Finance Inc. ("SPFI") effective as of the date executed by the Issuer as set forth on the signature page hereof.

WITNESSETH:

WHEREAS, the Issuer will have under consideration from time to time the authorization and issuance of indebtedness in amounts and forms which cannot presently be determined and, in connection with the authorization, sale, issuance and delivery of such indebtedness, Issuer desires to retain an independent financial advisor; and

WHEREAS, the Issuer desires to obtain the professional services of SPFI to advise the Issuer regarding the issuance and sale of certain evidences of indebtedness or debt obligations that may be authorized and issued or otherwise created or assumed by the Issuer (hereafter referred to collectively as "Debt") from time to time during the period in which this Agreement shall be effective; and

WHEREAS, SPFI is willing to provide its professional services and its facilities as financial advisor in connection with all programs of financing as may be considered and authorized by Issuer during the period in which this Agreement shall be effective.

NOW, THEREFORE, the Issuer and SPFI, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

SECTION I

DESCRIPTION OF SERVICES

Upon the request of the Issuer, SPFI agrees to perform the financial advisory services stated in the following provisions of this Section I; and for having rendered such services, the Issuer agrees to pay to SPFI the compensation as provided in Section VI hereof.

1. Financial Planning. Provide financial planning services related to Debt plans and programs.
2. Debt Elements. Provide recommendations regarding Debt under consideration, including such elements as timing, structure, security provisions, and such other provisions as may be appropriate.
3. Method of Sale. Make a recommendation as to an appropriate method of sale, including but not limited to competitive sale, negotiated sale or private/limited offering.

4. Price Fairness. Advise the Issuer as to the fairness of the price offered by the underwriters.
5. Offering Documents. Participate in and direct, as appropriate, the preparation of the offering documents and/or assist bond counsel with same.
6. Auditors. Coordinate verification by an independent auditor of any calculations incident to the Debt, as required.
7. Printing. Coordinate all work incident to printing of the offering documents and other documents required by Issuer.
8. Closing. Provide the Issuer a post sale/closing booklet or update for the Debt and other outstanding debt, as needed.

SECTION II OTHER AVAILABLE SERVICES

In addition to the services set forth and described in Section I herein above, SPFI agrees to make available to the Issuer the following services, when so requested by the Issuer and subject to the agreement by Issuer and SPFI regarding the compensation, if any, to be paid for such services, it being understood and agreed that the services set forth in this Section II may require further agreement as to the compensation to be received by SPFI for such services:

1. Call Defeasance and Refunding. Evaluate and advise on exercising any call defeasance and/or refunding of any outstanding Debt.
2. Capital Program Modeling. Evaluate and advise on the development of any capital improvements programs.

SECTION III CONTINUING DISCLOSURE

It is understood and agreed that the Issuer, in connection with the sale and delivery of Debt, will be required to comply with certain continuing disclosure undertakings, including preparation and submission of annual reports (the "annual reports") and reporting of certain specified material events (the "material events") pursuant written undertakings of the Issuer and in accordance with the provisions of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). SPFI shall provide continuing disclosure services on the terms and conditions, for the time period and for the compensation set forth herein.

1. This Agreement shall apply to all Debt delivered subsequent to the effective date of the continuing disclosure undertakings of Issuer and as specified in the Rule, to the extent that any particular issue of Debt does not qualify for exceptions to the continuing disclosure requirements of the Rule.
2. SPFI agrees to perform annual reporting and material event notification duties required by the undertakings of Issuer and the Rule.
3. The fees of SPFI for providing the foregoing continuing disclosure services shall be negotiated annually (not to exceed \$1,000 per similarly-secured type of Debt). The fees of SPFI for providing material event notification services shall be negotiated separately at the time such notifications may be required.

SECTION IV TERM OF AGREEMENT

This Agreement shall become effective as of the date executed by the Issuer as set forth on the signature page hereof and, unless terminated by either party pursuant to Section IV of this Agreement, shall remain in effect thereafter for a period of three (3) years from such date. Unless SPFI or Issuer shall notify the other party in writing at least thirty (30) days in advance of the applicable anniversary date that this Agreement will not be renewed, this Agreement will automatically renew on the third anniversary of the date hereof for an additional one (1) year period and thereafter will automatically renew on each anniversary date for successive one (1) year periods under the same terms as the initial 3 year period.

SECTION V TERMINATION

This Agreement may be terminated with or without cause by the Issuer or SPFI upon the giving of at least thirty (30) days' prior written notice to the other party of its intention to terminate. In the event of such termination, it is understood and agreed that only the amounts due SPFI for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

SECTION VI COMPENSATION AND EXPENSE REIMBURSEMENT

The fees due to SPFI for the services set forth and described in Section I of this Agreement with respect to each issuance of Debt during the term of this Agreement shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between Issuer and SPFI, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which SPFI is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt to the purchaser.

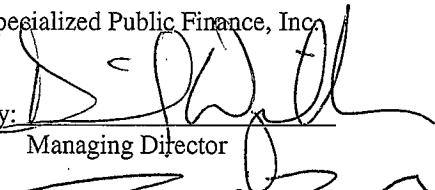
**SECTION VII
MISCELLANEOUS**

1. Choice of Law. This Agreement shall be construed and given effect in accordance with the laws of the State of Texas. Proper venue for any legal action arising out of this Agreement shall be Travis County, Texas.

2. Binding Effect; Assignment. This Agreement shall be binding upon and inure to the benefit of the Issuer and SPFI, their respective heirs, executors, personal representatives, successors and assigns; provided however, neither party hereto may assign or transfer any of its rights or obligations hereunder without the prior written consent of the other party.

3. Entire Agreement. This instrument contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. Any oral or written representations or modifications concerning this Agreement shall be of no force or effect except for a subsequent modification in writing signed by all parties hereto.

Specialized Public Finance, Inc.

By: 
Managing Director

By: 
Director

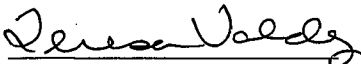
CITY OF BASTROP, TEXAS

By: 

Title: City Manager

Date: 4-14-09

ATTEST:


Title City Secretary

APPENDIX A

Fee Schedule:

Base Fee – Any Issue	\$ 3,000	
Plus \$12.50 per \$1,000 up to	\$ 250,000 or a total of \$ 6,125	for \$ 250,000 Bonds
Plus \$11.50 per \$1,000 next	\$ 250,000 or a total of \$ 9,000	for \$ 500,000 Bonds
Plus \$ 7.00 per \$1,000 next	\$ 500,000 or a total of \$12,500	for \$ 1,000,000 Bonds
Plus \$ 4.65 per \$1,000 next	\$ 1,500,000 or a total of \$19,475	for \$ 2,500,000 Bonds
Plus \$ 2.75 per \$1,000 next	\$ 2,500,000 or a total of \$26,350	for \$ 5,000,000 Bonds
Plus \$ 2.50 per \$1,000 next	\$ 5,000,000 or a total of \$38,850	for \$10,000,000 Bonds
Plus \$ 1.25 per \$1,000 over	\$10,000,000 Bonds	

The above charges shall be multiplied by 1.25 times for the completion of an application to a federal or state government agency or for the issuance of revenue bonds or refunding bonds, reflecting the additional services required.

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specified direction of the Issuer.

The payment of charges for financial advisory services in Section I of the foregoing Agreement shall be contingent upon the delivery of bonds and shall be due at the time that bonds are delivered. The payment of charges for services described in Section II of the foregoing Agreement shall be due and payable in accordance with the mutual agreement therefor between SPFI and Issuer.

The Issuer shall be responsible for the following expenses, if and when applicable:

- Bond counsel
- Bond ratings
- Computer structuring
- Continuing Disclosure, as per Section III
- Credit enhancement
- Verification agent
- Official statement preparation
- Official statement printing
- Paying agent/registrar/trustee
- Travel related expenses related to ratings or credit enhancement, with prior approval
- Underwriter and underwriters' counsel
- Delivery, copy, conference call charges and other miscellaneous charges

The payment of reimbursable expenses that SPFI has assumed on behalf of the Issuer shall NOT be contingent upon the delivery of bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by SPFI.

RESOLUTION NO. R-2017-17

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BASTROP, TX AUTHORIZING THE CITY MANAGER TO EXECUTE AN APPLICATION FOR \$5,800,000 TO THE TEXAS WATER DEVELOPMENT BOARD FOR LOW INTEREST FUNDING AVAILABLE THROUGH THE STATE WATER IMPLEMENTATION FUND FOR TEXAS.

WHEREAS, the City Council has appointed the City Manager as the Chief Administrative Officer of the City; and

WHEREAS, the City Manager is responsible for the proper administration of all affairs of the City; and

WHEREAS, the City in exercise of its governmental functions, has decided to develop a long-term water supply to ensure the safety, health, and welfare of its residents by developing a water supply that will allow safe growth; and

WHEREAS, funds are available from the state of Texas through the Texas Water Development Board as part of the State Water Plan; and

WHEREAS, the City of Bastrop endeavors to be fiscally responsible, and desires to keep rates as low as practical.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BASTROP, TEXAS

Section 1: That the City Manager is hereby authorized to execute an application for a low interest loan to the Texas Water Development Board.

Section 2: That the City Manager is hereby authorized to execute the ancillary obligatory documents to fund the essential water improvements to supply the city of Bastrop with an adequate water supply.

Section 3: All orders, ordinances, and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 4: That this Resolution shall take effect immediately upon its passage, and it is so resolved.

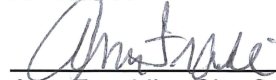
READ and ADOPTED on the 25th day of April 2017.

CITY OF BASTROP, TEXAS



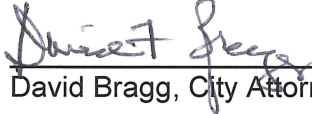
Ken Kesselus, Mayor

ATTEST:



Ann Franklin, City Secretary

APPROVED AS TO FORM:



David Bragg, City Attorney

TECHNICAL SPECIFICATIONS

INDEX OF PROFESSIONAL REGISTRATIONS
SIGN AND SEALS SHEET
FOR

City of Bastrop (TX)

**Simsboro Aquifer Production Well J and Monitoring Well MW-3
Project**

TECHNICAL SPECIFICATIONS

James C. Dwyer, P.E. No. 81814

DIVISION 1—GENERAL REQUIREMENTS

- 01 11 00 Summary of Work
- 01 29 00 Payment Procedures
- 01 33 00 Submittal Procedures

DIVISIONS 2 THROUGH 4 (NOT USED)

DIVISION 5—METALS

- 05 05 23 Welding

DIVISIONS 6 THROUGH 30 (NOT USED)

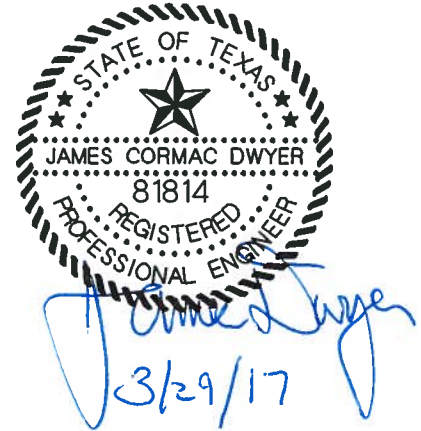
DIVISION 31—EARTHWORK

- 31 10 00 Site Clearing

DIVISION 32—EXTERIOR IMPROVEMENTS (NOT USED)

DIVISION 33—UTILITIES

- 33 21 13.01 Water Well Mobilization/Demobilization
- 33 21 13.02 Water Well Conductor Casing and Sanitary Seal
- 33 21 13.03 Water Well Drilling
- 33 21 13.04 Water Well Geophysical Logging
- 33 21 13.06 Water Well Casing
- 33 21 13.07 Water Well Screen and Gravel Pack
- 33 21 13.08 Water Well Grouting
- 33 21 13.09 Water Well Development
- 33 21 13.10 Well Pumping Test
- 33 21 13.11 Water Well Plumbness and Alignment Test
- 33 21 13.12 Water Well Video Inspection
- 33 21 13.13 Water Well Disinfection
- 33 21 13.14 Water Well Sampling



CH2M HILL ENGINEERS, INC.
F-3699

INDEX OF PROFESSIONAL REGISTRATIONS
SIGN AND SEALS SHEET
FOR

City of Bastrop (TX)

**Simsboro Aquifer Production Well J and Monitoring Well MW-3
Project**

END OF SECTION

**SECTION 01 11 00
SUMMARY OF WORK**

PART 1 GENERAL

1.01 DEFINITIONS

- A. City: City shall mean the City of Bastrop. Wherever in these Specifications is found the term City or Owner the same shall, unless indicated otherwise, be understood to mean any person or persons acting lawfully in an official capacity on behalf of the City at such time and within the power and authority specifically delegated to him or them by this Document.
- B. Consultant: A person or persons designated by the Owner to represent their interest with regard to completion of the Work.
- C. Contractor: The individual, partnership, corporation, etc., contracting with the Owner to complete the Work.
- D. Engineer: A person registered as a professional engineer pursuant to Article 3271a, Vernon's Texas Civil Statutes employed to provide professional engineering services and having overall responsibility for the design of a project or a significant portion thereof. The term "Engineer", unless the Contract clearly indicated otherwise, means an engineer in private practice retained for a specific project under a contractual agreement with the Owner.
- E. Owner: See City.
- F. Owner's Representative: A person or persons designated by the Owner to represent their interest with regard to completion of the Work.
- G. Specifications: The specific instructions to the Contractor as to the requirements for materials, equipment, certain construction procedures, standards and quality of workmanship for the Work and performance of related services and forming a part of the Contract.
- H. Work: The entire completed construction or the various separately identifiable parts thereof required to be furnished under the Contract Documents. Work is the result of the Contractor performing services, furnishing labor and furnishing and incorporating materials and equipment into the construction, all as required by the Contract Documents.

1.02 DESCRIPTION OF WORK

- A. The Project includes the construction of one production well (Well J) and one monitor well (MW-3). A general location map is provided as Drawing 1. Drilling locations and access corridors are included as Drawing 2.
- B. The production well has a telescopic design. The monitor well has a straight-wall well design. Schematic diagrams for each well are provided as Drawings 3 and 4. Estimated construction quantities are provided in subsequent Specifications.
- C. All work performed under this Contract shall conform to all governing local or state ordinances and laws. The Contractor shall arrange and pay all cost of permits and fees not explicitly the responsibility of the Owner, and shall confine his operations to the limits set by law.
- D. Portions of this Project may be subject to review and acceptance by various agencies. The Contractor will be required to coordinate with these agencies for such items as issuance of permits or work orders, inspections during construction, and final acceptance. The agencies for this Project that may require coordination include but are not limited to the following:
 - 1. Texas Commission on Environmental Quality.
 - 2. Lost Pines Groundwater Conservation District.
- E. The Contractor shall limit activities and work on individual tracts in accordance with easement requirements, supplementary conditions if applicable, and others as indicated in these Contract Documents.

1.03 WORK SEQUENCE

- A. The wells shall be constructed in accordance with the Contract Documents in the following order:

Order	Well
1	MW-3
2	Well J

- B. Deviations from the above sequence are not authorized unless approved by the Owner’s Representative.
- C. The Contractor shall construct work in stages to provide proper coordination with work by others. The Contractor shall also coordinate the construction schedule and operations with the Owner’s Representative.

D. The monitor well shall be constructed in accordance with the Contract Documents as follows:

1. Setup drill rig at Site.
2. Drill pilot hole to 200 feet below land surface with minimal lost circulation. If excessive lost circulation occurs, plug the pilot hole and setup drilling rig at alternate site identified by the Owner's Representative.
3. Install conductor casing.
4. Drill a pilot hole to total depth.
5. Collect and deliver lithologic samples to the Owner's Representative.
6. Perform pilot borehole geophysical logging suite.
7. Provide sieve analysis results and screen slot size recommendations.
8. Ream the pilot borehole to minimum nominal diameter to the depth determined by the Engineer.
9. Furnish and install screen assembly and casing to a depth determined by the Engineer.
10. Furnish and install gravel pack and cement casing in place.
11. Develop the well by approved methods.
12. Perform a 4-hour constant-discharge test on the well.
13. Collect water samples for analyses during the 4-hour constant-discharge test.
14. Perform a color borehole video log on the final well.
15. Disinfect the well.
16. Secure and seal the well casing.
17. Demobilize from the site.

E. The production well shall be constructed in accordance with the Contract Documents as follows:

1. Setup drill rig at Site.
2. Drill pilot hole to 200 feet below land surface. If circulation is lost, drive conductor casing at the same location. Otherwise, ream pilot hole and install conductor casing.
3. Drill a pilot hole to total depth.
4. Collect and deliver lithologic samples to the Owner's Representative.
5. Perform pilot borehole geophysical logging suite.
6. Provide sieve analysis results and screen slot size recommendations.
7. Ream the pilot borehole to minimum nominal diameter to the depth determined by the Engineer for the upper casing.
8. Perform gyroscopic alignment survey and caliper log on the reamed borehole (or pilot hole for gyroscopic alignment survey, as determined by the Contractor). Correct plumbness and alignment, as necessary.
9. Furnish and install upper casing to a depth determined by the Engineer.
10. Cement upper casing in place.

11. Conduct gyroscopic alignment survey for final plumbness and acceptance of well casing.
 12. Ream the lower borehole to minimum nominal diameter and to the depth determined by the Engineer for the screen and blank casing.
 13. Furnish and install screen and blank casing to a depth determined by the Engineer.
 14. Furnish and install gravel pack.
 15. Develop the well by airlifting and/or swabbing and bailing for a minimum 2 days before moving the drilling rig.
 16. Continue development until well meets minimum well efficiency.
 17. Perform a 36-hour constant-discharge test on the production well.
 18. Collect water samples for analyses during the 36-hour constant-discharge test.
 19. Perform a color borehole video log on the final well.
 20. Construct concrete well pedestal and wellhead piping and valves.
 21. Install permanent well pump and motor.
 22. Disinfect the well.
 23. Secure and seal the well and wellhead piping.
 24. Demobilize from the site.
 25. Submit six (6) copies of all required information for submission to TCEQ.
- F. The Contractor is permitted to perform construction activities 24 hours/ 7 days per week for critical activities. Activities outside of normal working hours must be coordinated with the Owner's Representative.

1.04 NOTICES TO OWNERS AND AUTHORITIES

- A. Contractor shall notify owners of adjacent property and utilities when prosecution of the Work may affect them. When it is necessary to temporarily deny access to property, or when any utility service connection must be interrupted, Contractor shall give notices sufficiently in advance to enable the affected persons to provide for their needs.
- B. Notices shall conform to any applicable local ordinance and, whether delivered orally or in writing, shall include appropriate information concerning the interruption and instructions on how to limit inconvenience caused thereby.
- C. Prior to any excavation in the vicinity of any existing underground facilities, including all water, sewer, storm drain, gas, petroleum products, or other pipelines; all buried electric power, communications, or television cables; all traffic signal and street lighting facilities; and all roadway and state highway rights-of-way, the Contractor shall notify the respective authorities representing the owners or agencies responsible for such facilities not less than 3 days nor more than 7 days prior to excavation so that a representative of said owners or agencies can be present during such work if they so desire.

1.05 UNFAVORABLE CONSTRUCTION CONDITIONS

- A. During unfavorable weather, wet ground, or other unsuitable construction conditions, Contractor shall confine its operations to work which will not be affected adversely by such conditions. No portion of the Work shall be constructed under conditions, which would affect adversely the quality or efficiency thereof, unless special means or precautions are taken by Contractor to perform the Work in a proper and satisfactory manner.

1.06 SUPPLEMENTS

- A. The supplement listed below, following “END OF SECTION,” is part of this Specification.
 - 1. Drawings 1 through 4.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION (NOT USED)

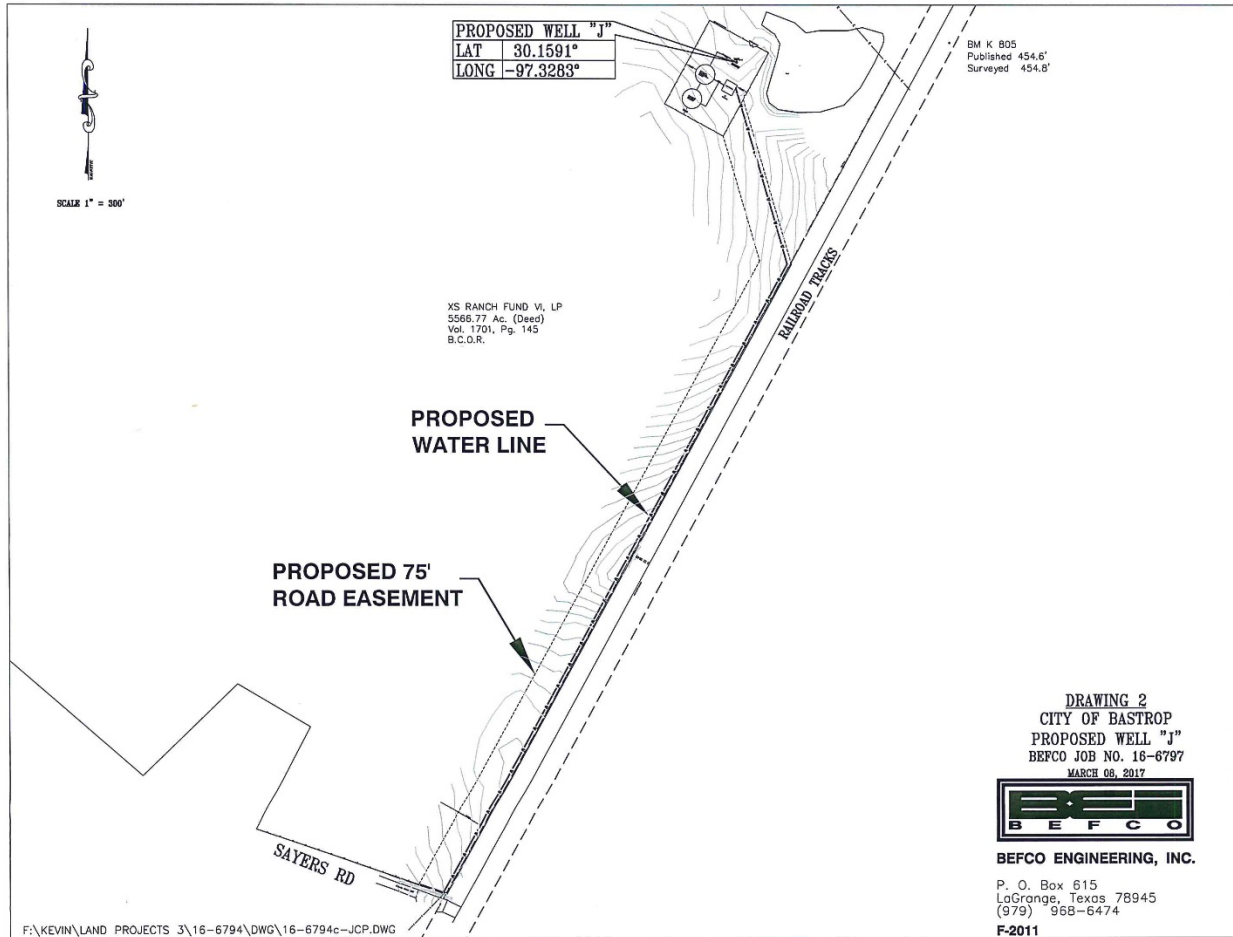
END OF SECTION

Supplement

Drawings 1 through 4

Drawing 2

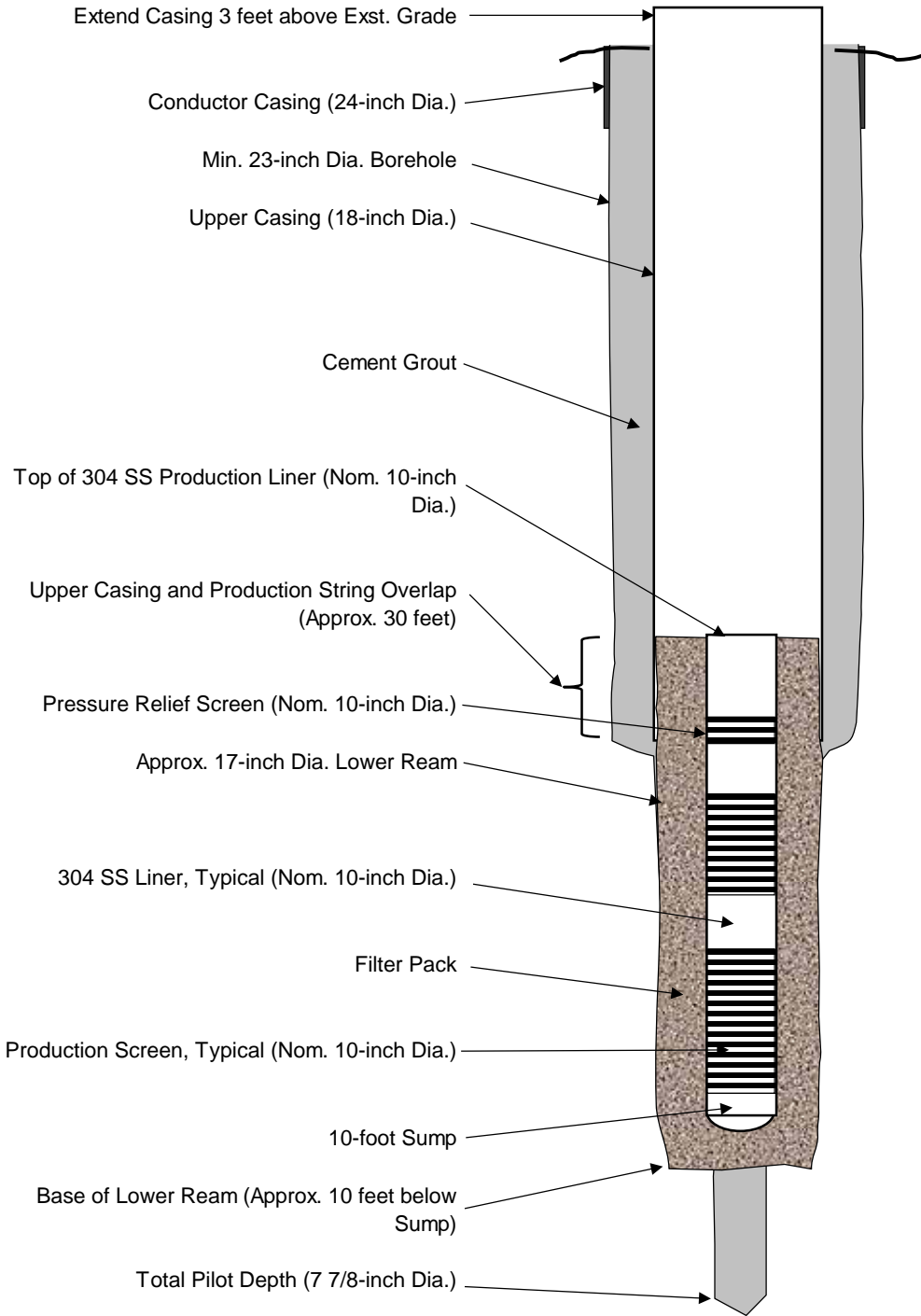
Well Sites and Access



Note: All coordinates are provided in NAD83.

Drawing 3

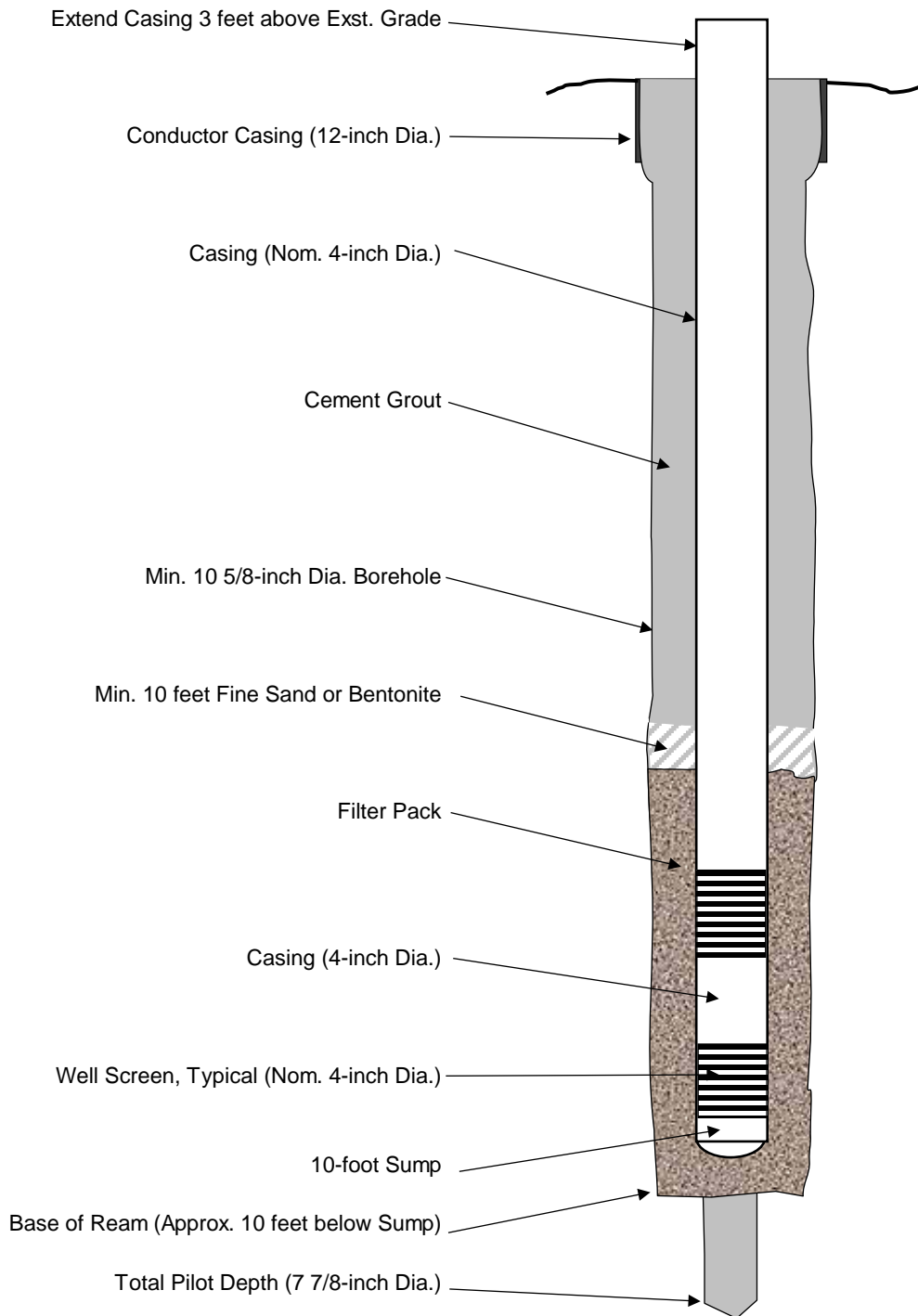
Well J Schematic Diagram



Not to Scale

Drawing 4

Monitor Well 3 Schematic Diagram



Not to Scale

SECTION 01 29 00
PAYMENT PROCEDURES

PART 1 GENERAL

1.01 SUBMITTALS

A. Informational Submittals:

1. Bid Schedule: Submit on Owner's form provided as a supplement to this section.
2. Application for Payment.
3. Final Application for Payment.

1.02 BID SCHEDULE

- A. Prepare a separate Bid Schedule for each schedule of the Work under the Agreement.
- B. Upon request of Owner's Representative, provide documentation to support the accuracy of the Bid Schedule.
- C. Unit Price Work: Reflect unit price quantity and price breakdown from conformed Bid Schedule.
- D. Lump Sum Work:
1. Reflect specified cash and contingency allowances and alternates, as applicable.
 2. List bonds and insurance premiums, mobilization, demobilization, preliminary and detailed progress schedule preparation, equipment testing, facility startup, and contract closeout separately.
- E. An unbalanced or front-end loaded schedule will not be acceptable.
- F. Summation of the complete Bid Schedule representing all the Work shall equal the Contract Price.
- G. Submit Bid Schedule electronically, in a spreadsheet format compatible with latest version of Excel.

1.03 SCHEDULE OF ESTIMATED PROGRESS PAYMENTS

- A. Show estimated payment requests throughout Contract Times aggregating initial Contract Price.
- B. Base estimated progress payments on initially acceptable progress schedule. Adjust to reflect subsequent adjustments in progress schedule and Contract Price as reflected by modifications to the Contract Documents.

1.04 APPLICATION FOR PAYMENT

- A. Transmittal Summary Form: Attach one Summary Form with each detailed Application for Payment for each schedule. Execute certification by authorized officer of Contractor.
- B. Use detailed Application for Payment Form suitable to Owner's Representative.
- C. Provide separate form for each schedule as applicable.
- D. Include accepted Bid Schedule for each schedule or portion of lump sum Work and the unit price breakdown for the Work to be paid on a unit priced basis.
- E. Include separate line item for each Change Order and Work Change Directive executed prior to date of submission. Provide further breakdown of such as requested by Owner's Representative.
- F. A current progress and schedule chart shall be submitted each month with the monthly progress payment estimated until completion of the Project.
- G. Preparation:
 - 1. Round values to nearest dollar.
 - 2. Submit Application for Payment, including a Transmittal Summary Form and detailed Application for Payment Form(s) for each schedule as applicable, a listing of materials on hand for each schedule as applicable, and such supporting data as may be requested by Owner's Representative. The Application for Payment shall be submitted about the 28th day of year month.

1.05 MEASUREMENT—GENERAL

- A. Estimated Quantities: The quantities shown are approximate and are given only as a basis of calculation upon which the award of the Contract is to be made. The Owner/Engineer does not assume any responsibility for the final quantities, nor shall the Contractor claim misunderstanding because of such estimate of quantities. Final payment will be made only for satisfactorily

completed quantity of each item.

- B. Weighing, measuring, and metering devices used to measure quantity of materials for Work shall be suitable for purpose intended and conform to tolerances and specifications as specified in National Institute of Standards and Technology, Handbook 44.
- C. Area Measurement: In the measurement of items to be paid for on the basis of area of finished work, the lengths and/or widths to be used in the calculations shall be the final dimensions measured along the surface of the completed work within the lines shown or designated.
- D. Lump Sum Items: Where payment for items is shown to be paid on a lump sum basis, no separate payment will be made for any item of work required to complete the lump sum items. Lump sum contracts shall be complete, tested and fully operable prior to request for final payment.
- E. Unit Price Items: Separate payment will be made for the items of work described herein and listed on the Bid Schedule. Any related work not specifically listed, but required for satisfactory completion of the work shall be considered to be included in the scope of the appropriate listed work items.
- F. No separate payment will be made for the following items and the cost of such work shall be included in the applicable pay items of work. Final payments shall not be requested by the Contractor or made by the Owner until as-built (Record) Drawings have been submitted and approved by the Owner's Representative.
 - 1. Shop Drawings, Working Drawings.
 - 2. Clearing, grubbing, and grading except as hereinafter specified.
 - 3. Replacement of unpaved roadways, and shrubbery plots.
 - 4. Cleanup and miscellaneous work.
 - 5. Maintaining or detouring of traffic.
 - 6. As-Built Record Drawings.
- G. Where measurement of quantities depends on elevation of existing ground, elevations obtained during construction will be compared with those shown on Drawings. Variations of 1 foot or less will be ignored, and profiles shown on Drawings will be used for determining quantities.
- H. Unless otherwise specified for the particular items involved, all measurements of distance shall be taken horizontally or vertically.

- I. Units of measure shown on Bid Schedule shall be as follows, unless specified otherwise.

Item	Method of Measurement
AC	Acre—Field Measure by Owner’s Representative
CY	Cubic Yard—Field Measure by Owner’s Representative within limits specified or shown
CY-VM	Cubic Yard—Measured in Vehicle by Volume
EA	Each—Field Count by Owner’s Representative
GAL	Gallon—Field Measure by Owner’s Representative
HR	Hour
LB	Pound(s)—Weight Measure by Scale
LF	Linear Foot—Field Measure by Owner’s Representative
LS	Lump sum
SF	Square Foot
SY	Square Yard
TON	Ton—Weight Measure by Scale (2,000 pounds)

1.06 PAYMENT - GENERAL

- A. Payment for all Lump Sum Work shown or specified in Contract Documents is included in the Contract Price. Payment will be based on a percentage complete basis for each line item of the accepted Bid Schedule.
- B. Payment for Lump Sum Work covers all Work specified or shown within the limits or Specification sections as follows: Limits of Work are as defined in Section 01 11 00, Summary of Work.
- C. Payment for unit price items covers all the labor, materials, and services necessary to furnish and install the following items.
- D. No payment will be made for work constructed outside the authorized limits of Work.

1.07 MEASUREMENT AND PAYMENT OF BID ITEMS FOR WELL J

A. Item No. 1 – Drill Pilot Borehole:

1. Description: The Contractor shall provide all labor, supervision, tools, equipment, and materials necessary to drill the pilot borehole.
2. Measurement: Measurement of the item “Drill Pilot Borehole” will be based on the number of linear feet of pilot borehole drilled, tested, and accepted, all in accordance with the Contract Documents.
3. Payment: Payment for drilling the pilot borehole as specified shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, sieve analyses, etc. necessary to have the pilot borehole drilled, accepted, and ready for use as its intended purpose.

B. Item No. 2 – Complete Water Well:

1. Description: The contractor shall provide all labor, supervision, tools, equipment, and materials necessary to complete a water well with the components, materials, and quantities of materials provided in the Bid Schedule.
2. Measurement: Measurement of the Item “Complete Water Well” will be based on the lump sum quantity installed, tested, and accepted in accordance with the Contract Documents.
3. Payment: Payment for the item “Complete Water Well” shall be at the contract unit price indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work in accordance with the Contract Documents. This includes, but it is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc necessary to have the water well installed, tested, accepted, and ready for use as its intended purpose.
4. Reduction in Payment for Casing Not Meeting Minimum Acceptance Criteria (to a depth of 450 feet): Payment for Item 2, “Complete Water Well” will be contingent upon the results of the gyroscopic alignment survey as described in Section 33 21 13.11, Water Well Plumbness and Alignment Test. No deduction will be made if the effective inner diameter of the casing to a depth of 450 feet is 12 inches or greater. A deduction of 0.5 percent of the lump sum value will be made for each 1.2-inch reduction (less than 12 inches) in effective inner casing diameter to a depth of 450 feet or the top of the 10-inch liner, whichever is less. The maximum deduction of 5 percent is allowed.

5. Reduction in Payment for Failure to Meet Minimum Well Efficiency Criteria: Payment for Item No. 2, "Complete Water Well" will be contingent upon the results of the pumping test as described in Section 33 21 13.10, Well Pumping Test. No deduction will be made for wells meeting the minimum efficiency of 75 percent. Payment will be reduced by 0.5 percent of the lump sum value for each well efficiency percentage point below 75 percent, to a maximum deduction of 5 percent of the lump sum value.
- C. Item No. 3 – Furnish and Install Production Pump and Motor:
1. Description: The contractor shall provide all labor, supervision, tools, equipment, and materials necessary to install the production lineshaft pump and motor capable as listed in the Bid Schedule.
 2. Measurement: Payment for the item "Furnish and Install Production Pump Motor" will be based on the lump sum quantity installed, tested, and accepted in accordance with the Contract Documents.
 3. Payment: Payment for the item "Furnish and Install Production Pump and Motor" shall be at the contract unit price indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc necessary to have the well pump and motor installed, tested, and ready for use as its intended purpose.
- D. Item No. 4 – Pilot Borehole Geophysical Logging Suite, Alignment Surveys, Caliper Logs, Final Well Video Survey:
1. Description: The Contractor shall provide all labor, supervision, tools, equipment, and materials necessary to conduct geophysical logging, gyroscopic alignment surveys, reamed hole caliper logs, and final well video survey. The Contractor will be required to purchase "tool insurance" from the subcontractor(s) to limit liability in the case of an accidental loss of a logging tool or camera in the borehole or well. This item includes post-processing required to create final logs.
 2. Measurement: Measurement of the item "Pilot Borehole Geophysical Logging Suite, Alignment Surveys, Caliper Logs, Final Well Video Survey" will be based on the lump sum quantity of logging suites, alignment surveys, caliper logs, and well video surveys completed and accepted all in accordance with the Contract Documents.

3. Payment: Payment for the item “Pilot Borehole Geophysical Logging Suite, Alignment Surveys, Caliper Logs, Final Well Video Survey” shall be at the unit price indicated in The Bid Schedule, which price shall constitute full compensation for the completed work all in accordance with Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, post-processing, etc. necessary to have geophysical logging, completed and accepted. Contractor will not receive extra compensation for rig time or stand-by time while the logging or surveys are conducted.
- E. Item No. 5 – Furnish, Install, and Remove Pump System and Temporary Piping and Perform 36-Hour Constant-Discharge Pumping Test:
1. Description: This item shall include all work-associated furnishing, installing, and removing the pump system and associated facilities for the 36-hour constant-discharge pump test, including discharge pipe.
 2. Measurement: Measurement of the item, “Furnish, Install, and Remove Pump System and Temporary Piping and Perform 36-Hour Constant-Discharge Pumping Test” will be based on the lump sum quantity of pump systems and tests installed/performed and accepted in accordance with the Contract Documents.
 3. Payment: This item will be paid for at the contract unit price for furnishing, installing, and removing the pump system for well 36-hour constant-discharge pump test. This includes, but is not limited to, all materials, tools, labor, equipment, monitoring, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to constant discharge test the well, complete, tested and accepted all in accordance with the Contract Documents.
- F. Item No. 6 – Water Quality Sampling and Analyses:
1. Description: The Contractor shall provide all labor, supervision, tools, equipment, and materials necessary to complete water quality sampling and analyses.
 2. Measurement: Measurement of the item “Water Quality Sampling and Analyses” will be based on lump sum quantity of sampling and analyses completed and accepted all in accordance with the Contract Documents. The Contractor will provide a printed and electronic record of the water quality results.

3. Payment: Payment for water quality sampling and analyses shall be at the unit price indicated in the Bid Schedule, which price shall constitute full compensation for the completed work all in accordance with Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary for water quality sampling and analyses completed and accepted. Contractor will not receive extra compensation for rig time or stand by time while the water quality sampling and analyses are conducted. Payment is contingent upon the Contractor submitting a printed record of the water quality results for each well.

G. Item No. 7 – Addition for Drill Rig Standby Time at the Direction of the Consultant:

1. Description: This item shall consist of drill rig standby time at the direction of the Owner’s Representative.
2. Measurement: Measurement of the item “Drill Rig Standby Time at the Direction of the Owner’s Representative” will be based on the number of hours actually spent on standby at the direction of the Owner’s Representative in accordance with the Contract Documents.
3. Payment: Payment for drill rig standby time at the direction of the Owner’s Representative shall be at the unit price per hour indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to remain on standby in accordance with the Contract Documents.

H. Item No. 8 – Addition to Install Driven Conduct Casing to 150 Feet in Lieu of Drilled Conductor Casing, in Place:

1. Description: This item includes all work associated with furnishing and installing conductor casing. The Work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the work in place.
2. Measurement: Measurement of the item “Addition to Install Driven Conduct Casing to 150 Feet in Lieu of Drilled Conductor Casing, in Place” will be based on the number of conductor casings installed, tested, and accepted, all in accordance with the Contract Documents.

3. Payment: Payment for the item “Addition to Install Driven Conduct Casing to 150 Feet in Lieu of Drilled Conductor Casing, in Place” shall be at the unit price indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the conductor casing furnished, installed, tested, accepted, and ready for use as its intended purpose.
- I. Item No. 9 – Addition or Deduction for 18-Inch Casing, Complete in Place:
1. Description: This item includes all work associated with furnishing and installing 18-inch casing. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the work in-place.
 2. Measurement: Measurement of the item “Addition or Deduction for 18-Inch Casing, Complete in Place” will be based on the number of linear feet of steel casing installed (including the above ground portion), tested, and accepted, all in accordance with the Contract Documents.
 3. Payment: Payment for the item “Addition or Deduction for 18-Inch Casing, Complete in Place” shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the 18-inch casing installed, tested, accepted, and ready for use as its intended purpose.
- J. Item No. 10 – Addition or Deduction for 10-Inch Liner, Complete in Place:
1. Description: This item includes all work associated with furnishing and installing 10-inch liner. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the work in-place.
 2. Measurement: Measurement of the item “Addition or Deduction for 10-Inch Liner, Complete in Place” will be based on the number of linear feet of casing, tested, and accepted, all in accordance with the Contract Documents.

3. Payment: Payment for the item “Addition or Deduction for 10-Inch Liner, Complete in Place” shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the 10-inch liner installed, tested, accepted, and ready for use as its intended purpose.
- K. Item No. 11 – Addition or Deduction for 10-Inch Screen, Completed in Place:
1. Description: This item includes all work associated with furnishing and installing standard well screen. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the Work.
 2. Measurement: Measurement of the item “Addition or Deduction for 10-Inch Screen, Completed in Place” will be based on the number of linear feet of screen installed, tested, and accepted, all in accordance with the Contract Documents.
 3. Payment: Payment for furnishing and installing standard well screen shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the standard well screen installed, tested, accepted, and ready for use as its intended purpose.
- L. Item No. 12 – Addition to Install 12-Inch Liner and 12-Inch Screen in Lieu of 10-Inch Liner and 10-Inch Screen, in Place:
1. Description: This item includes all work associated with furnishing and installing the 12-inch liner and screen, including underreaming the hole to 20-inch diameter. The Work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the work in place.
 2. Measurement: Measurement of the item “Addition to Install 12-Inch Liner and 12-Inch Screen in Lieu of 10-Inch Liner and 10-Inch Screen, in Place” will be based on the lump sum quantity of liner and screen installed, tested, and accepted, all in accordance with the Contract Documents.

3. Payment: Payment for the item “Addition to Install 12-Inch Liner and 12-Inch Screen in Lieu of 10-Inch Liner and 10-Inch Screen, in Place” shall be at the lump sum indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to underream the hole to 20-inch diameter and furnish and install 12-inch liner and screen, tested, accepted, and ready for use as its intended purpose.

M. Item No. 13 – Addition or Deduction for 12-Inch Liner, Complete in Place:

1. Description: This item includes all work associated with underreaming to 20 inches and furnishing and installing 12-inch liner. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the work in-place.
2. Measurement: Measurement of the item “Addition or Deduction for 12-Inch Liner, Complete in Place” will be based on the number of linear feet of casing installed (including the above ground portion), tested, and accepted, all in accordance with the Contract Documents.
3. Payment: Payment for the item “Addition or Deduction for 12-Inch Liner, Complete in Place” shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the 12-inch liner installed, tested, accepted, and ready for use as its intended purpose.

N. Item No. 14 – Addition or Deduction for 12-Inch Screen, Complete in Place:

1. Description: This item includes all work associated with underreaming to 20 inches and furnishing and installing 12-inch screen. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the work in-place.
2. Measurement: Measurement of the item “Addition or Deduction for 12-Inch Screen, Complete in Place” will be based on the number of linear feet of screen, tested, and accepted, all in accordance with the Contract Documents.

3. Payment: Payment for the item “Addition or Deduction for 12-Inch Screen, Complete in Place” shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the 12-inch screen installed, tested, accepted, and ready for use as its intended purpose.
- O. Item No. 15 – Addition or Deduction for 12-Inch Column Pipe, Complete in Place:
1. Description: This item includes all work associated with furnishing and installing production pump column pipe. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the Work.
 2. Measurement: Measurement of the item “Addition or Deduction for 12-Inch Column Pipe, Complete in Place” will be based on the number of linear feet of screen installed, tested, and accepted, all in accordance with the Contract Documents.
 3. Payment: Payment for furnishing and installing item “Addition or Deduction for 12-Inch Column Pipe, Complete in Place” shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the standard column pipe installed, tested, accepted, and ready for use as its intended purpose.
- P. Item No. 16 –Addition to Install 250 Hp Motor in Lieu of 200 Hp Motor, in Place:
1. Description: This item includes all work associated with furnishing and installing the production pump motor. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the Work.
 2. Measurement: Measurement of the item “Addition to Install 250 Hp Motor in Lieu of 200 Hp Motor, in Place” will be based on the motor installed, tested, and accepted, all in accordance with the Contract Documents.
 3. Payment: Payment for furnishing and installing item “Addition to Install 250 Hp Motor in Lieu of 200 Hp Motor, in Place” shall be at the contract lump sum indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all

materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the standard column pipe installed, tested, accepted, and ready for use as its intended purpose.

1.08 MEASUREMENT AND PAYMENT OF BID ITEMS FOR MW-3

A. Item No. 1 –Pilot Hole Drilling:

1. Description: The Contractor shall provide all labor, supervision, tools, equipment, and materials necessary to drill the pilot borehole including plugging abandoned pilot holes.
2. Measurement: Measurement of the item “Pilot Hole Drilling” will be based on the number of linear feet of pilot borehole drilled, tested, and accepted, all in accordance with the Contract Documents.
3. Payment: Payment for drilling the pilot borehole as specified shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, sieve analyses, etc. necessary to have the pilot borehole drilled, accepted, and ready for use as its intended purpose.

B. Item No. 2 – Complete Monitor Well:

1. Description: The contractor shall provide all labor, supervision, tools, equipment, and materials necessary to complete a monitor well with the components, materials, and quantities of materials provided in the Bid Schedule.
2. Measurement: Measurement of the Item “Complete Monitor Well” will be based on the lump sum quantity installed, tested, and accepted in accordance with the Contract Documents.
3. Payment: Payment for the item “Complete Monitor Well” shall be at the contract unit price indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work in accordance with the Contract Documents. This includes, but it is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc necessary to have the water well installed, tested, accepted, and ready for use as its intended purpose.

C. Item No. 3 – Pilot Borehole Geophysical Logging Suite Caliper Logs, Final Well Video Survey:

1. Description: The Contractor shall provide all labor, supervision, tools, equipment, and materials necessary to conduct geophysical logging,

reamed hole caliper logs, and final well video survey. The Contractor will be required to purchase “tool insurance” from the subcontractor(s) to limit liability in the case of an accidental loss of a logging tool or camera in the borehole or well. This item includes post-processing required to create final logs.

2. Measurement: Measurement of the item “Pilot Borehole Geophysical Logging Suite, Caliper Logs, Final Well Video Survey” will be based on the lump sum quantity of logging suites, caliper logs, and well video surveys completed and accepted all in accordance with the Contract Documents.
3. Payment: Payment for the item “Pilot Borehole Geophysical Logging Suite, Caliper Logs, Final Well Video Survey” shall be at the unit price indicated in The Bid Schedule, which price shall constitute full compensation for the completed work all in accordance with Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, post-processing, etc. necessary to have geophysical logging, completed and accepted. Contractor will not receive extra compensation for rig time or stand-by time while the logging or surveys are conducted.

D. Item No. 4 – Furnish, Install, and Remove Pump System and Temporary Piping and Perform 4-Hour Constant-Discharge Pumping Test:

1. Description: This item shall include all work-associated furnishing, installing, and removing the pump system and associated facilities for the 4-hour constant-discharge pump test, including discharge pipe.
2. Measurement: Measurement of the item, “Furnish, Install, and Remove Pump System and Temporary Piping and Perform 4-Hour Constant-Discharge Pumping Test” will be based on the lump sum quantity of pump systems and tests installed/performed and accepted in accordance with the Contract Documents.
3. Payment: This item will be paid for at the contract unit price for furnishing, installing, and removing the pump system for well 4-hour constant-discharge pump test. This includes, but is not limited to, all materials, tools, labor, equipment, monitoring, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to constant discharge test the well, complete, tested and accepted all in accordance with the Contract Documents. Payment shall be based upon the well achieving 5 mg/L or less sand content as described in Section 33 21 13.10, Well Pumping Test.

E. Item No. 5 – Water Quality Sampling and Analyses:

1. Description: The Contractor shall provide all labor, supervision, tools, equipment, and materials necessary to complete water quality sampling

- and analyses.
2. Measurement: Measurement of the item “Water Quality Sampling and Analyses” will be based on the lump sum quantity of sampling and analyses completed and accepted all in accordance with the Contract Documents. The Contractor will provide a printed and electronic record of the water quality results.
 3. Payment: Payment for water quality sampling and analyses shall be at the unit price indicated in the Bid Schedule, which price shall constitute full compensation for the completed work all in accordance with Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary for water quality sampling and analyses completed and accepted. Contractor will not receive extra compensation for rig time or stand by time while the water quality sampling and analyses are conducted. Payment is contingent upon the Contractor submitting a printed record of the water quality results for each well.
- F. Item No. 6 – Addition for Drill Rig Standby Time at the Direction of the Consultant:
1. Description: This item shall consist of drill rig standby time at the direction of the Owner’s Representative.
 2. Measurement: Measurement of the item “Drill Rig Standby Time at the Direction of the Owner’s Representative” will be based on the number of hours actually spent on standby at the direction of the Owner’s Representative in accordance with the Contract Documents.
 3. Payment: Payment for drill rig standby time at the direction of the Owner’s Representative shall be at the unit price per hour indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to remain on standby in accordance with the Contract Documents.
- G. Item No. 7 – Addition to Setup and Breakdown Drill Equipment for Abandoned Pilot Holes, if Required:
1. Description: This item shall consist of all work associated with setting up and breaking down drill equipment associated with abandoned pilot hole. This work includes providing all materials, labor, supervision, equipment, tools, and incidentals necessary to complete the Work.
 2. Measurement: Measurement of the item “Addition to Setup and Breakdown Drill Equipment for Abandoned Pilot Holes, if Required” shall be based on the number of pilot holes abandoned, in accordance

with the Contract Documents.

3. Payment: Payment for the item “Addition to Setup and Breakdown Drill Equipment for Abandoned Pilot Holes, if Required” shall be made at contract unit price for each pilot hole abandoned, in accordance with the Contract Documents.

H. Item No. 8 – Addition or Deduction for 4-Inch Casing, Complete in Place:

1. Description: This item includes all work associated with furnishing and installing 4-inch casing. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the work in-place.
2. Measurement: Measurement of the item “Addition or Deduction for 4-Inch Casing, Complete in Place” will be based on the number of linear feet of steel casing installed (including the above ground portion), tested, and accepted, all in accordance with the Contract Documents.
3. Payment: Payment for the item “Addition or Deduction for 4-Inch Casing, Complete in Place” shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the 4-inch casing installed, tested, accepted, and ready for use as its intended purpose.

I. Item No. 9 – Addition or Deduction for 4-Inch Screen, Complete in Place:

1. Description: This item includes all work associated with furnishing and installing standard well screen. The work includes providing all materials, labor, supervision, equipment, tools, and all other incidentals necessary to complete the Work.
2. Measurement: Measurement of the item “Addition or Deduction for 4-Inch Screen, Complete in Place” will be based on the number of linear feet of screen installed, tested, and accepted, all in accordance with the Contract Documents.
3. Payment: Payment for furnishing and installing standard well screen shall be at the unit price per linear foot indicated in the Bid Schedule, which price shall constitute full compensation for the completed Work all in accordance with the Contract Documents. This includes, but is not limited to, all materials, tools, labor, equipment, supplies, permits, removal and disposal of waste or excess materials, etc. necessary to have the standard well screen installed, tested, accepted, and ready for use as its intended purpose.

1.09 NONPAYMENT FOR REJECTED OR UNUSED PRODUCTS

- A. Payment will not be made for following:

1. Loading, hauling, and disposing of rejected material.
2. Quantities of material wasted or disposed of in manner not called for under Contract Documents.
3. Rejected loads of material, including material rejected after it has been placed by reason of failure of Contractor to conform to provisions of Contract Documents.
4. Material not unloaded from transporting vehicle.
5. Defective Work not accepted by Owner.
6. Material remaining on hand after completion of Work.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION (NOT USED)

END OF SECTION

**SECTION 01 33 00
SUBMITTAL PROCEDURES**

PART 1 GENERAL

1.01 DEFINITIONS

- A. Action Submittal: Written and graphic information submitted by Contractor that requires Engineer's approval.
- B. Informational Submittal: Information submitted by Contractor that requires Engineer's review and determination that submitted information is in accordance with the Conditions of the Contract.
- C. Electronic Submittal: Product Data and Shop Drawings that are submitted for review by email to the Engineer.
- D. Product Data and Shop Drawing: Drawings, diagrams, illustrations, brochures, schedules, bills of materials and other data prepared by the Contractor, his subcontractors, suppliers or distributors, or equipment manufacturers and fabricators; illustrating the manufacture, fabrication, construction, or installation of the Work or a portion thereof.
- E. Working Drawings: Contractor-prepared drawings for temporary structures and facilities. Working Drawings for elements of work that may affect the safety and health of persons or property will be certified by an engineer licensed in the state of Texas. Calculations, as necessary, shall accompany working Drawings.
- F. Design Calculations: Whenever the Contractor is required to submit design calculations as part of a submittal, such calculations shall bear the signature and seal of an engineer registered in the appropriate branch and in the State of Texas. Owner reserves the right to request submittal by Contractor of a hard copy of design calculations.
- G. Manufacturer's Representative: A representative from the manufacturer's plant with 5 years of experience in the actual problems of manufacturing, installing, and operating the particular product. Sales representatives or agents of the manufacturer will not be acceptable.

1.02 PROCEDURES

- A. Direct submittals to the following, unless specified otherwise.
 - 1. CH2M HILL
Attn: James Dwyer
12301 Research Blvd.,

Bldg. 4, Suite 250
Austin, TX 78759

2. E-mail: James.Dwyer@ch2m.com

- B. Electronic Submittals: Submittals shall, unless specifically accepted, be made in electronic format.
1. Each submittal shall be an electronic file in Adobe Acrobat Portable Document Format (PDF). Use the latest version available at time of execution of the Agreement.
 2. Electronic files that contain more than 10 pages in PDF format shall contain internal bookmarking from an index page to major sections of the document.
 3. Add general information to each PDF file, including title, subject, author, and keywords.
 4. PDF files shall be set up to print legibly at 8.5-inch by 11-inch, 11-inch by 17-inch, or 22-inch by 34-inch. No other paper sizes will be accepted.
 5. Submit new electronic files for each resubmittal.
 6. Include a copy of the Transmittal of Contractor's Submittal form, located at end of section, with each electronic file.
 7. Engineer will reject submittal that is not electronically submitted, unless specifically accepted.
 8. Provide Owner's Representative with authorization to reproduce and distribute each file as many times as necessary for Project documentation.
 9. Detailed procedures for handling electronic submittals will be discussed at the preconstruction conference.
- C. Transmittal of Submittal:
1. Contractor shall: Review each submittal and check for compliance with Contract Documents.
 2. Complete, sign, and transmit with each submittal package, one Transmittal of Contractor's Submittal form attached at end of this section.
 3. Identify each submittal with the following:
 - a. Numbering and Tracking System:
 - 1) Sequentially number each submittal.
 - 2) Resubmission of submittal shall have original number with sequential alphabetic suffix.
 - b. Specification section and paragraph to which submittal applies.
 - c. Project title and Engineer's project number.
 - d. Date of transmittal.
 - e. Names of Contractor, Subcontractor or Supplier, and manufacturer as appropriate.
 4. Identify and describe each deviation or variation from Contract Documents.
- D. Format:

1. Do not base Shop Drawings on reproductions of Contract Documents.
 2. Package submittal information by individual specification section. Do not combine different specification sections together in submittal package, unless otherwise directed in specification.
 3. Present in a clear and thorough manner and in sufficient detail to show kind, size, arrangement, and function of components, materials, and devices, and compliance with Contract Documents.
 4. Index with labeled tab dividers in orderly manner.
- E. Timeliness: Schedule and submit in accordance Schedule of Submittals, and requirements of individual specification sections.
- F. Processing Time:
1. Time for review shall commence on Engineer's receipt of submittal.
 2. Engineer will act upon Contractor's submittal and transmit response to Contractor not later than 15 days after receipt, unless otherwise specified.
 3. Resubmittals will be subject to same review time.
 4. No adjustment of Contract Times or Price will be allowed as a result of delays in progress of Work caused by rejection and subsequent resubmittals.
- G. Resubmittals: Clearly identify each correction or change made.
- H. Incomplete Submittals:
1. Engineer will return entire submittal for Contractor's revision if preliminary review deems it incomplete.
 2. When any of the following are missing, submittal will be deemed incomplete:
 - a. Contractor's review stamp; completed and signed.
 - b. Transmittal of Contractor's Submittal; completed and signed.
- I. Submittals not required by Contract Documents: Will not be reviewed and will be returned stamped "Not Subject to Review."

1.03 ACTION SUBMITTALS

- A. Prepare and submit Action Submittals required by individual Specification sections.
- B. Shop Drawings:
1. Identify and Indicate:
 - a. Applicable Contract Drawing and Detail number, products, units and assemblies, and system or equipment identification or tag numbers.
 - b. Equipment and Component Title: Identical to title shown on Drawings.

- c. Critical field dimensions and relationships to other critical features of Work. Note dimensions established by field measurement.
- d. Project-specific information drawn accurately to scale.
2. Manufacturer's standard schematic drawings and diagrams as follows:
 - a. Modify to delete information that is not applicable to the Work.
 - b. Supplement standard information to provide information specifically applicable to the Work.
3. Product Data: Provide as specified in individual specifications.
4. Foreign Manufacturers: When proposed, include names and addresses of at least two companies that maintain technical service representatives close to Project.

C. Samples:

1. Copies: Two, unless otherwise specified in individual specifications.
2. Preparation: Mount, display, or package Samples in manner specified to facilitate review of quality. Attach label on unexposed side that includes the following:
 - a. Manufacturer name.
 - b. Model number.
 - c. Material.
 - d. Sample source.
3. Full-size Samples:
 - a. Size as indicated in individual specification section.
 - b. Prepared from same materials to be used for the Work.
 - c. Cured and finished in manner specified.
 - d. Physically identical with product proposed for use.

D. Action Submittal Dispositions: Engineer will review, comment, stamp, and distribute as noted:

1. Approved:
 - a. Contractor may incorporate product(s) or implement Work covered by submittal.
 - b. Distribution: Electronic.
2. Approved as Noted:
 - a. Contractor may incorporate product(s) or implement Work covered by submittal, in accordance with Engineer's notations.
 - b. Distribution: Electronic.
3. Revise and Resubmit:
 - a. Contractor may not incorporate product(s) or implement Work covered by submittal.
 - b. Distribution: Electronic.

1.04 INFORMATIONAL SUBMITTALS

A. General:

1. Refer to individual specification sections for specific submittal requirements.
 2. Engineer will review each submittal. If submittal meets conditions of the Contract, Engineer will forward copy to appropriate parties. If Engineer determines submittal does not meet conditions of the Contract and is therefore considered unacceptable, Engineer will retain one copy and return remaining copy with review comments to Contractor, and require that submittal be corrected and resubmitted.
- B. Certificates:
1. General:
 - a. Provide notarized statement that includes signature of entity responsible for preparing certification.
 - b. Signed by officer or other individual authorized to sign documents on behalf of that entity.
 2. Welding: In accordance with individual specification sections.
 3. Installer: Prepare written statements on manufacturer's letterhead certifying installer complies with requirements as specified in individual specification section.
 4. Material Test: Prepared by qualified testing agency, on testing agency's standard form, indicating and interpreting test results of material for compliance with requirements.
 5. Certificates of Successful Testing or Inspection: Submit when testing or inspection is required by Laws and Regulations or governing agency or specified in individual specification sections.
- C. Contractor-design Data (related to temporary construction):
1. Written and graphic information.
 2. List of assumptions.
 3. List of performance and design criteria.
 4. Summary of loads or load diagram, if applicable.
 5. Calculations.
 6. List of applicable codes and regulations.
 7. Name and version of software.
 8. Information requested in individual specification section.
- D. Manufacturer's Instructions: Written or published information that documents manufacturer's recommendations, guidelines, and procedures in accordance with individual specification section.
- E. Statement of Qualification: Evidence of qualification, certification, or registration as required in Contract Documents to verify qualifications of professional land surveyor, engineer, materials testing laboratory, specialty Subcontractor, trade, Specialist, consultant, installer, and other professionals.

F. Submittals Required by Laws, Regulations, and Governing Agencies:

1. Promptly submit promptly notifications, reports, certifications, payrolls, and otherwise as may be required, directly to the applicable federal, state, or local governing agency or their representative.
2. Transmit to Engineer for Owner's records one copy of correspondence and transmittals (to include enclosures and attachments) between Contractor and governing agency.

1.05 CONTRACTOR RESPONSIBILITIES

- A. Submissions will be made following the procedure laid out previously in this section. Except for product samples, which shall be submitted using the conventional approach of mail delivery, all Product Data and Shop Drawings shall be submitted by Contractor electronically. When it is not possible to make submittals electronically, Contractor may deliver submittals to Owner using conventional mail only after securing Owner's or Owner's designated Agent's written approval.
- B. The Contractor will submit dimensional and layout Drawings and product data, certified correct for construction, for review by the Owner's Representative.
- C. Delete information that is not applicable to Work.
- D. Supplement standard information to provide information specifically applicable to Work.
- E. Clearly mark each copy to identify pertinent products or models and show performance characteristics and capacities, dimensions and clearances required, wiring or piping diagrams and controls, and external connections, anchorages, and supports required.
- F. Equipment and Component Titles: Identical to title shown on Drawings.
- G. Submit Shop Drawings and product data in accordance with the approved submittal schedule. Also submit Shop Drawings to the Owner for review prior to their need in the Work, allowing sufficient time for the Owner's review and response.
- H. The Contractor shall make specific mention of those items that vary from the requirements of the Contract Documents in the letter of transmittal.
- I. Submit Shop Drawings and product data covering related items of equipment or material or integrated systems of equipment or material at the same time as part of the same submittal package. Partial submissions will not be accepted.
- J. The Contractor shall coordinate Shop Drawings and product data with Drawings

previously submitted, with Drawings being prepared, and with Drawings and data previously approved. All such coordination shall be indicated by reference.

- K. All submittals, including those prepared by a subcontractor or supplier, shall be carefully reviewed by an authorized representative of the Contractor, prior to submission. Each submittal shall be dated, signed, and certified by the Contractor as being correct and in strict conformance with the Contract Documents. In the case of Shop Drawings, each sheet shall be so dated, signed, and certified. The Owner or its Representative will only review submittals, including those prepared by a subcontractor or supplier, which have been so certified by the Contractor. All non-certified submittals, including “pass thru’s” from subcontractors or suppliers, will be returned to the Contractor without action taken by the Owner, and any delays caused thereby shall be the total responsibility of the Contractor.
- L. Delays, resequencing or other impact to Work resulting from Contractor's submission of unchecked, unreviewed, incomplete, inaccurate, erroneous, or nonconforming submittals, which shall require Contractor's resubmission of a submittal for Owner’s Representative's review, shall not constitute a basis of claim for adjustment in Contract Price or Contract Times.
- M. The Contractor shall assign a unique sequential number to each submittal (1, 2, 3, etc.). Re-submittals shall be identified with their original number followed by a sequential letter (A, B, C, etc.). For example, submittal 12-C is the third re-submittal of the twelfth item for the Project.
- N. If a submittal is returned to the Contractor marked “NO EXCEPTIONS NOTED,” formal revision and resubmission will not be required. If a submittal is returned marked “EXCEPTIONS NOTED,” Contractor shall make the corrections on the submittal, but formal revision and resubmission will not be required and the Contractor shall proceed with the Work.
- O. If a submittal is returned marked “RETURNED FOR CORRECTION,” the Contractor shall revise it and shall resubmit the required number of copies to the Owner’s Representative for review. Resubmittal and a review status of “No Exceptions Noted” or “Exceptions Noted” is required before the Contractor may proceed with the Work unless approved in writing by the Owner’s Representative. Resubmittal of portions of multi-page or multi-drawing submittals will not be allowed unless approved in writing by the Owner. For example, if a Shop Drawing submittal consisting of ten Drawings contains one Drawing noted as “RETURNED FOR CORRECTION,” the submittal as a whole is deemed “RETURNED FOR CORRECTION,” and all ten Drawings are required to be resubmitted.
- P. If a submittal is returned marked “NOT ACCEPTABLE,” it shall mean either that the submitted material or product does not satisfy the Specification, the submittal is so incomplete that it cannot be reviewed, or is a substitution request not in

accordance with the General Conditions of the Contract. The Contractor shall prepare and deliver a new submittal to the Owner's Representative for review.

- Q. Resubmittal of rejected portions of a previous submittal will not be allowed. When resubmittals are needed, every change from a submittal to a resubmittal or from a resubmittal to a subsequent resubmittal shall be clearly identified and flagged on the resubmittal by Contractor.
- R. If more than one resubmittal is required because of failure of Contractor to provide all previously requested corrected data or additional information, Contractor shall reimburse Owner for the charges of its Agent(s) for review of the additional resubmittals. This does not include initial submittal data such as shop tests and field tests that are submitted after initial submittal. Provide for Owner's Representative review expenses under three limited and avoidable circumstances. The first circumstance is based on the Owner's Representative only being liable to Owner for reviewing the original submittal and one resubmittal for submittals listed on the initial approved Shop Drawing Register. Accordingly any resubmittal beyond the first resubmittal and any submittal or resubmittal not included on the initial Shop Drawing Register will be treated as requiring reimbursement of submittal review expenses. The second circumstance is when an expedited review is requested for a submittal or resubmittal by the Contractor and/or required to avoid construction/installation delays and directed by the Owner's Representative. In this case the expedited review period will be 7 working days and Owner and Owner's Representative expense reimbursement will be required of the Contractor. The third circumstance is when a required submittal is not initially submitted within the first half of the original contract time or resolved within 30 days of that time. All submittals and resubmittals provided after this time will require Contractor's payment of said submittal expenses. It is understood that the Contractor's reimbursement to Owner and thereby the Owner's Representative for their efforts required to accommodate submittal and resubmittal review and all associated management and tracking is requested and acknowledged with any submittal or resubmittal meeting the above circumstances. Because of the difficulty in assessing the amount appropriate for this review a fixed sum will be used and is applicable to each resubmittal and submittal referenced above. Reimbursement by the Contractor to Owner will be assessed as a Submittal Review Expense on a per each basis on a subsequent Contractor monthly pay estimate as decided upon by the Owner's Representative. The Submittal Review Expense as extended will be tracked and cumulatively deducted from the amount due at each monthly estimate. The value will be a set price of \$1,000 per each submittal or resubmittal with allocation being on a 40/60 percent basis between the Owner and Owner's Representative, respectively. The total of all Submittal Review Expense items allocated to the Owner and Owner's Representative at the end of the contract will be resolved against the original contract amount no later than with the final recapitulation change order, or at other such time as required by the Owner.

- S. When resubmittals are needed, resubmittals shall be made within 30 days of the date on which documents to be modified or corrected were posted to the appropriate site or of the postmark date of the letter returning the material (if a hard copy-type submittal was approved by Owner's Representative), whichever is later. A time extension will be considered by Owner only if within the number required days Contractor submits an acceptable request for an extension of time, listing the reasons why the resubmittal cannot be completed within the stipulated time.
- T. The need for more than one resubmittal, or any other delay in obtaining Owner's Representative's review of submittals, will not entitle Contractor to extension of the Contract Times unless delay of the Work is the direct result of a change in the Work authorized by a Change Order or failure of Owner's Representative to review and return any submittal to Contractor within the specified review period.
- U. The Contractor shall not deliver to the Site, storage, or incorporate into the Work, any materials or equipment for which approved submittals have not been obtained.
- V. When electronic submittals are not possible, hard copy submissions will be made as required in this section.
- W. The Contractor is responsible for frequent monitoring of email and the submittal process status.

1.06 MISCELLANEOUS SUBMISSIONS

- A. The following documents shall be submitted electronically. If electronic submittal is not feasible, Contractor may submit documents using the conventional mail approach only after securing Owner's approval for such submittal.
 1. Resumes: Resumes of key personnel will be submitted to the Owner with the bid proposal. For key personnel involved in this Project, including, but not necessarily limited to, persons in key positions in the Project, such as the drilling superintendent, tool pusher, drilling shift supervisors (or drillers), principal welders, and safety officer, a resume will be required for submittal to the Engineer for review and approval prior to assignment of personnel to the Project.
 2. Subcontractor's List: The Contractor shall submit a complete list of all proposed subcontractors to be used in the completion of the work. The Contractor may be required to submit additional information or a resume of qualifications for any of the subcontractors proposed. All Subcontractors must be approved by the Engineer.
 3. Material and Supplier's List: The Contractor shall submit a complete list of all proposed vendors and suppliers, along with corresponding material specifications to be used in the Work.
 4. Accident Reports: One copy of the Contractor's accident report form shall

be submitted to the Owner's Representative within 24 hours of the occurrence of any accident in connection with the Work.

5. Records Required by Law: The Contractor shall maintain all records required by governmental agencies having jurisdiction, and shall submit such records to them as may be required. Two copies of all such material shall also be furnished to the Owner's Representative.
6. Safety Plan:
 - a. The Contractor shall submit a Safety Plan to the Owner's Representative prior to start of construction that complies with current OSHA requirements, industry standards, and appropriate other local, state and federal statutes, ordinances, and regulatory guidelines. The purpose of the Safety Plan is to establish and administer an effective management system to prevent or adequately control loss potential and to minimize personal injuries, occupational illnesses and damage to equipment and property. The objective of the Safety Plan must be specified and at a minimum the project-specific Contractor Safety Plan shall include the following and shall address any unusual aspects of the job or activity for which it is written.
 - 1) Signature Sheet: Provide the title, signature, and phone number of the following:
 - a) Plan preparer (Contractor safety staff person, QC).
 - b) Plan approval by the Contractor (i.e., president, regional representative).
 - 2) Background Information: List the following information:
 - a) Contractor.
 - b) Contract number.
 - c) Project name.
 - d) Brief Project description, description of work to be performed, and location.
 - e) Contractor accident experience (actual lost time injury frequency for the last 12 months and their most recent Workers Compensation Experience Modifier).
 - f) List of activities or areas which will potentially require hazardous materials analysis and management.
 - 3) Responsibilities and Lines of Authorities:
 - a) Identification and accountability of personnel responsible for safety - at both corporate and project level, including both prime and subcontractors (contracts specifically requiring safety or industrial hygiene personnel shall include a copy of their resume for acceptance by the Owner's Representative).
 - b) Lines of authority.
 - 4) Subcontractors and Suppliers: If any subcontractors will be used and for major material suppliers, please provide the following:
 - a) Identification of subcontractors and suppliers.

- b) Means for controlling and coordinating subcontractors and suppliers.
- c) Safety responsibilities of subcontractors and suppliers.
- 5) Training:
 - a) List subjects to be discussed with employees in safety orientation.
 - b) List mandatory training and certifications which are applicable to this Project (e.g., confined space entry, crane operator, vehicle operator, HAZWOPER training and certification, personal protective equipment) and any requirements for periodic retraining/recertification.
 - c) Identify requirements for emergency response training.
 - d) Outline requirements (who attends, when given, who will conduct etc.) for supervisory and employee safety meetings.
- 6) Safety and Health Inspections:
 - a) Discuss who will conduct safety inspections, when inspections will be conducted, how the inspections will be recorded, deficiency tracking system, follow-up procedures, etc.
 - b) Discuss how any external inspections/certifications (such as by a third party) will be incorporated and responded to by the Contractor.
- 7) Safety and Health Expectations, Compliance and Incentive Programs: Please discuss the following:
 - a) The Contractor's written safety plan goals, objectives, and accident experience goals for this Contract.
 - b) Written Contractor policies and procedures for managers and supervisors safety accountability.
 - c) Policies and procedures regarding noncompliance with safety requirements (to include disciplinary actions for violation of safety requirements).
 - d) A brief description of the Contractor's safety incentive programs (if any).
 - e) Written Contractor and subcontractor drug testing policies.

1.07 SUPPLEMENTS

A. The supplement listed below, following “End of Section”, is part of this Specification.

1. Forms: Transmittal of Contractor’s Submittal.

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PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION (NOT USED)

END OF SECTION



TRANSMITTAL OF CONTRACTOR'S SUBMITTAL
(ATTACH TO EACH SUBMITTAL)

DATE: _____

TO: _____ _____ _____ _____ _____ FROM: _____ Contractor _____ _____ _____	Submittal No.: _____ <input type="checkbox"/> New Submittal <input type="checkbox"/> Resubmittal Project: _____ Project No.: _____ Specification Section No.: _____ (Cover only one section with each transmittal) Schedule Date of Submittal: _____		
SUBMITTAL TYPE:	<input type="checkbox"/> Shop Drawing	<input type="checkbox"/> Sample	<input type="checkbox"/> Informational
	<input type="checkbox"/> Deferred		

The following items are hereby submitted:

Number of Copies	Description of Item Submitted (Type, Size, Model Number, Etc.)	Spec. and Para. No.	Drawing or Brochure Number	Contains Variation to Contract	
				No	Yes

Contractor hereby certifies that (i) Contractor has complied with the requirements of Contract Documents in preparation, review, and submission of designated Submittal and (ii) the Submittal is complete and in accordance with the Contract Documents and requirements of laws and regulations and governing agencies.

By: _____
Contractor (Authorized Signature)

SECTION 05 05 23
WELDING

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards that may be referenced in this section:
1. American Welding Society (AWS):
 - a. A3.0, Standard Welding Terms and Definitions.
 - b. D1.1/D1.1M, Structural Welding Code - Steel.
 - c. D1.6/D1.6M, Structural Welding Code - Stainless Steel.
 - d. D10, Pipe Welding Code
 - e. QC1, Standard for AWS Certification of Welding Inspectors.
 2. American Water Works Association (AWWA): C206, Field Welding of Steel Water Pipe.

1.02 SUBMITTALS

- A. Informational Submittals:
1. Welders: Prior to start of Work, the Contractor shall submit a list of the welders proposed for use during well construction, and the type of welding for which each has been qualified, along with current certification documents for each welder listed. The welders shall be AWS-Certified for the welding of all materials specified in the Drawings and Specifications.

1.03 QUALIFICATIONS

- A. All welded casing joints shall be made by welders certified in the State of Texas. All welders and welding operators shall be qualified at the Contractor's sole expense by a qualified testing laboratory before performing any welding under this section. Qualification tests shall be in accordance with Section IX, Article III of the ASME Boiler and Pressure Vessel Code. Welders and operators shall be qualified for making groove welds in carbon steel pipe in position 6G for each welding process to be used.

1.04 SEQUENCING AND SCHEDULING

- A. Unless otherwise specified, Submittals required in this section shall be submitted and approved prior to commencement of welding operations.

PART 2 PRODUCTS

2.01 MATERIALS

- A. The welding rod or wire shall match the material being welded and shall be approved by the Owner's Representative.

PART 3 EXECUTION

3.01 GENERAL

- A. All field joints shall be welded during installation by qualified welders in accordance with the requirements of AWWA C206, ANSI/AWS D1.1 and AWS D10.
- B. Weld Reinforcement: Weld reinforcement shall be as specified by the AWS code. Upon completion of welding, all weld splatter, flux, slag, and burs left by attachments shall be removed. Welds shall be repaired to produce a workmanlike appearance, with uniform weld contours and dimensions.

3.02 PASSES AND CURING

- A. There shall be a minimum of three passes on pipe size 6 inches and greater. Welded joints shall be allowed to cure for not less than 15 minutes before weld is placed in contact with water.

3.03 WELD DEFECT REPAIR

- A. Repair and retest rejectable weld defects until sound weld metal has been deposited in accordance with appropriate welding codes.

END OF SECTION

**SECTION 31 10 00
SITE CLEARING**

PART 1 GENERAL

1.01 DEFINITIONS

- A. Interfering or Objectionable Material: Trash, rubbish, and junk; vegetation and other organic matter, whether alive, dead, or decaying; topsoil.
- B. Clearing: Removal of interfering or objectionable material lying on or protruding above ground surface.
- C. Grubbing: Removal of vegetation and other organic matter including stumps, buried logs, and roots greater than 2-inch caliper to a depth of 6 inches below subgrade.
- D. Scalping: Removal of sod without removing more than upper 3 inches of topsoil.
- E. Stripping: Removal of topsoil remaining after applicable scalping is completed.
- F. Clearing Limits: Areas to be filled in preparation for drilling.

1.02 QUALITY ASSURANCE

- A. Obtain Engineer's approval of staked clearing, grubbing, and stripping limits, prior to commencing clearing, grubbing, and stripping.

1.03 SCHEDULING AND SEQUENCING

- A. Prepare Site only after adequate erosion and sediment controls are in place. Limit areas exposed uncontrolled to erosion during installation of temporary erosion and sediment controls.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 GENERAL

- A. Clear, grub, and strip areas actually needed for waste disposal, borrow, or Site improvements within limits shown or specified.

- B. Do not injure or deface vegetation that is not designated for removal.
- C. Remove rubbish, trash, and junk from entire area within Project limits.

3.02 CLEARING

- A. Clear areas within limits shown or specified.
- B. Fell trees so that they fall away from facilities and vegetation not designated for removal.
- C. Cut stumps not designated for grubbing flush with ground surface.
- D. Cut off shrubs, brush, weeds, and grasses to within 2 inches of ground surface.

3.03 GRUBBING

- A. Grub areas within limits shown or specified.

3.04 SCALPING

- A. Do not remove sod until after clearing and grubbing is completed and resulting debris is removed.
- B. Scalp areas within limits shown or specified.

3.05 STRIPPING

- A. Do not remove topsoil until after scalping is completed.
- B. Strip areas within limits to minimum depths shown or specified. Do not remove subsoil with topsoil.
- C. Stockpile strippings separately from other excavated material.

3.06 TREE REMOVAL OUTSIDE CLEARING LIMITS

- A. Remove Within Project Limits: Dead, dying, leaning, or otherwise unsound trees that may strike and damage Project facilities in falling.
- B. Cut stumps off flush with ground, remove debris, and if disturbed, restore surrounding area to its original condition.

3.07 PRUNING

- A. Remove branches below the following heights: 20 feet above roadways.
- B. Apply pruning coating on all branch cuts.

3.08 DISPOSAL

A. Clearing and Grubbing Debris:

1. Dispose of debris offsite.
2. Burning of debris onsite will not be allowed.
3. Woody debris may be chipped. Chips may be sold to Contractor's benefit or used for landscaping onsite as mulch or uniformly mixed with topsoil, provided that resulting mix will be fertile and not support combustion. Maximum dimensions of chipped material used onsite shall be 1/4 inch by 2 inches. Dispose of chips that are unsaleable or unsuitable for landscaping or other uses with unchipped debris.
4. Limit offsite disposal of clearing and grubbing debris to locations that are approved by federal, state, and local authorities, and that will not be visible from Project.

B. Scalpings: As specified for clearing and grubbing debris.

C. Strippings:

1. Dispose of strippings that are unsuitable for topsoil or that exceed quantity required for topsoil offsite or as approved by Engineer.
2. Stockpile topsoil in sufficient quantity to meet Project needs. Dispose of excess strippings as specified for clearing and grubbing.

END OF SECTION

SECTION 33 21 13.01
WATER WELL MOBILIZATION/DEMobilIZATION

PART 1 GENERAL

1.01 SCOPE

- A. This section includes the Work necessary to mobilize, demobilize, set up, move equipment, and clean drill sites related to the drilling, construction, development, and testing of each well.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 GENERAL

- A. The Contractor shall obtain all permits, insurance, bonds, and Owner indemnification.
- B. The Contractor's superintendent shall be at the jobsite during drilling, construction, and testing activities.
- C. All equipment required for the next 7 days of work shall be onsite.
- D. Pre-construction submittals shall be submitted to the Owner's Representative in accordance with Section 01 33 00, Submittal Procedures.
- E. Temporary Facilities and Controls: Provide the following temporary facilities and controls:
1. Sanitary Services: The Contractor shall provide a chemical toilet of suitable type and maintain the facility in a sanitary condition at all times. The chemical toilet shall be located a minimum of 150 feet from any water well. Upon completion of the work, the sanitary facility shall be removed and the area restored to its original condition.
 2. Temporary Power Supply: The Contractor shall make his own arrangements for electric power at the drilling location.
 3. Temporary Water Supply:
 - a. The Contractor is responsible for providing potable-quality water to the drilling and completion operations.
 - b. A rig supply well will be permitted at least 150 feet from MW-3 and Well J. MW-3 can also be used for drilling water after it is completed. Rig supply wells will be less than 350 feet in depth. Rig supply wells will be plugged and abandoned at no cost to the Owner upon completion of the Work.

4. Temporary controls, including:
 - a. Security
 - b. Fire protection
 - c. Safety; includes OSHA required notices and establishment of safety programs.
5. Parking Facilities: Provide within the Work area for personnel working on the Project.
6. Temporary Access Roads: Provided by Owner.
7. Livestock Fencing: Contractor will be surrounded work areas by barbed-wire or electrified fencing suitable to prevent livestock from entering the Work area. Potentially toxic materials will also be stored in an area surrounded by stock-proof fencing. The gate to such areas will remain closed during non-work hours.

F. Equipment:

1. The minimum equipment required consists of:
 - a. Drilling rig, drilling equipment, and associated self-contained fluid circulation equipment.
 - b. Temporary test pump, pump service rig, and equipment capable of setting and operating pumps as specified in these Specifications.
 - c. Tanks and storage bins to contain drilling fluid, drill cuttings, and high solids displacement water.
 - d. A water treatment and disposal system including tanks, temporary pipelines, pumps, and associated equipment to treat and dispose of development water and aquifer test discharge water.
 - e. High pressure washer and miscellaneous associated equipment for removing mud and trackable debris from drilling equipment.

3.02 SITE MAINTENANCE AND CLEANUP

- A. Contractor shall keep the premises free at all times from accumulation of waste materials and rubbish. Contractor shall provide adequate trash receptacles about the Site and shall promptly empty the containers when filled.
- B. Construction materials shall be neatly stacked by Contractor when not in use. Contractor shall promptly remove splattered concrete, asphalt, oil, paint, corrosive liquids, and cleaning solutions from surfaces to prevent marring or other damage.
- C. Volatile wastes shall be properly stored in covered metal containers and removed daily.
- D. Wastes shall not be buried or burned on the Site or disposed of into storm drains, sanitary sewers, streams, or waterways. All wastes shall be removed from the Site and disposed of in a manner complying with local ordinances

and antipollution laws. Waste from spilled oils and material from maintenance activities are specifically prohibited from being disposed of onsite.

- E. Adequate site maintenance and cleanup will be a condition for recommendation of progress payment applications.

3.03 WORK LAYOUT

- A. Set up well drilling rigs, drilling waste solid and liquid containment, storage and treatment systems, pump service rigs, and other related equipment in area designated by Engineer.
- B. The Work area at each well Site is limited to no more than 200 feet by 200 feet, with continuous livestock-proof fencing along the perimeter.
- C. Set up work facilities in a neat and orderly manner within area designated by the Owner.

3.04 EQUIPMENT CLEANING

- A. Downhole tools and equipment that may come in contact with tools or equipment that may be positioned directly above borehole or completed well shall arrive onsite free of surface deposits of friable solids; for example, mud, sand, grout, caked on cuttings and cleaned of grease, oils, and other petroleum products. Except that normal amounts of thread joint compound on drill pipe and tool joints, and normal amounts of lubricating grease on mechanical equipment is allowed.
- B. Clean downhole equipment, tools, and equipment that may come in contact with downhole equipment that becomes soiled with petroleum products to satisfaction of Engineer before resuming work on well.
- C. Remove trackable mud, cuttings, sand, grout and other materials from undercarriage, tires and other surfaces of equipment prior to moving equipment on or across public roads and pathways.
- D. Do not empty, spill, splash, or slosh containerized drilling mud and fluids onto ground surface while moving containers, pipes and equipment.
- E. Cleanup drilling mud, settled solids, and other semi-liquids and solids that spill from, or are emptied from, equipment as it is being moved.

3.05 DEMOBILIZATION

- A. All temporary above grade or buried utilities, equipment, facilities, materials, shall be removed from the Site prior to final payment.

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- B. All temporary underground installation shall be removed to a depth of 2 feet or as approved by the Owner's Representative.
- C. The Contractor shall clean and repair damage caused by installation or removal of temporary facilities and equipment.

END OF SECTION

SECTION 33 21 13.02
WATER WELL CONDUCTOR CASING AND SANITARY SEAL

PART 1 GENERAL

1.01 REFERENCES

A. The following is a list of standards which may be referenced in this section:

1. American Petroleum Institute (API):
 - a. 5L, Specification for Line Pipe.
 - b. 5CT, Specification for Casing and Tubing.
2. American Water Works Association (AWWA): C206, Standard for Field Welding of Steel Water Pipe.
3. American Welding Society (AWS): AWS B2.1, Specification for Welding Procedure and Performance Qualification.
4. ASTM International (ASTM):
 - a. A53/A53M, Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated, Welded and Seamless.
 - b. A139/A139M, Standard Specification for Electric-Fusion (Arc)-Welded Steel Pipe (NPS 4 and Over).
5. AWWA: A100-15, Standard for Water Wells.

1.02 QUALITY ASSURANCE

A. Qualifications:

1. Welders: Certified in accordance with AWS B2.1 for Level AR-1 or AR-2 and in the 2G and 5G positions or the 6G position.

B. Regulatory Requirements:

1. Comply with applicable permits, laws, and regulations in placing a sanitary seal for a potable water production well. The permits, laws and regulations shall include, but not be limited to, the following: Federal, state, and local laws, regulations, and ordinances related to constructing sanitary seals in water wells.

PART 2 PRODUCTS

2.01 CONDUCTOR CASING

- A. The conductor casing for the wells shall comply with the requirements in the schedule below.

Well	Minimum Diameter (inches)	Material Type
Well J	24	A53, Grade B
MW-3	12	A53, Grade B

- B. The conductor casing shall be factory assembled in not less than 20-foot lengths.
- C. The ends of each joint shall be machine beveled perpendicular to the casing axis to ensure the straightness of each assembled section.

2.02 GROUT

- A. As specified in Section 33 21 13.08, Water Well Grouting.
- B. Driven casing shall not be grouted.

PART 3 EXECUTION

3.01 GENERAL

- A. All conductor casing shall be constructed at the locations specified by Engineer. Owner-supplied field monuments indicating location of the proposed production well and monitor well shall be verified by the Contractor a GPS accurate to at least 10 feet before installing the conductor casings.
- B. Notify Engineer at least 48 hours prior to installation of conductor casing and sanitary seal.
- C. Notify Engineer of anticipated delays whenever they become apparent.

3.02 WELDING

- A. Weld field joints by qualified welders in accordance with the requirements of AWWA C206 and applicable sections of AWS code.

- B. Field joints shall be properly butt welded during installation.
 - 1. Bevel ends of each casing section to accommodate the welds so outside diameter of weld is equal to or less than outside diameter of casing.
 - 2. Special care shall be exercised to ensure conductor casing is straight and plumb.

3.03 PRODUCTION WELL CONDUCTOR CASING INSTALLATION

- A. Drill pilot hole from surface to 200 feet. As pilot hole is advanced, collect representative formation samples at 10-foot intervals.
- B. If drilling fluid circulation is maintained during pilot hole drilling to a depth not less than 200 feet, ream pilot hole to a diameter of at least 26 inches and install and grout 150 feet of conductor casing.
- C. If drilling fluid circulation is lost at less than 200 feet, install driven conductor casing to a depth of 150 feet. Driven surface casing will not be grouted.

3.04 MONITOR WELL CONDUCTOR CASING INSTALLATION

- A. Drill pilot hole from surface to 200 feet. As test hole is advanced, collect representative formation samples at 10-foot intervals.
- B. If drilling fluid circulation is maintained during pilot hole drilling to a depth not less than 200 feet, ream pilot hole to a diameter of at least 14 inches and install and grout 150 feet of conductor casing.
- C. If drilling fluid circulation is lost at less than 200 feet:
 - 1. Abandon pilot hole and grout to surface.
 - 2. Move drilling rig to a new location provided by Owner's Representative and drill new pilot hole.
 - 3. Repeat until circulation can be maintained while drilling to a depth not less than 200 feet.
 - 4. Ream pilot hole to a diameter of at least 14 inches and install and grout 150 feet of conductor casing.

3.05 SANITARY SEAL INSTALLATION

- A. Place after conductor casing borehole is advanced and conductor casing is placed in hole.
 - 1. Fill annular space between conductor casing and borehole with grout from bottom of boring to surface.
 - 2. Place grout in accordance with Section 33 21 13.08, Water Well Grouting.

END OF SECTION

**SECTION 33 21 13.03
WATER WELL DRILLING**

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
1. ASTM International (ASTM): D422, Standard Test Method for Particle-Size Analysis of Soils.
 2. American Petroleum Institute (API):
 - a. 13A, Specification for Drilling-Fluid Materials.
 - b. 13B-1, Recommended Practice Standard Procedure for Field Testing Water-Based Drilling Fluids.
 3. American Water Works Association (AWWA): A100-15, Standard for Water Wells.
 4. International Association of Drilling Contractors (IADC): API-Approved Official Daily Drilling Report Form.
 5. National Pollutant Discharge Elimination System (NPDES).
 6. NSF International (NSF): 61, Drinking Water System Components—Health Effects.

1.02 SUBMITTALS

- A. Action Submittals:
1. Detailed product data for drilling fluids and additives.
 2. Drilling mud properties.
 3. Drill cutting sampling procedure.
 4. Licenses: The Contractor shall submit a copy of the Texas Water Well Driller's License for the Field Superintendent to the Consultant. Additionally, the Contractor shall submit copies of licenses for all other personnel working on the project that possess a designation as a Texas Water Well Driller or Driller's Apprentice.
 5. Driller's Recommended Screen Design: The Contractor shall provide the Consultant with a recommended screen design indicating slot size, gravel pack design, and other details two business days after receipt of sieve sample analyses. Driller's recommended screen design will be reviewed and final design will be provided by the Consultant.
- B. Informational Submittals:
1. Copy of the company and proposed drilling superintendent's Texas Water Well Driller's License.

2. Detailed description of drilling fluid program including details on mud tanks, circulation system.
3. Description of drilling equipment and proposed methods.
4. Daily Drilling Log.
5. Formation sample sieve analyses test results.
6. Calibration test of mechanical drift indicator tool.
7. Permits: The Contractor shall submit copies of all permits and associated permitting information required to complete the Work not provided by the Engineer or Owner. The Owner will obtain drilling permits from the groundwater conservation district for Well J and MW-3. Any rig supply wells will be permitted by the Contractor.
8. Completion Report Required: A water well completion report (Well Report) must be filed with the Texas Department of Licensing and Regulation within 30 days of well completion. Material to be included in this report is outlined in Texas Administrative Code Section 290.41.

C. Submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

1.03 QUALITY ASSURANCE

A. Regulatory Requirements:

1. Comply with applicable permits, laws, and regulations in disposing of drilling fluids, drill cuttings, and water generated during drilling and well construction. Permits, laws and regulations shall include, but not be limited to, the following:
 - a. Federal, state, and local laws, regulations, and ordinances related to disposing of materials generated in constructing wells.

PART 2 PRODUCTS

2.01 DRILLING FLUID

- A. Use new materials in the formulation of drilling fluid at each well site. Used drilling fluid materials shall not be reused at subsequent Project well sites.
- B. The Contractor may utilize a drilling fluid comprised of either a polymer-based “mud” or a bentonite “gel”-based mud. In the case of a “gel”-based mud, the material must be a high-yield, 200-mesh sodium bentonite (Baroid Quik-Gel® or CETCO Super Gel-X®, or equal). A bentonite viscosifier only meeting the requirements of API Standard 13A is considered insufficient for the applications required in the Project.

- C. The drilling fluid shall possess such characteristics as are required to prevent caving of the walls and control mud invasion as drilling progresses, and to permit recovery of representative samples of cuttings.
- D. The Contractor shall use all new materials in the formulation of drilling fluid at each well site.
- E. Any drilling fluid additives to be used shall require approval of the Engineer.
- F. All drilling fluid components and additives shall be NSF-61 approved.
- G. The use of salt or brine as a method of increasing the mud weight during drilling will not be permitted during the construction of the well. Any materials proposed for controlling artesian flow must be reviewed and approved by the Engineer prior to use.
- H. The Contractor shall provide and operate portable laboratory equipment for monitoring basic drilling fluid properties such as fluid density, viscosity, pH, and filtrate rate.

PART 3 EXECUTION

3.01 GENERAL

- A. Notify Engineer at least 5 working days before drilling begins.
- B. Notify Engineer of anticipated delays whenever they become apparent.

3.02 DRILLING EQUIPMENT

- A. Provide direct circulation rotary or reverse circulation rotary drilling equipment and accessories required to complete well as specified.
- B. Equipment Maintenance: All equipment shall be carefully maintained during the Contractor's operation period.

3.03 DRILLING BITS

- A. Drill bits will be of a tri-cone roller-bit type and will not utilize carbide nozzles. The removal of the nozzles is necessary to prevent high velocity fluid from "washing out" the diameter of the pilot borehole and degrading the quality of the borehole geophysical logs.

3.04 DRILLING FLUIDS

A. Properties:

1. The Contractor shall be responsible for maintaining the quality of the drilling fluid to assure protection of the water bearing formations exposed in the borehole to prevent caving of the walls and control mud invasion as drilling progresses, and to permit recovery of representative samples of cuttings. Mud properties shall be maintained as follows, unless otherwise approved by the Engineer:
 - a. Sand Content: Less than 5 percent.
 - b. Density: Less than 9.0 lb/gal.
 - c. Filtrate: Less than 15cc.
 - d. Wall Cake: Less than 2/32 inch.
 - e. pH: Between 8.0 and 9.0.

B. Water:

1. Use potable water, with a minimum chlorine residual of 0.5 mg/L, in formulating drilling fluids whether employed alone or in combination with drilling additives.
2. Soda ash is permitted for use to increase pH of the water used to mix drilling fluids.

C. Additives, if required, shall be approved by Engineer. Organic drilling additives shall not be used.

3.05 CIRCULATION SYSTEM

A. General:

1. System shall minimize recirculation of drill cuttings.
2. Design to facilitate retrieval of representative samples from the discharge with a minimum of recirculation of material.
3. The Contractor may not excavate earthen pits as part of a circulation system. Only above ground tanks will be permitted.

B. Include settling tanks of adequate size, a sampling trough, a shaker table, and a desanding/desilting system.

1. Equip with shaker table and desander/desilter system with a minimum of four cones, capable of handling capacity of system.
 - a. Desander/desilter system shall have pump capable of supplying a minimum of 40 psi at 80 gallons per minute per cone minimum.

C. Settling Tanks:

1. Vessels used for mixing drilling fluids shall be clean and free of contaminants and extraneous materials prior to their use in drilling operations.
2. Use proper controls to prevent spillage of mud or additives onto ground.

3.06 TEST EQUIPMENT

- A. Drilling fluid test equipment and test procedures shall conform to API 13B-1.
- B. Equipment for measuring fluid properties shall be made immediately available at drill site.
- C. Mechanical Drift Indicator: Furnish and employ self-checking type to measure borehole deflection.
 1. Manufacturer: Eastman Oil Well Survey Company or as approved by the Engineer.

3.07 BOREHOLE DRILLING

- A. Well J: If the pilot hole is advanced to approximately 200 ft bgs without significant loss of circulation, install temporary or permanent conductor casing needed to stabilize surface material. Alternatively, drive a surface casing to at least 150 feet if circulation is lost during initial pilot hole drilling.
- B. MW-3: If the pilot hole is advanced to approximately 200 ft bgs without significant loss of circulation, install temporary or permanent conductor casing needed to stabilize surface material. Alternatively, move the drilling rig approximately 100 feet, as directed by the Owner's Representative, and attempt a new pilot hole. Repeat until a conductor casing can be set.
- C. Drill wells by direct or reverse circulation rotary method.
- D. Drill boreholes to dimensions and depth as specified.
 1. Drill boreholes sufficiently straight and plumb to permit installation of casing and screen.
- E. Borehole Deflection:
 1. Use mechanical drift indicator to measure borehole deflection.
 - a. Provide Engineer results of calibration test of mechanical drift indicator tool showing tool is operating properly and accurately.
 - b. Calibration test shall be performed by tool manufacturer prior to use of tool on Project.

2. Conduct mechanical drift indicators at 30-foot intervals to a depth of 460 feet below land surface, and then 60-foot intervals below 460 feet.
 3. Deflection:
 - a. The drift from vertical shall be not more than 0.5 degree between any two consecutive surveys, and not more than one degree over the entire well length.
 - b. If the test does not meet the above criteria, the Contractor, at his expense, shall correct the plumbness.
 4. Periodically conduct analysis of drift indicator record and make part of drilling log record.
- F. If geophysical logging is to be done, condition borehole to allow free passage of logging tools to bottom and extraction once logging is completed.
- G. Drilling Fluids and Additives:
1. Check drilling fluid properties, including fluid weight, marsh funnel viscosity, water loss, additions of water, sand content, and total solids content, at a minimum of:
 - a. Every 100 feet of depth drilled.
 - b. Every 12 hours of circulation when not drilling.
 - c. As directed by Engineer.
 2. Maintenance:
 - a. Maintain complete control over drilling fluid characteristics during operation of well construction.
 - b. If proper control of drilling fluid is not maintained, retain or employ an experienced, qualified mud engineer onsite to supervise and maintain drilling fluid characteristics, at Contractor's expense.
 3. Determine and maintain the quantities and type of commercial drilling mud necessary for the Work, to secure and store those materials at Site, and use them in accordance with accepted practice compliance with water well drilling operations.
- H. Use of additional bentonite, clay, mud, or other foreign matter that has a tendency to build a mud cake on the walls of the hole and intrude into and seal up water-bearing stratum will not be permitted without prior approval of Engineer.

3.08 PILOT DRILLING AND SAMPLING

- A. Drill pilot holes with a minimum 7-7/8 inch and a maximum of 8-3/4 inch diameter bit to depths as specified below. Pilot hole diameters outside of this range are not authorized and no payment will be made for pilot hole drilling if this drill bit size range is exceeded.

Site	Depth of Pilot Hole (ft bgs)
Well J	660
MW-3	660

- B. Engineer will have representative onsite during drilling to determine exact depth of pilot hole based on cuttings.
- C. As pilot holes are advanced, collect representative formation samples at 10-foot intervals.
- D. To ensure the most representative formation samples during drilling, the pilot borehole penetration rate shall not exceed the ability of the mud system to condition the mud. The Owner's Representative reserves the right to request the Contractor to slow or temporarily halt pilot hole drilling to allow for representative cuttings collection, including sand collection.

3.09 BOREHOLE REAMING

- A. Notice to Proceed: After being given notice to proceed with reaming of the pilot hole, the driller shall begin reaming the hole to final diameter to the depth indicated by the Owner's Representative.
- B. Equipment: Reaming and setting of casing/screen assemblies shall be done with the same equipment, and no resetting of equipment will be allowed after the borehole is reamed.
- C. Well J: Ream upper borehole for production well to minimum 23 inches from surface to the depth shown in the table below, or as specified by Engineer. After installation grouting of upper casing, ream lower borehole to a minimum of 17 inches from bottom of upper casing to the depth shown in the table below, or as specified by Engineer.

Site	Total Depth
Well J Upper Ream	460
Well J Lower Ream	600

- D. MW- 3: Ream borehole for monitor well to minimum 10-5/8 inches from bottom of conductor casing to the depth shown in the table below, or as specified by Engineer.

Site	Total Depth
MW-3	600

- E. In order to maintain full borehole diameter, maintain well borehole full of drilling fluid until screen, casing, and gravel pack, if applicable, are installed.
- F. Maintain circulation of drilling fluid until casing is set, unless Contractor judges circulation to be unnecessary.
- G. Maintain a free, uncollapsed, open borehole. If borehole collapses, ream borehole at Contractor’s sole expense.
- H. Preliminary Gyroscopic Survey: A gyroscopic alignment survey will be run on the upper pilot or reamed portion of the production well boring in accordance with Specification Section 33 21 13.11, Water Well Plumbness and Alignment Test. Results of the survey shall be provided to the Owner’s Representative prior to casing installation.
 - 1. Plumbness/alignment testing shall be performed to the base of the upper casing.
 - 2. The test shall be performed in the presence of the Owner’s Representative.
 - 3. Alignment criteria of the well shall conform to the requirements of AWWA Standard A100-15, Appendix D. The minimum acceptable effective diameter of the well casing to a depth of 450 feet will be 10 inches.
 - 4. An analysis of the gyroscopic alignment survey record shall be made by the Contractor and will be made as part of the drilling log record.
- I. Caliper Log: Caliper logs with total borehole volume indicator shall be run on all reamed borings prior to installation of the casing and/or screen. Three copies of the test results shall be provided to the Owner’s Representative.

3.10 DAILY LOG

- A. General:
 - 1. Keep driller’s log of borehole which carefully and accurately describes the materials penetrated.
 - 2. Drilling log shall be available for inspection at Site at all times.
 - 3. The complete drilling log shall be submitted to the Owner prior to demobilization from the Site.

- B. Data:
1. Include the following:
 - a. Formations encountered from surface to total depth, indicating the depth of each change in formation and including difficulties and unusual conditions met during drilling.
 - b. Drilling rate.
 - c. Depth at which water is first encountered.
 - d. Other pertinent events observed.
 - e. Record of variations in the addition and amount of approved clays or chemical products or water required.
 - f. Properties of drilling fluids and depth at which changes were required.

3.11 SAMPLE COLLECTION

- A. Every 10 feet and at each change in the strata, collect a large, representative sample of the interval or new strata in accordance with procedures approved by Owner's Representative.
- B. Formation samples will be extracted directly from circulated fluid before being processed by the mud system. The fluid will be thinned using only fresh water to settle all suspended solids before the sample is collected.
- C. Storage:
 1. Store each sample in a cloth sample bag.
 2. Label shall include well number, date, time, and depth interval.
 3. Sample containers shall be stored in a manner to prevent breakage or loss.
 4. Furnish containers approved by Owner's Representative.

3.12 SIEVE ANALYSIS

- A. The grain size distribution of no more than 15 cutting samples for each well shall be determined by sieve analysis. Samples selected shall be approved by Engineer.
- B. Perform sieve analysis in accordance with ASTM C136, or equivalent method approved by Engineer, and include a table and plot of the cumulative percent of particles retained by each sieve versus particle size.
- C. Provide a recommendation for well screen slot size, interval screened, and gravel pack gradation. Obtain Engineer's approval prior to ordering materials.
- D. Provide sieve analysis results within 48 hours of completion of borehole.

3.13 DRILL CUTTINGS AND DRILL FLUIDS DISPOSAL

- A. Separate drill cuttings and drill fluids generated during borehole drilling using appropriate equipment.
- B. Contain drill cuttings while onsite in approved containers approval by the Owner's Representative.
- C. Upon completion of drilling, remove and dispose of drilling mud and cuttings from well from Site in accordance with State and Local regulations.
- D. Restore ground surface to its original condition.

END OF SECTION

SECTION 33 21 13.04
WATER WELL GEOPHYSICAL LOGGING

PART 1 GENERAL

1.01 SUBMITTALS

A. Action Submittals:

1. Product Data: Downhole geophysical logging equipment.
2. Geophysical logging data for each well.
 - a. Provide three color field copies of each log shall to Engineer immediately after completion.
 - b. Logs will become property of Engineer at time logging is completed.
3. In addition to the field copies, submit the following: Digital ASCII files of geophysical data on a CD or other method approved by Owner's Representative.
4. Should the geophysical logging subcontractor supply electronic log copies using that subcontractor's proprietary log viewer, that software shall also be recorded on CD-ROM.
5. The Contractor shall also require the geophysical logging subcontractor to conduct and submit post processing results of geophysical logging data, as required by the Specifications.
6. Caliper Surveys: The Contractor shall submit the results of a caliper survey with total borehole volume indicator to the Owner's Representative before commencement of casing and screen installation operations.

B. Informational Submittals: Proposed geophysical logging company and qualifications.

C. Submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

1.02 QUALITY ASSURANCE

A. Qualifications:

1. Geophysical logs shall be performed by a qualified service company acceptable to Engineer and experienced in water well logging and the performance of such logs for at least the past 5 years.
2. Operator shall be knowledgeable in the interpretation of logs, to the degree that they can make decisions regarding the accuracy and validity of the logs and the sensitivity of the instruments, while using a geophysical logging system capable of producing logs in digital format.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 EQUIPMENT

A. Caliper Logging Features:

1. Minimum of three arms.
2. Capable of indicating borehole diameter up to 30 inches.

3.02 GEOPHYSICAL LOGS

A. Borehole geophysical logging suite shall include:

1. Caliper
2. Spontaneous potential.
3. 16-inch normal resistivity
4. 64-inch normal resistivity.
5. Natural gamma ray.

B. Presentation:

1. Provide logs at a vertical scale of 50 feet to 1 inch. Horizontal scale shall be approved by Owner's Representative.
2. Provide logs at two vertical scales: 50 feet to 1 inch and 20 feet to 1 inch. Horizontal scale shall be approved by Owner's Representative.
3. A guide for log presentations is as follows:
 - a. Logs shall have zero depth at ground level.
 - b. Location with latitude, longitude shall be on log header.
 - c. Run gamma ray back to land surface if mechanically possible.

C. Presentations:

1. Scales:
 - a. Gamma: 0 to 150 API Units.
 - b. SP: -80 to 20 mV range, 20 mV/div.
 - c. Resistivity: 0 to 50 Ohm-m, with 0-500 backup when resistivities are over 50 ohms.

3.03 GEOPHYSICAL LOGGING

A. General:

1. Notify Engineer 24 hours prior to time when geophysical survey will be run.
2. Perform geophysical logging suite immediately after completion of pilot hole to total depth.

3. There will be no additional payment for rig time or standby time while geophysical surveys are being performed.
 4. Notify Owner's Representative of anticipated delays whenever they become apparent.
 5. Instrumentation:
 - a. Resolution and precision of each instrument shall be adequate for the interpretation of the formation properties being studied.
 - b. Calibration standards independent of the logging equipment shall be used.
 - c. Present calibration and quality control information on logs.
 - d. Record each log using an accurate depth measurement.
- B. Immediately upon completion of pilot borehole and before running geophysical logs, cease drilling and circulate fluid for not less than one hour. Condition borehole for its total depth prior to logging company performing geophysical logs. Drilling mud circulation in borehole shall not stop until logging company is at drilling site. It shall be the responsibility of Contractor to maintain integrity of borehole to its total depth during logging.
- C. Record survey response curves to show adequate deflections for evaluation of the penetrated formations.
- D. If the geophysical probes fail to reach the desired depth, borehole shall be conditioned at Contractor's sole expense to allow probes to reach desired depth.
- E. Run geophysical logs in the presence of Owner's Representative. Each log shall be recorded using a depth measurement that is accurate to within 0.1 foot. Each log shall include a repeat section at a depth determined by the Owner's Representative.

3.04 REAMED HOLE CALIPER LOGGING

- A. Upon completion of reaming each borehole to its final diameter, conduct a caliper survey of borehole.
- B. If reamed hole does not have required diameter, hole shall be re-reamed or re-drilled and resurveyed at Contractor's expense.
- C. Caliper log shall include a total borehole volume indicator.
- D. The caliper log will show cumulative annular volume.

END OF SECTION

**SECTION 33 21 13.06
WATER WELL CASING**

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
1. American Petroleum Institute (API):
 - a. 5L, Specification for Line Pipe.
 - b. 5CT, Specification for Casing and Tubing.
 2. American Society of Mechanical Engineers (ASME):
 - a. B31.3, Process Piping.
 - b. B31.4, Pipeline Transportation Systems for Liquid Hydrocarbons and other Liquids.
 - c. B31.8, Gas Transmission and Distribution Piping Systems.
 3. American Welding Society (AWS): AWS B2.1, Specification for Welding Procedure and Performance Qualification.
 4. ASTM International (ASTM):
 - a. A53/A53M, Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated, Welded and Seamless.
 - b. A139/A139M, Standard Specification for Electric-Fusion (Arc)-Welded Steel Pipe (NPS 4 and Over).
 - c. A312/A312M, Standard Specification for Seamless, Welded, and Heavily Cold Worked Austenitic Stainless Steel Pipes.
 5. NSF International (NSF): 61, Drinking Water System Components – Health Effects.

1.02 SUBMITTALS

- A. Action Submittals: Drawings and design data for well casing materials, couplings, and centralizers.
- B. Informational Submittals:
1. Mill test reports showing chemical composition of well casing.
 2. Welding certifications of welders.
 3. Well Completion Report:
 - a. Required by Texas Administrative Code (TAC), 290.41.
 - b. File in accordance with TAC with Texas Commission on Environmental Quality with copy submitted to Engineer within 30 days of well construction completion.
 4. As-built drawing showing details of construction materials, including dimensions and quantities of materials used.

- C. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures

1.03 QUALITY ASSURANCE

A. Qualifications:

1. Welders: Certified in accordance with AWS B2.1 for Level AR-1 or AR-3 and in the 2G and 5G positions or the 6G position.
2. Well Driller Licensing: Entity constructing well shall be licensed in the State of Texas under 16 TAC §76 (see below).
3. Comply with State of Texas rules and regulations concerning municipal water supply wells, including, but not necessarily limited to the following:
 - a. 16 TAC §76, Water Well Drillers and Water well pump Installers.
 - b. 30 TAC §290, Subchapter D, Rules and regulations for Public Water Systems.
4. Guarantee well against defective materials and workmanship for a period of 1 year from date of completion of Project. In the event of defective materials, or workmanship, perform work necessary to make proper corrections to well at Contractor’s sole cost and expense.

PART 2 PRODUCTS

2.01 WELL CASING

- A. With the exception of the conductor casing, all casing material shall be new and unused.
- B. Plain ends of each joint shall be machine beveled perpendicular to the casing to ensure the straightness of each assembled section.
- C. Conductor Casing:
 1. Well J: Drilled or driven casing to have a minimum ID of 24 inches, installed to 150 feet.
 2. MW-3: Drilled surface casing to have a minimum ID of 12 inches, installed to 150 feet.
- D. The well casing for the production well shall comply with the requirements in the schedule below.

Well J Interval	Outer Diameter (inches)	Inner Diameter (inches)	Weight (pounds/ft)	Material Type
Upper Casing	18.000	17.124	82.15	A53, Grade B

Liner Casing	10.750	10.020	41.19	SST 304L
Liner Casing	12.750	12.000	49.56	SST 304L

- E. The well casing for the monitor well shall comply with the requirements in the schedule below.

MW-3 Interval	Outer Diameter (inches)	Inner Diameter (inches)	Weight (pounds/ft)	Material Type
Casing and Blanks between Screen	4.500	4.000	11.6	A53, Grade B

- F. Mild Steel Casing:

1. Type: ASTM A53, Grade B or API 5L, Grade B.
2. Casing shall be factory assembled in not less than 20-foot lengths.
3. Smaller lengths of 5 to 10 feet shall also be furnished to accommodate the final well design established by Owner.
4. Plain ends beveled for welding.
5. Threaded connections will be suitable for the anticipated axial loads and external pressures.

- G. Stainless Steel:

1. Type 304L stainless steel.
2. Casing shall be factory assembled in not less than 20-foot lengths.
3. Smaller lengths of 5 to 10 feet shall also be furnished to accommodate the final well design established by Owner.
4. Plain end beveled for welding.

- H. Well Casing Guides:

1. Materials shall be physically and chemically compatible with the well casing.
2. Casing guides shall be fitted on all casing using Halliburton or approved equal centralizers with "bow-string" straps.
3. Casing centralizers shall meet the requirements of API Specification 10D.
4. Centralizers shall be designed to provide adequate centering of well casing of the diameter and to the depths required for this project.

PART 3 EXECUTION

3.01 WELL CONSTRUCTION

A. General:

1. **Equipment Maintenance:** All equipment shall be carefully maintained during the Contractor's operations period.
2. Recommend final casing lengths to be approved by Engineer, based on results of the sampling and testing of pilot borehole.
3. Install, support, and anchor well casing in such a way as to hold it in place during the placement of gravel and annular grout seal, during development, and when well is completed.

B. Preparation Required:

1. The Contractor shall lay casing in order of installation, with heat numbers clearly visible for inspection by the Owner's Representative.
2. A tabulation of casing onsite and the length of each section, weight of each joint, cumulative string weight, order of installation of casing sections, locations of centralizers and casing tabs shall be submitted to the Owner's Representative at least 24 hours prior to the commencement of casing installation operations.

C. Casing joints shall be welded or screwed together as they are installed.

D. The well casing and screen assembly shall be lowered into the borehole and the weight of the casing shall be supported by the drilling rig. The installed casing shall extend 3 feet above ground surface.

E. Failure to Complete: If the casing cannot be landed in the correct position or at a depth approved by the Engineer, the Contractor shall remove the casing and screen and clean the hole to total depth. If the casing and screen cannot be landed on a second attempt, the Contractor will construct another well immediately adjacent to the original location and complete this well in accordance with the Contract Documents at no additional cost to the Owner. The abandoned hole shall be sealed in accordance with all State of Texas regulations.

F. Welding:

1. In accordance with the AWS B2.1.
2. Weld reinforcement shall be as specified by AWS.
3. Upon completion of welding, remove weld splatter, flux, slag, and burrs left by attachments.
4. Repair welds to produce a workmanlike appearance, with uniform weld contours and dimensions.

5. Welding rod or wire shall match the material being welded and be approved by Owner's Representative.
6. In accordance with Section 05 05 23, Welding.

G. Centralizers:

1. Extend out a minimum of 2 inches from casing or screen.
2. Place at 60-foot intervals starting 5 feet from the bottom of the string and extending to ground surface.
3. Place at least four equally spaced at each interval in such a manner that interference with gravel pack placement is minimized.
4. Fit on steel casing with straps at 0 degrees, 90 degrees, 180 degrees, and 270 degrees around casing at each position.

3.02 FIELD QUALITY CONTROL

- A. Well casing that fails, collapses, separates shall be repaired or replaced, or a new well drilled, as determined by Engineer, at Contractor's sole expense.

END OF SECTION

SECTION 33 21 13.07
WATER WELL SCREEN AND GRAVEL PACK

PART 1 GENERAL

1.01 REFERENCES

A. The following is a list of standards which may be referenced in this section:

1. American Petroleum Institute (API):
 - a. 5L, Specification for Line Pipe.
 - b. 5CT, Specification for Casing and Tubing.
2. American Society of Mechanical Engineers (ASME):
 - a. B31.3, Process Piping.
3. American Water Works Association (AWWA):
 - a. A100-15, Water Wells.
 - b. C654, Disinfection of Wells.
4. American Welding Society (AWS): AWS B2.1, Specification for Welding Procedures and Performance Qualification.
5. ASTM International (ASTM):
 - a. A53/A53M, Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated, Welded and Seamless.
 - b. A312/A312M, Standard Specification for Seamless, Welded, and Heavily Cold Worked Austenitic Stainless Steel Pipes.
6. International Association of Drilling Contractors (IADC), API-Approved Official Daily Drilling Report Form.
7. NSF International (NSF): 61, Drinking Water System Components – Health Effects.

1.02 SUBMITTALS

A. Action Submittals:

1. Drawings and design data for well screen materials and configuration, welding collars, and centralizers.
2. Formation Sample Sieve Analysis: A sieve analysis of representative formation samples shall be performed by a Certified Testing Laboratory approved by the Owner's Representative. The sieve analysis shall be performed with the final results available to the Owner's Representative no later than 48 hours after completion of the pilot borehole geophysical logging. Sieve analyses will be performed on up to 15 samples per borehole, as specified by the Owner's Representative during drilling operations.

3. Driller's Recommended Screen and Gravel Pack Design: The Contractor shall provide the Consultant with a recommended screen design indicating slot size, gravel pack design, and other details two business days after receipt of sieve sample analyses. Driller's recommended screen/pack design will be reviewed and approved the Engineer.
4. Gravel Pack Sample and Sieve Analysis: The Contractor shall submit a sample of each shipment of gravel pack for sieve analysis. The Owner's Representative shall obtain a composite sample of the gravel pack material. A sieve analysis of the composite samples shall be performed by a Certified Testing Laboratory approved by the Owner's Representative. The sieve analysis shall be performed with the final results available to the Owner's Representative no later than 48 hours before the gravel pack is scheduled to be installed.
5. Gravel Pack Installation: The Contractor shall submit records of the top and bottom of each gravel pack interval, calculation of total volume of gravel pack, method of placement, and expected fill-up.
6. Mill test reports, showing chemical composition of well screen.

B. Informational Submittals:

1. Welding certifications of welders.
2. Well Completion Report:
 - a. Required by Texas Administrative Code (TAC), 290.41.
 - b. File in accordance with TAC with Texas Department of Licensing and Regulation, with copy submitted to Engineer, within 30 days of well construction completion.
3. As-built drawing showing details of construction materials, including dimensions and quantities of materials used.

C. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

1.03 QUALITY ASSURANCE

A. Qualifications:

1. Welders: Certified in accordance with AWS B2.1 for level AR-1 or AR-2, and in the 2G and 5G positions or the 6G position.
2. Well Driller License: Entity constructing well shall be licensed in the State of Texas under 16 TAC §76 (see below).

3. Comply with State of Texas rules and regulations concerning municipal water supply wells, including, but not necessarily limited to the following:
 - a. 16 TAC §76, Water Well Drillers and Water Well Pump Installers.
 - b. 30 TAC §290, Subchapter D, Rules and regulations for Public Water Systems.
4. Guarantee well against defective materials and workmanship, and against pumping excessive sand or muddy water for a period of 1 year from date of completion of Project. In the event of defective materials, or workmanship, or of sand pumping or muddy water, perform work necessary to make proper corrections to well at Contractor's sole cost and expense.

PART 2 PRODUCTS

2.01 MANUFACTURERS

- A. Materials, equipment, and accessories specified in this section shall be products of:
 1. Continuous Slot Wire Wound Screen:
 - a. Bilfinger Water Technologies Inc.(Johnson Well Screen).
 - b. Weatherford (Houston Well Screen)
 - c. Alloy Screen Works.
 2. Gravel Pack Material:
 - a. Premier Silica, L.L.C.
 - b. Heart of Texas Sand Inc.
 - c. Or as approved by the Engineer.

2.02 WELL SCREEN

- A. General:
 1. Design and manufacture to withstand tensile and collapse pressures for installation for a depth up to 800 feet deep with the uppermost screen at a potential depth of about 460 feet.
 2. Rod-based Screen: Equip each section of screen with a welding ring of material to match well screen; plain ends beveled for welding.
- B. Type:
 1. Well J:
 - a. Rod-based, Continuous-slot, Wire-wrapped Screen: Design with V-shaped wire to provide maximum inlet area and meet strength requirements.

2. MW-3:
 - a. Pipe-based, Continuous-slot, Wire-wrapped Screen: Design with V-shaped wire to provide maximum inlet area and meet strength requirements.

C. Material:

1. Rods and Wire:
 - a. ASTM A312/A312M, Type 304L.
 - b. Material shall be new and unused.
2. Base Pipe:
 - a. ASTM A53, Grade B or API 5L, Grade B.
 - b. Machined perforations, 3/8-inch min. diameter.
 - c. Threaded and coupled or plain end.
 - d. Material shall be new and unused.

D. Dimensions:

1. Outside Diameter: Match section of well casing to which it is joined.
2. Section End Wall Thickness: Match section of well casing to which it is joined.
3. Fabricated Section Lengths: Not less than 10 feet.
4. Slot Size and Screen Length:
 - a. Determined by Contractor, subject to approval by Engineer, based on sieve analyses from cuttings collected while drilling.
 - b. Screen slot size shall be determined in conjunction with gravel pack size. Determination of size shall depend on results of sieve analyses.
 - c. More than one slot aperture size may be specified over screened interval.

2.03 CENTRALIZERS

- A. Dimensions: Minimum 2 inches wide and at least 2 feet long.
- B. Extend out at least 2 inches from well screen wall.
- C. Fabricated of same chemical composition and physical properties as material to which they are attached.
- D. Weld-on type will not be used on well screen.
- E. Manufacturer: Halliburton Company, or approved equal.

2.04 GRAVEL PACK MATERIAL

- A. Gravel Pack:

1. Propose size and gradation of gravel pack with high uniformity; subject to approval by Engineer, based on sieve analyses from cuttings collected while drilling.
2. In accordance with AWWA A100-15 Section 4.6.
3. Hard, water-worn, at least 90 percent silica, and washed clean of silt, sand, dirt, and foreign matter.
4. Crushed gravel will not be accepted.

PART 3 EXECUTION

3.01 GENERAL

- A. Notify Engineer of proposed well completion activities at least 24 hours before activities begin.
- B. Notify Engineer of anticipated delays whenever they become apparent.

3.02 WELL SCREEN INSTALLATION

- A. General: Suspend bottom of well casing/well screen assembly at a distance above the bottom of the hole during gravel packing and cementing to ensure the string is in tension.
- B. Preparation Required:
 1. The Contractor shall lay casing and screen in order of installation, with heat numbers clearly visible for inspection by the Owner's Representative.
 2. A tabulation of screen onsite and the length of each section, weight of each joint, cumulative string weight, order of installation, and location of centralizers shall be submitted to the Owner's Representative at least 24 hours prior to the commencement of screen installation operations.
- C. Screen joints shall be welded or screwed together as they are installed.
- D. Failure to Complete: If the casing and screen cannot be landed in the correct position or at a depth approved by the Engineer, the Contractor shall remove the casing and screen and clean the hole to total depth. If the casing and screen cannot be landed on a second attempt, the Contractor will construct another well immediately adjacent to the original location and complete this well in accordance with the Contract Documents at no additional cost to the Owner. The abandoned hole shall be sealed in accordance with all State of Texas regulations.
- E. Welding:

1. In accordance with AWS applicable codes and result in a continuous, strong, and watertight joint.
2. Gap joints slightly prior to each weld to help facilitate full penetration welds.
3. Weld Reinforcement: In accordance with AWS code.
4. Join well screen by a continuous full fillet weld of thickness equal to thickness of coupling. Alignment holes shall be completely filled by welding.
5. Upon completion of welding, remove weld splatter, flux, slag, and burrs.
6. Allow welded joints to cure for not less than 20 minutes before weld is placed in contact with water.
7. Repair welds to produce a workmanlike appearance, with uniform weld contours and dimensions.
8. In accordance with Section 05 05 23, Welding.

F. Centralizers:

1. Strap at 0 degree, 90 degrees, 180 degrees, and 270 degrees around casing.
2. Place at 40-foot intervals starting 5 feet from the bottom of the string and extend to the top of the screened interval.
3. Place at least three equally spaced at each interval in such a manner that interference with gravel pack placement is minimized.

3.03 GRAVEL PACK INSTALLATION

A. General:

1. Place filter pack by tremie method using a tremie pipe set to the depth required for the pack.
2. Support and anchor well screen in such a way as to hold it in place during placement of filter pack.

B. Disinfect filter pack according to AWWA C654, Section 4.3.

C. Control: The top of the gravel pack shall be tagged using the tremmie pipe every 20 feet to confirm complete filling of the annular space and avoid bridging.

D. Water:

1. Before filter pack placement, make adequate preparations for continuous circulation of clear water.
2. Fluid properties shall be approved by Engineer.
3. Circulate clear water while installing pack.
4. Circulation shall be continuous until pack is fully in place.

- E. For the monitor well, up to 10 feet of fine sand or heavy bentonite slurry will be placed on top of the gravel pack to prevent migration of cement into the pack. This interval will be paid for as gravel pack.

3.04 FIELD QUALITY CONTROL

- A. Well screen that fails, collapses, separates shall be repaired or replaced, or a new well drilled, as determined by Engineer, at Contractor's sole expense.
- B. Gravel Pack: If borehole does not take the calculated volume of filter pack with allowances for normal losses and settling, Engineer will have cause to reject the well.

END OF SECTION

**SECTION 33 21 13.08
WATER WELL GROUTING**

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
1. ASTM International (ASTM):
 - a. C150, Standard Specification for Portland Cement.
 - b. C494/C494M, Standard Specifications for Chemical Admixtures for Concrete.
 2. AWWA: A100-15, Standard for Water Wells
 3. International Association of Drilling Contractors (IADC):
API-Approved Official Daily Drilling Report Form.
 4. National Pollutant Discharge Elimination System (NPDES).
 5. NSF International (NSF): 61, Drinking Water System Components—
Health Effects.

1.02 SUBMITTALS

- A. Cementing Program: Top and bottom of the interval to be cemented, pre-flush and spacer, wait time, composition of cement to be used and volume to be pumped, method of emplacement of cement, expected fill-up, expected pressures, and any additives to be used. List Specialty Contractor proposed for the cementing services.
- B. Cementing Log: The Contractor shall submit two cementing reports provided by the cementing service contractor to the Consultant. The reports must include both graphical and tabular data detailing the cementing process, including cement density, pumping rate, pumping pressure, displacement volumes, and other relevant administrative information.
- C. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

1.03 QUALITY ASSURANCE

A. Regulatory Requirements:

1. Comply with applicable permits, laws, and regulations in disposing of drilling fluids, drill cuttings, and water generated during grouting. The permits, laws and regulations shall include, but not be limited to, the following:
 - a. Federal, state, and local laws, regulations, and ordinances related to disposing of materials generated in constructing wells.

PART 2 PRODUCTS

2.01 GROUT

- A. Material used in sealing of the borehole annular space shall consist of API Class A cement.
- B. The water added per 94 pound sack of cement shall not be more than as shown on mix design approved by the Engineer. No more than 5.2 gallons of water per 94 pound sack of cement will be approved for neat cement (no additives). Up to 9.1 gallons of water per 94 pound sack of cement will be approved for a blend of 6 percent bentonite.
- C. Additives may be mixed with the cement to speed setting time or to expand the material. They shall not exceed the following:
 1. Not more than 2 percent, by weight, calcium chloride.
 2. Not more than 6 percent, by weight, bentonite.
 3. All additives and final mix design shall be approved prior to use by the Engineer.

2.02 WATER

- A. Use potable-quality water. Acquisition of suitable water supply is the responsibility of the Contractor.

PART 3 EXECUTION

3.01 GENERAL

- A. Notify Owner's Representative 48 hours prior to placement of grout seal. Notify Engineer of anticipated delays whenever they become apparent.
- B. Calculate volume of annular space between well casing and final borehole prior to placement. Calculated volume shall be provided to Owner's Representative at least 4 hours before cementing is scheduled to occur.

- C. Specialty Contractor: In all cementing operations the Contractor must be assisted by a specialty subcontractor familiar with cementing the type of formations expected to be encountered and experienced in using the type of cements and methods typically utilized for the work as specified in these Contract Documents and Technical Specifications. The Contractor will utilize the services of a company such as Halliburton, or approved equal.
- D. Take precautions to prevent casing from collapsing. In the event casing collapses, take steps necessary to remove and replace damaged casing and place seal as specified. Such remedial actions shall be at Contractor's sole expense and shall require prior approval by Engineer.
- E. Lost Circulation: If there is a loss of circulation or there are not returns at the surface, the Engineer shall be informed immediately of remedial procedures that will be used to re-establish circulation and complete the cementing program according to the well design and Specifications.
- F. Cement Hydration: The well shall remain undisturbed for at least 24 hours after cementing of casing is complete.
- G. Cement Samples: Samples of cement shall be collected during the cementing of all casings, with the Contractor collecting dry and mixed samples of the cement being used. Mixed cement samples shall include at least three 2-inch cubes suitable for test of compressive strength.
- H. Cement Density: Cement samples shall be collected by the Contractor and checked for pressurized Fluid Density Balance in accordance with API Specification 10. Grout samples shall be collected at a minimum of three times during each cement event: prior to pumping, in the middle, and at the end of the pump. The slurry density shall match the specified slurry density indicated on the delivery certificate. The Contractor shall allow the Owner's Representative to directly observe all cementing operations.
- I. Notification: The Contractor shall notify the Texas Commission on Environmental Quality at least 48 hours before the planned cementing operations are to occur.

3.02 INSTALLATION

- A. Grout Placement:
 - 1. Cementing of Well J will be done as defined in AWWA A100-15, Appendix C.3, Interior Method – Without Plug or Appendix C.5, Placement through Float Shoe Attached to Bottom of Casing.
 - 2. Cementing of conductor casing and MW-3 final casing will be done using tremie pipe placed in the annulus between the casing and

borehole, as defined in AWWA A100-15, Appendix C.2, Positive Displacement – Exterior Method.

3. Lifts: The casing will be cemented in a single, continuous lift.
- B. Contain displaced fluids as required by applicable regulatory requirements.

END OF SECTION

**SECTION 33 21 13.09
WATER WELL DEVELOPMENT**

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
1. American Water Works Association (AWWA): A100-15, Water Wells.
 2. National Pollutant Discharge Elimination System (NPDES).

1.02 SUBMITTALS

- A. Action Submittals:
1. Test Pump Details: Pump curve and motor power.
 2. Swabbing Tool: Basic tool configuration.
 3. Development and Test Water Management Plant: The Contractor shall submit a development and test water disposal plan to include discharge location and end treatment to settle solids and prevent erosion.
 4. Development Chemicals: Material safety data sheets for all dispersants proposed for use.
- B. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

1.03 QUALITY ASSURANCE

- A. Regulatory Requirements:
1. Comply with applicable permits, laws, and regulations in disposing of water generated during well development. Permits, laws and regulations shall include, but not be limited to, the following:
 - a. Federal, state, and local laws, regulations, and ordinances related to disposing of materials generated in constructing wells.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 GENERAL

- A. The Contractor shall commence well development activities on each well within 48 hours following completion of cementing. This requirement is intended to minimize the well development effort.

- B. Well J: Contractor shall airlift and/or swab the well, in accordance with the specifications, for a minimum of 48 hours before moving drilling equipment from the Site unless otherwise approved by the Owner's Representative.
- C. Development of the production well and the monitor well shall continue until the Contractor has determined that the well will meet or exceed the minimum well acceptance criteria.
- D. Disposal of Development and Test Water:
 - 1. The Contractor shall provide all pipeline, temporary sedimentation and infiltration basins, and facilities for discharging pumped water from the well site. The Contractor shall design the system so that no erosion results from the discharge. The Contractor shall conform to all waste discharge requirements imposed by the appropriate regulatory agencies.
 - 2. Contractor shall provide silt barriers and removal of discharged sand upon completion of the job.

3.02 EQUIPMENT AND MATERIALS

- A. Swabbing Tools:
 - 1. Two disks, separated by no more than 10 feet of perforated drill pipe.
 - 2. Outside Diameter: Not more than 1 inch smaller than inside diameter of screen section of well.
- B. Drill Pipe:
 - 1. Fitted with air eductor pipe to allow air lift pumping.
 - 2. Sufficient perforations in drill pipe and air compressor capacity to air lift 300 gpm.
- C. Pump/Prime Mover:
 - 1. Well J: Capable of producing up to 1,500 gpm from well with a total dynamic head of 450 feet.
 - 2. MW-3: Capable of producing up to 20 gpm from well with a total dynamic head of 200 feet.
 - 3. The prime mover shall be a variable-speed type.
 - 4. Do not equip pump with a foot valve which interferes with surging.
- D. Discharge Piping:
 - 1. Pipe size and length sufficient to convey up to 2,000 gpm to discharge location and be approved by Owner's Representative.
 - 2. Provide in-line meter with 6-digit, straight reading totalizer, registering in units of 1,000 gallons for the production well and 10 gallons for the

monitor well, together with a rate of flow indicator dial, which reads in units of gallons per minute and suitable for the expected flow range.

- E. Well Development Discharge:
 - 1. Tank: Provide of sufficient size and construction to accommodate development discharge at the drilling location.
 - a. Construct with baffles to promote sediment settlement prior to pumping from tank to designated discharge point.
 - 2. Pump: Provide of sufficient size and horsepower to continuously pump stored discharge water as required from tank(s) to discharge point.
 - 3. Discharge Point: Will be to a stock pond a maximum distance of 300 feet from well.
 - 4. Discharge Piping: Provide of sufficient size and length to pump water to discharge point as approved by Owner's Representative.
- F. Provide Rossum Sand Tester during development to measure amount of sand produced from well.

3.03 AIR LIFT DEVELOPMENT

- A. Airlifting shall commence at the uppermost portion of the screened interval and proceed downward using an educator pipe. Upon reaching the lowermost portion of the well, airlifting shall continue from that point until such times as the Contractor deems the process to be completed.

3.04 DEVELOPMENT BY SWABBING AND BAILING

- A. Development of the well with the swab shall commence by gentle surging beginning at the top of the uppermost interval.
- B. Periodically the Contractor shall measure and remove from the well all sand and mud, which has accumulated at the bottom of the well.
- C. The swab shall be progressively lowered and the preceding process repeated until the bottom of the screened interval is reached. This top to bottom surging procedure shall be repeated for each screened interval in the well.

3.05 PUMP DEVELOPMENT

- A. Within 48 hours after development by airlifting, swabbing, and bailing, the Contractor shall commence well development by pump surging using the test pump.
- B. The Contractor shall furnish, install, operate, and remove a deep-well turbine pump for developing the well.

- C. The Contractor shall furnish and install discharge piping for the pumping unit of sufficient size and length to conduct water to the discharge point, as approved by the Owner's Representative.
- D. The Contractor shall furnish and install a throttling valve downstream of the flow meter.
- E. Any necessary crossings over the discharge piping shall be constructed and maintained by the Contractor.
- F. The initial pumping rate shall be restricted, and as the water clears, shall be gradually increased until the maximum rate is reached. The maximum rate will be determined by the Owner's Representative after consideration of the well's drawdown and discharge characteristics.
- G. At frequent intervals the pump shall be stopped and the water in the pump column shall be allowed to surge back through the pump bowls. The cycle of pumping and surging shall be repeated until the discharge water is clear of sand, silt, and mud and until there is no increase in specific capacity (gallons per minute per foot of drawdown) in the well, as determined by the Owner's Representative.
- H. The well shall be thoroughly developed so that it will produce a reasonable maximum capacity based on the consideration of the depth and nature of the water-bearing formations, and so that it will not produce sand above the allowable standard.
- I. During pumping development, the rate of sand production shall be measured by a Rossum™ centrifugal sand-separating meter as described in the Journal of American Water Works Association, Volume 46, No. 2 February 1954, or equivalent provided by the Contractor.
- J. Development procedures, quantities, sand production, and times shall be recorded in the Contractor's log. The level of gravel pack in the overlap of Well J will also be measured and reordered daily during well development. At the end of development the water well shall not have sand production greater than 5 parts per million.

END OF SECTION

**SECTION 33 21 13.10
WELL PUMPING TEST**

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
AWWA A100-15, Standard for Water Wells.

1.02 SUBMITTALS

A. Action Submittals:

1. Pumping Equipment:
 - a. Including engines, drive components, bowls, lines, shafts, and pump intake depth.
 - b. Operation Data: Documentation including engine rpm and horsepower, fuel use, and other information used in monitoring the pump system.

B. Informational Submittals:

1. Well test data.
2. Water quality analysis test results.
3. Calibration Data: Calibration records for each measuring instrument used in the construction of the well shall be submitted to the Owner's Representative for review prior to the installation or use of the instruments. The calibration records shall contain the following information:
 - a. Flow Meter Calibration Sheet: Serial number, model number, gears, test apparatus size, meter reading and flow rate for at least three steps, percent error for each step, tester's name and title.
 - b. Orifice Plate Calibration Certification: Make, serial number, diameter, manometer readings for the range of pumping rates planned for the Project.
 - c. Pressure Gauge Calibration Sheet: Serial number, model number, scale range, meter reading and inches of mercury for at least three steps covering the entire range of the gauge, percent error for each step, tester's name and title.

- C. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

PART 2 PRODUCTS

2.01 EQUIPMENT

- A. The Contractor shall provide two operable pressure transducers/dataloggers for collection of water-level data during Well J 36-hour pumping test and one for the MW-3 4-hour pumping test. These transducers/dataloggers shall be In-Situ® Level Trolls, or approved equal, and have the following ratings:
 - 1. Pumped Well (1) – 100 psi.
 - 2. Monitor Well (1) – 15 psi or 30 psi.
- B. The Contractor shall furnish and install a temporary 1.5-inch ID PVC drop pipe in the pumping well to accommodate an electronic water-level measurement transducer. The pipe shall be approximately 440 feet in length.
- C. The Contractor shall furnish a water level indicator, capable of indicating depths to water to the nearest 1/100th foot.
- D. The pumping equipment and pump setting shall be the same as used for development pumping.
- E. Flow Measurement: The Contractor will provide discharge measurement equipment that is capable of accurately measuring well discharges up to the maximum planned rates for the production well. The equipment will include, at a minimum, a circular orifice weir and manometer as described in Driscoll (1986) and an in-line flow measurement device (propeller meter or ultrasonic meter) with an in-line meter with 6-digit, straight reading totalizer, registering in units of 1,000 gallons (10 gallons for MW-3 test), together with a rate of flow indicator dial, which reads in units of gallons per minute and is suitable for the expected flow range.
- F. The Contractor shall furnish and install a throttling valve downstream of the flow meter.
- G. The Contractor shall provide all pipeline, temporary sedimentation and infiltration basins, and facilities for discharging pumped water up to 300 feet from production well site. The Contractor shall design the system so that no erosion results from the discharge. The discharge rate will not exceed 2,500 gpm from Well J and 50 gpm from MW-3.
- H. Contractor shall provide silt barriers and remove sand accumulation upon completion of the job.

- I. Provide and install Rossum Sand Tester during pumping tests to measure amount of sand produced from well.
- J. Provide a tap, ball valve, and nipple, as specified by the Owner's Representative, upstream of the pump control valve to allow installation of sampling tubing by the Owner's Representative.

PART 3 EXECUTION

3.01 GENERAL

- A. Notify Owner's Representative at least 48 hours prior to beginning the constant-rate pumping test. Conduct in the presence of Owner's Representative.
- B. Do not begin testing before well water level has recovered following well development.
- C. Measure and record static water level prior to start of testing.
- D. Pumping rate measurements shall be taken and recorded every 5 minutes during the first hour of pumping and every 10 minutes thereafter for the duration of the test.
- E. Separate suspended solids from fluids generated during testing using appropriate equipment, including temporary tankage to allow sufficient settling time to meet discharge requirements for suspended solids and turbidity.
- F. Recovery: Considered complete after well level rebounded is within 3 percent of the maximum measured drawdown.
- G. The Contractor shall conform to all waste discharge requirements imposed by the appropriate regulatory agencies.

3.02 PRE-TESTING

- A. When the Contractor determines that sufficient development has occurred to achieve the well acceptance criteria, the Contractor may proceed with a short-term pre-test to verify that the well is developed. There will be no additional payment for rig time or standby time during periods of pre-testing. Authorization to proceed with the constant-rate test does not entitle the Contractor to additional compensation should the minimum well efficiency not be achieved.

3.03 WELL J 36-HOUR CONSTANT-RATE TESTING

- A. The 36-hour constant-rate pump test will be run for the purpose of determining performance characteristics of Well J. Following a minimum period of 24 hours for well recovery after well development, the well shall be pumped continuously for 36 hours at a constant discharge rate of approximately 1,500 gpm, or as determined by the Owner's Representative. The selected discharge rate shall be maintained throughout the test at plus or minus 5 percent of the target rate. If the discharge rate is not maintained within 5 percent of the target rate, the test will be repeated with no additional compensation to the Contractor.
1. The 36-hour constant-rate test shall include water-level measurements from the pumping well and either MW-3 or the existing TW-2. All water-level measurements shall be recorded using pressure transducer/datalogger devices and manually using an electronic water level indicator accurate to 0.01 feet.
 2. The Contractor shall install, program, and retrieve all water-level recorders. There will be no additional payment for additional pumping tests that are required as a result of equipment failures/operator errors that may occur during the required tests.
 3. During the 36-hour constant-rate test, the pumping water level shall be measured based on the schedule presented below. Should the measurements during any portion of the aquifer testing not be made at the times specified, the actual time of each measurement shall be recorded. Upon completion of pumping, recovery measurements shall also be made according to the schedule below for a duration of 24 hours.

Pumping Test Lapsed Time	Data Collection Interval
0 to 2 minutes	Log Scale Readings
2 to 15 minutes	Every minute
15 to 60 minutes	Every 5 minutes
60 to 120 minutes	Every 10 minutes
120 minutes to 36 hours	Every 30 minutes

- B. The pump will remain in the well for a minimum period of 24 hours after pumping has been terminated to permit accurate measurement of recovery data. There will be no additional compensation for rig time or standby time during this recovery period.

3.04 WELL J MINIMUM WELL EFFICIENCY

- A. The target efficiency for well completion shall be 75 percent. The determination of final well efficiency will be made based on the completion of the 36-hour constant-discharge pumping test using calculated transmissivity and a representative regional storativity value. The straight-line method presented by Cooper and Jacob (1946) will be used with data from the pumping well to compute the theoretical well drawdown. The ratio of the theoretical drawdown at the minimum reamed hole diameter to the measured drawdown in the pumped well (at 60 minutes) will determine well efficiency.

3.05 MW-3 4-HOUR CONSTANT-RATE TESTING

- A. The 4-hour constant-rate pump test will be run for the purpose of determining performance characteristics of MW-3. Following a minimum period of 24 hours for well recovery after well development, the well shall be pumped continuously for 4 hours at a constant discharge rate of approximately 20 gpm, or as determined by the Owner's Representative. The selected discharge rate shall be maintained throughout the test at plus or minus 5 percent of the target rate. If the discharge rate is not maintained within 5 percent of the target rate, the test will be repeated with no additional compensation to the Contractor.
1. The 4-hour constant-rate test shall be limited to water-level measurements from MW-3; no other well levels will be monitored during the test. All water-level measurements shall be recorded using pressure transducer/datalogger devices and manually using an electronic water level indicator accurate to 0.01 feet.
 2. The Contractor shall install, program, and retrieve all water-level recorders. There will be no additional payment for additional pumping tests that are required as a result of equipment failures/operator errors that may occur during the required tests.
 3. During the 4-hour constant-rate test, the pumping water level shall be measured based on the schedule presented below. Should the measurements during any portion of the aquifer testing not be made at the times specified, the actual time of each measurement shall be recorded. Upon completion of pumping, recovery measurements shall also be made according to the schedule below for a duration of 4 hours.

Pumping Test Lapsed Time	Data Collection Interval
0 to 2 minutes	Log Scale Readings
2 to 15 minutes	Every minute
15 to 60 minutes	Every 5 minutes
60 to 120 minutes	Every 10 minutes
120 minutes to 4 hours	Every 30 minutes

- B. The pump will remain in the well for a minimum period of 4 hours after pumping has been terminated to permit accurate measurement of recovery data. There will be no additional compensation for rig time or standby time during this recovery period.

3.06 FINAL SAND CONTENT

- A. Sand production during well development and testing shall be measured by the Contractor and recorded on test records. Sand production shall be quantified as measured by a Rossum™ Sand Sampler. Sand production shall not exceed 5 parts per million at the end of the constant-discharge pumping test as per AWWA Standard A100-15.

3.07 TEST FAILURE

- A. In the event that test fails to meet specified duration requirement, or if test is initiated too soon after an aborted test, test will be declared invalid, and shall require a retest.
- B. Aborted Test: Failure of pump operation during test shall require test be aborted and further testing suspended until well recovery is achieved.
- C. Well J and MW-3: If sand production exceeds 5 parts per million at the end of the constant-discharge pumping test as per AWWA Standard A100-15, the contractor will initiate well development and repeat the constant-rate test until sand content is less than the 5 parts per million.

3.08 WELL TEST DATA

- A. Maintain for each test.
- B. Records shall include pumping rate, water level, drawdown, specific capacity, elevation of gravel pack, sand content, color of discharge water, and all other pertinent information regarding well testing.
- C. Submit at end of each test.
- D. Provide a digital copy, in Microsoft Excel format, of the transducer data to the Owner's Representative within 24 hours of completion of the test.

3.09 CLEANUP

- A. Remove sand and debris that accumulated in the bottom of well after completion of water level monitoring, and after pump has been removed.
- B. Ensure the gravel pack in the overlap of Well J is within 3 feet of the top of the liner.
- C. Remove lubricating oil from well.

END OF SECTION

SECTION 33 21 13.11
WATER WELL PLUMBNESS AND ALIGNMENT TEST

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
1. American Water Works Association (AWWA): A100-15, Water Wells.
 2. ASTM International (ASTM):
 - a. A53/A53M, Standard Specification for Pipe, Steel, Black and Hot-Dipped, Zinc-Coated, Welded and Seamless.
 - b. A139/A139M, Standard Specification for Electric-Fusion (Arc)-Welded Steel Pipe (NPS 4 and Over).

1.02 SUBMITTALS

- A. Informational Submittals:
1. Preliminary Plumbness and Alignment Surveys: The Contractor shall submit the results of a gyroscopic plumbness and alignment survey of the pilot or reamed borehole to the Owner's Representative before commencement of casing and screen installation operations. The raw ASCII data will also be provided.
 2. Final Plumbness and Alignment Surveys: The results of a gyroscopic plumbness and alignment survey of the installed casing shall be submitted to the Owner's Representative within 24 hours following the completion of that survey and before the well's acceptance. AWWA Standard A100-15, Appendix D shall be the governing standard for acceptance of the wells regarding plumbness and alignment. The raw ASCII data will also be provided.
- B. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

1.03 QUALITY ASSURANCE

- A. Survey Company Qualifications: Shall have been in the business of conducting plumbness and alignment tests for a minimum of 5 years.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 GENERAL

- A. Notify Owner's Representative 48 hours in advance of performing plumbness and alignment survey.
- B. Notify Owner's Representative of anticipated delays whenever they become apparent.
- C. Perform test in the presence of Owner's Representative and explain results to Owner's Representative.
- D. Acceptance of the upper casing will be based on the plumbness/alignment test of the upper casing after the casing has been cemented.
- E. Alignment testing by use of lowering a pipe section or "dummy" is not authorized.

3.02 EQUIPMENT AND MATERIALS

- A. Gyroscopic Probe Features:
 - 1. Capable of reaching a depth of 450 feet in a nominal 18-inch diameter cased hole or 24-inch diameter open borehole filled with either air or liquid.
 - 2. Azimuth Range: 0 degree to 360 degrees.
 - 3. Azimuth Accuracy: Meet or exceed 2 percent.
 - 4. Inclination Range: 0 degree to 30 degrees.
 - 5. Inclination Accuracy: Meet or exceed 0.25 percent.

3.03 GYROSCOPIC SURVEY

- A. Test well for plumbness and alignment using a gyroscopic tool.
 - 1. Probe shall measure borehole inclination and borehole azimuth (compass direction) at maximum 10-foot depth intervals in order to derive horizontal borehole deviations.
- B. Conduct analysis of data following the procedures in AWWA A100-15, Appendix D to determine the deviation of well from pump centerline.
- C. Method of calculation shall be reviewed by Owner's Representative, and at Owner's Representative's discretion, will provide an independent analysis of data.

3.04 PLUMBNESS AND ALIGNMENT CRITERIA

A. Maximum Allowable Horizontal Deviation:

1. Plumbness: Shall not exceed two-thirds of the smallest inside diameter of that part of the well being tested per 100 feet of depth.
2. Alignment:
 - a. Distance between well centerline, and a straight line representing proposed pump center line shall not exceed one-half the difference between inside diameter of casing and 12-inch outside diameter pump column.
 - b. Alignment data will be collected to a depth of at least 450 feet.
3. Demonstrate compliance with plumbness and alignment specification in Plumbness and Alignment Survey submittal.

B. Meet plumbness or alignment limitations as set forth herein and, if necessary, correct plumbness or alignment at Contractor's sole expense.

3.05 SURVEY DATA

A. Document, in writing, a report demonstrating the results of the following:

1. Raw field data of azimuth and inclination at minimum depth measurement intervals of 10 feet.
2. Calculated true horizontal deviation with depth at specified depth measurement intervals (x, y, and z coordinates).
3. Vertical cross-sectional plot of true horizontal deviation with depth in the north-south plane and in the east-west plane, similar to Figure D.4, of AWWA A100-15, Appendix D.
4. Plan view plot showing deviation at each specified depth measurement interval, similar to Figure D.5 of AWWA A100-15, Appendix D.
5. Analysis showing compliance with maximum allowable deviation from required plumbness and alignment tolerance, as described in AWWA A100-15, Appendix D.

END OF SECTION

SECTION 33 21 13.12
WATER WELL VIDEO INSPECTION

PART 1 GENERAL

1.01 SUBMITTALS

- A. Informational Submittals: Final Well Color Videos: The Contractor shall submit two DVD copies of the well video log to the Owner's Representative after completion of the log. Digital formats may be substituted as approved by the Owner's Representative.
- B. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

1.02 QUALITY ASSURANCE

- A. Survey Specialist Qualifications: Shall have been in the business of conducting video survey for a minimum of 5 years.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 GENERAL

- A. Perform color video survey to serve as a final inspection document for each well.
- B. Notify Owner's Representative 48 hours prior to performing the video survey. Perform survey in the presence of Owner's Representative.
- C. Notify Owner's Representative of anticipated delays whenever they become apparent.
- D. Conduct Video Survey:
 - 1. Following completion of well discharge tests.
 - 2. After sediment has been removed to within 5 feet of the base of the sump.
 - 3. After fresh water has been introduced from surface to clarify water standing in well, as necessary.
 - 4. After final disinfection of well.

3.02 EQUIPMENT

A. Camera Features:

1. Color vertical down-hole and horizontal side-hole viewing capability with centralizers.
2. Horizontal side-hole viewing shall be controllable to allow viewing at angles within a 360-degree rotation.
3. Produce a video with an automatic on-screen depth indication to nearest 0.1 foot.

3.03 VIDEO SURVEY

A. Procedures:

1. Prior to conducting survey, remove test pump and bail well clean of lubricating oil, sediment, and debris; allow to remain idle for at least 24 hours before attempting video survey.
2. Camera and cable shall be clean and disinfected with a chlorine solution at the well site, in the presence of the Owner's Representative.
3. Prior to and during survey, to satisfaction of Engineer, introduce sufficient quantity of clear water into well to produce clear viewing conditions during survey.
4. Run a dynamic vertical down-hole view video from top of well to the bottom of well at a speed not exceeding 30 feet per minute.

- B. Owner's Representative may interrupt video camera during the dynamic vertical down-hole view run for periodic static horizontal side-hole viewing.

3.04 FIELD QUALITY CONTROL

- A. If survey fails to produce a clear picture of internal casing condition, introduce clear, potable water and conduct resurvey to until a clear video is obtained. Minimum required visibility is 24 inches. Re-survey of the well will be done at no cost to the Owner.

B. Defects:

1. Owner's Representative reserves the right to survey defects in the well.
2. Defects noted may be cause for rejection by Owner's Representative.
3. The Contractor will have the option to correct defects and will bear cost for repairs and cost of resurveying hole.

3.05 VIDEO SURVEY DATA

A. Features:

1. Original and copies of survey shall be in DVD format.
2. Beginning and end of video shall contain date and well name.
3. Clearly label exterior of DVD with Project name, date, and well name.

END OF SECTION

SECTION 33 21 13.13
WATER WELL DISINFECTION

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
 - 1. American Water Works Association (AWWA):
 - a. 10084, Standard Methods for the Examination of Water and Wastewater.
 - b. A100-15, Water Wells.
 - c. C654, Disinfection of Wells.

1.02 SUBMITTALS

- A. Action Submittals: Disinfection products and procedures.
- B. Informational Submittals: Laboratory test results.
- C. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 GENERAL

- A. Notify Owner's Representative at least 5 working days before disinfection activities begin.
- B. Notify Owner's Representative of anticipated delays whenever they become apparent.
- C. Disinfect well at after completing the constant-rate discharge test but before removing the test pump.
- D. Allowable Disinfectant: Sodium Hypochlorite Solution, in accordance with AWWA C654.
- E. The Contractor shall carry out adequate cleaning procedures immediately preceding disinfection where evidence indicates that normal well construction and development work have not adequately cleared the wells. All oil, soil, and other foreign materials shall be removed from the wells.

3.02 DISINFECTION

- A. Disinfect well after completing constant-rate discharge test, including recovery.
- B. The method of chlorination to be used shall consist of treating the water in each well bore to provide a chlorine residual of approximately 50 mg/L; circulating the chlorinated water within each well and pump column; and pumping each well to waste the chlorinated water. The quantity of chlorine compounds required to produce a chlorine residual of 50 mg/L may be calculated by multiplying the appropriate quantity shown in ANSI/AWWA C654, Appendix A, Table A.1, by the appropriate factor.

3.03 WELL CAPPING

- A. Upon completion of construction, development, testing, disinfection and bacteriological evaluation, cap well by installation of a minimum 0.25-inch-thick plate continuously welded to top of casing. Provide a 1-inch threaded plug to provide access for water level monitoring.

3.04 EVALUATION

- A. The disinfected wells shall be tested for the presence of coliform in accordance with ANSI/AWWA C654 and 30 TAC 290.41(c)(3)(F). The results shall be submitted to the Owner's Representative.
- B. If the bacterial evaluation fails, disinfection and testing shall be repeated until the results indicate a pass at the Contractor's expense. Three passing samples collected on consecutive days are required to pass this evaluation.

END OF SECTION

SECTION 33 21 13.14
WATER WELL SAMPLING

PART 1 GENERAL

1.01 REFERENCES

- A. The following is a list of standards which may be referenced in this section:
1. American Water Works Association (AWWA):
 - a. 10084, Standard Methods for the Examination of Water and Wastewater.
 - b. A100-15, Water Wells.

1.02 SUBMITTALS

- A. Action Submittals:
1. Three copies of the laboratory analysis reports shall be provided to the Owner's Representative.
 2. Laboratory data will also be provided as an Electronic Data Deliverable (EDD) in the form of a Microsoft Excel™ spreadsheet.
- B. Informational Submittals:
1. Water Quality Laboratory: The Contractor shall submit the name, address, and other relevant contact information for the lab proposed for water quality analysis. The lab shall be certified by TCEQ and is subject to approval of the Owner's Representative.
- C. The submittals shall be made in accordance with Section 01 33 00, Submittal Procedures.

PART 2 PRODUCTS (NOT USED)

PART 3 EXECUTION

3.01 GENERAL

- A. Near the end of the constant-discharge pumping test, the water quality samples shall be collected from the pump discharge for state and federal water quality regulation analyses.

- B. The Contractor shall furnish and install a sample tap with valve for connection of in-line analytical probes.
- C. Notify Owner's Representative of anticipated delays whenever they become apparent.
- D. Water samples shall be analyzed by a laboratory certified by the Texas Commission on Environmental Quality. All costs for water sample analyses shall be paid by the Contractor.
- E. Receptacles: Samples for which laboratory analysis is required shall be collected in specially designated and approved sample containers to be provided to the Contractor by a laboratory certified by the Texas Commission on Environmental Quality, approved by the Owner's Representative for the specific parameters required by these Specification documents.
- F. Labeling: The sample containers shall be clearly labeled with the project name, well identification, and the time and date of sample collection.
- G. Sample Collection: The Contractor's approved laboratory shall collect the samples under the supervision of the Owner's Representative, store them in an appropriate manner, and ship them to the laboratory.
- H. Chain of Custody: Chain of Custody forms shall be completed for all water samples. Copies of the Chain of Custody forms shall be submitted to the Owner's Representative within ten days of final delivery of the samples to the laboratory. All persons handling the samples shall be required to sign the Chain of Custody form.
- I. Holding Times: The Contractor shall be apprised of applicable water sampling holding times for the samples for which he is responsible and shall assure that the samples are transmitted to the laboratory in time to meet holding time requirements.
- J. Turn-Around Time: Results from the water quality analysis shall be provided to the Owner's Representative within 4 weeks from the date the sample was collected.

3.02 ANALYSES

- A. All samples, with the exception of the fecal coliform samples will be collected prior to disinfection.
- B. Where possible, the testing laboratory shall choose an appropriate method to provide a reporting limit at or below the maximum contaminant level.

- C. A list of water quality analyses is listed in the following table. Alternative analysis methods must be approved by the Engineer.

Parameter	Units	Maximum Contaminant Level	Analytical Method
Primary Drinking Water Standards			
Antimony	mg/L	0.006	EPA 200.8
Arsenic	mg/L	0.01	EPA 200.8
Barium	mg/L	2	EPA 200.8
Beryllium	mg/L	0.004	EPA 200.8
Cadmium	mg/L	0.005	EPA 200.8
Chromium	mg/L	0.1	EPA 200.8
Cyanide	as Free mg/L	0.2	EPA 335.4
Fluoride	mg/L	4	EPA 300.0
Haloacetic acids (HAA)	µg/L	60	EPA 552.1
Lead	mg/L	0.015	EPA 200.8
Mercury	mg/L	0.002	EPA 245.1
Nitrate	mg/L as N	10	EPA 300.0
Nitrite	mg/L as N	1	EPA 300.0
Selenium	mg/L	0.05	EPA 200.8
Thallium	mg/L	0.002	EPA 200.8
Total Trihalomethane	µg/L	80	EPA 501.1
Turbidity	NTU	---	EPA 180.1
Secondary Drinking Water Standards			
Aluminum	mg/L	0.05 to 0.2	EPA 200.8
Chloride	mg/L	300	EPA 300.0
Color	color units	15	EPA 200.8
Copper	mg/L	1	EPA 200.8
Corrosivity	mg/L	Non-corrosive	EPA 350.1
Fluoride	mg/L	2	EPA 300.0
Foaming agents	mg/L	0.5	SM5540C
Total Iron	mg/L	0.3	EPA 200.8
Dissolved Iron	mg/L	---	EPA 200.8
Manganese	mg/L	0.05	EPA 200.8
Odor	threshold #	3	EPA 140.1
pH	Std Units	6.5-8.5	SM4500-H+ B
Silver	mg/L	0.1	EPA 200.8
Sulfate	mg/L	300	EPA 300.0

Parameter	Units	Maximum Contaminant Level	Analytical Method
Total Dissolved Solids (TDS)	mg/L	1000	SM2540C
Zinc	mg/L	5	EPA 200.8
Radiologicals			
Gross Alpha Particle Activity	pCi/L	15	EPA 900.0
Gross Beta Particle Activity	pCi/L	50	EPA 900.0
Radium-226	pCi/L	---	EPA 900.0
Radium-228	pCi/L	---	EPA 900.0
Combined Radium-226 and Radium-228	pCi/L	5	EPA 900.0
Uranium	µg/L	30	EPA 200.8
General Chemistry			
Alkalinity	mg/L as CaCO ₃	---	SM2320B
Ammonia	mg/L	---	EPA 350.1
Bicarbonate	mg/L	---	SM2320B
Calcium	mg/L	---	EPA 200.8
Carbonate	mg/L	---	SM2320B
Carbon Dioxide	mg/L	---	SM513
Hydrogen Sulfide	mg/L	---	EPA 376.2
Magnesium	mg/L	---	EPA 200.8
Methane	mg/L	---	EPA RSK-175
Phosphate	mg/L	---	SM4500-P
Potassium	mg/L	---	SM4192
Sodium	mg/L	---	EPA 200.8
Sulfide	mg/L	---	EPA 376.2
Total Hardness	mg/L as CaCO ₃	---	SM2320B
Total Organic Carbon	mg/L	---	EPA 9060A

Notes:

< analyte not detected at the method detection limit

mg/L milligrams per liter

µg/L micrograms per liter

NTU Nephelometric Turbidity Units

pCi/L picocuries per liter

END OF SECTION

Application Affidavit (WRD-201)

THE STATE OF TEXAS §
COUNTY OF Bastrop §
APPLICANT Bastrop §

BEFORE ME, the undersigned, a Notary Public in and for the State of Texas, on this day personally appeared Lynda K. Humble as the Authorized Representative of the City Manager, who being by me duly sworn, upon oath says that:

1. the decision by the Bastrop City Council (authority, city, county, corporation, district) to request financial assistance from the Texas Water Development Board ("Board") was made in a public meeting held in accordance with the Open Meetings Act (Government Code, §551.001, et seq.) and after providing all such notice as required by such Act as is applicable to the City of Bastrop (authority, city, county, corporation, district) ;


2. the information submitted in the application is true and correct according to my best knowledge and belief;

3. the City of Bastrop (authority, city, county, corporation, district) has no pending, threatened, or outstanding judgments, orders, fines, penalties, taxes, assessment or other enforcement or compliance issue of any kind or nature by the Environmental Protection Agency, Texas Commission on Environmental Quality, Texas Comptroller, Texas Secretary of State, or any other federal, state or local government, except for the following (if no such outstanding compliance issues, write in "none"):

None.

4. the City of Bastrop (authority, city, county, corporation, district) warrants compliance with the representations made in the application in the event that the Board provides the financial assistance; and

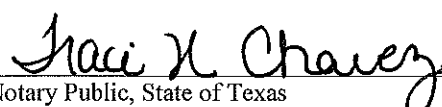
5. the City of Bastrop (authority, city, county, corporation, district) will comply with all applicable federal laws, rules, and regulations as well as the laws of this state and the rules and regulations of the Board.



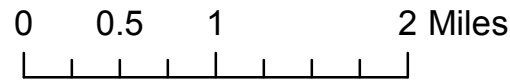
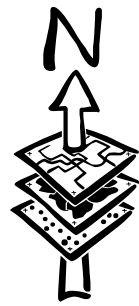
Official Representative
Title: City Manager

SWORN TO AND SUBSCRIBED BEFORE ME, by Lynda K. Humble
this 5TH day of MAY, 2017.

(NOTARY'S SEAL)



Notary Public, State of Texas



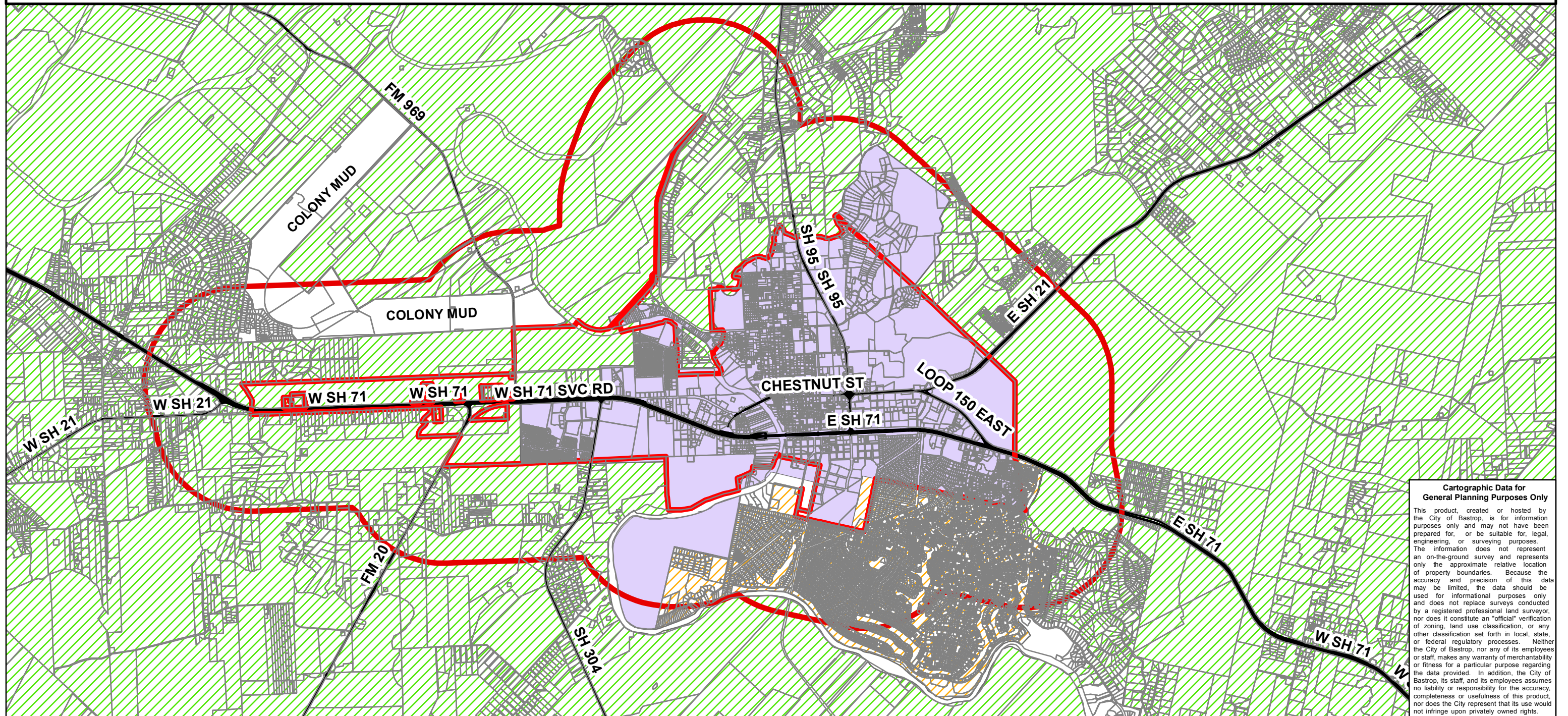
WATER CCN BOUNDARIES

Legend

- City Limits
- 1 Mile ETJ

Water CCN Boundary

- CITY OF BASTROP
- AQUA WSC
- BASTROP COUNTY WCID 2



Cartographic Data for General Planning Purposes Only

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City of Bastrop, Water Demand Projections - Final

PREPARED FOR: Mike Talbot, City Manager
City of Bastrop

PREPARED BY: CH2M HILL

DATE: May 13, 2014

The City of Bastrop (City) is evaluating water supplies to supplement their current water sources to meet current and forecast water demands. The City requested that CH2M HILL provide an independent, 30-year water demand forecast. This Technical Memorandum presents potential water demand scenarios that consider service to the City’s existing water service area at a growth rate consistent with historical City growth (Scenario One), as well as a “high demand” scenario that considers service within the existing service area as well as expansion beyond the existing service area (Scenario Two). Two demand sets are presented for each population scenario, the base case with constant per capita usage and a second case assuming implementation of an aggressive water conservation program that reduces gallons per capita per day (gpcd) usage by one (1) percent per year.

1.0 Introduction

Water demand projections are a function of population and water used for residential, commercial and other water-use purposes. Water planners typically develop a factor that accounts for all water used within a service area (often in units of gallons per capita per day) and multiply that value by the projected population to develop an annual water demand volume. A number of different methodologies can be used to estimate population growth. For example, complex population models factor in birth and death rates based on detailed demographic information, in-migration and out-migration rates, and other factors. Other forecasts extrapolate historical trends with adjustments made to account for conditions that may affect historical growth patterns. Similarly, water demand can be evaluated by sector (customer type), historical trends, and the degree to which water conservation practices and drought curtailment regulations are established for the planning area. Factors to consider in developing water demand projections include regional conditions, economic development efforts or stimulators, weather, system expansion and other uncertainties related to future water needs. Given the length of time required to develop new water supplies and increasing competition for water, most water demand projections tend to be conservative so as not to underestimate future needs. However, the projections should not be overly conservative to avoid building costly excess capacity that is not needed.

The following sections summarize the data, methodology, and results used by the CH2M HILL project team to estimate potential water demand through 2055¹.

2.0 Planning Area

2.1 Existing Service Area

The Certificate of Convenience and Necessity (CCN), the geographic area that can be served by the City of Bastrop for retail water service, essentially encompasses the city limits and a relatively small area outside the City. Note that, based on information received from the City, the population served outside the city limits was not included in the population or gpcd estimates as the number is sufficiently small that it would not affect water demand projections.

¹ While the Scope of Services identified a 30-year planning horizon, the project team is presenting 40-year projections to provide the ability to evaluate water demand for a longer planning horizon.

The City provides water service to approximately 2,941 metered connections. Approximately 78 percent of those are residential connections, and the remaining 22 percent are commercial customers. The Existing Land Use Survey (2000), presented in the Bastrop Comprehensive Plan 2000-2020, indicates that approximately 49.5 percent of the land area within the City was vacant at the time of the survey. While some development and annexation have occurred during the period since the survey was conducted, significant development potential exists within the existing service area.

2.2 Potential Expanded Service Area

While the study described herein did not delineate a possible future service area, the project team did consider planned growth adjacent to the City. Within Bastrop County, significant developments are planned or proposed; these developments provide potential annexation or utility service area expansion opportunities. For example, in the western portion of the County, growth is anticipated along the State Highway (SH) 71 and SH 130 corridors. This area is also within the City’s extraterritorial jurisdiction (ETJ). Further, the SH 95 corridor is expected to experience significant growth with the creation of the 10,000 acre XS Ranch Municipal Utility District (MUD), and additional development is likely to occur on the SH 95 corridor south of Elgin (K Friese 2011). The service area growth assumptions in this study were provided by the City.

3.0 Historical Data

3.1 Historical Population

As reported in the Bastrop Comprehensive Plan, the population grew by 6.7 percent between 1980 and 1990. The last twenty years have been a period of rapid growth for the City, surpassing the average growth rate for the State and the United States (Bastrop Comprehensive Plan, 2001). The population increased by approximately 3.2 percent each year between 1990 and 2000 and approximately 3.5 percent each year the following decade. Table 1 provides historical population data obtained from the U.S. Census Bureau.

TABLE 1
Historical Population Data
City of Bastrop, Water Demand Projections

Year	Population	Rate of Increase	
1990	4,044		
2000	5,340	32.05%	82.84% total increase between 1990 and 2012
2010	7,218	35.17%	
2011	7,338	1.66%	
2012	7,394	0.76%	

Source: U.S. Census Bureau

3.2 Historical Water Demand

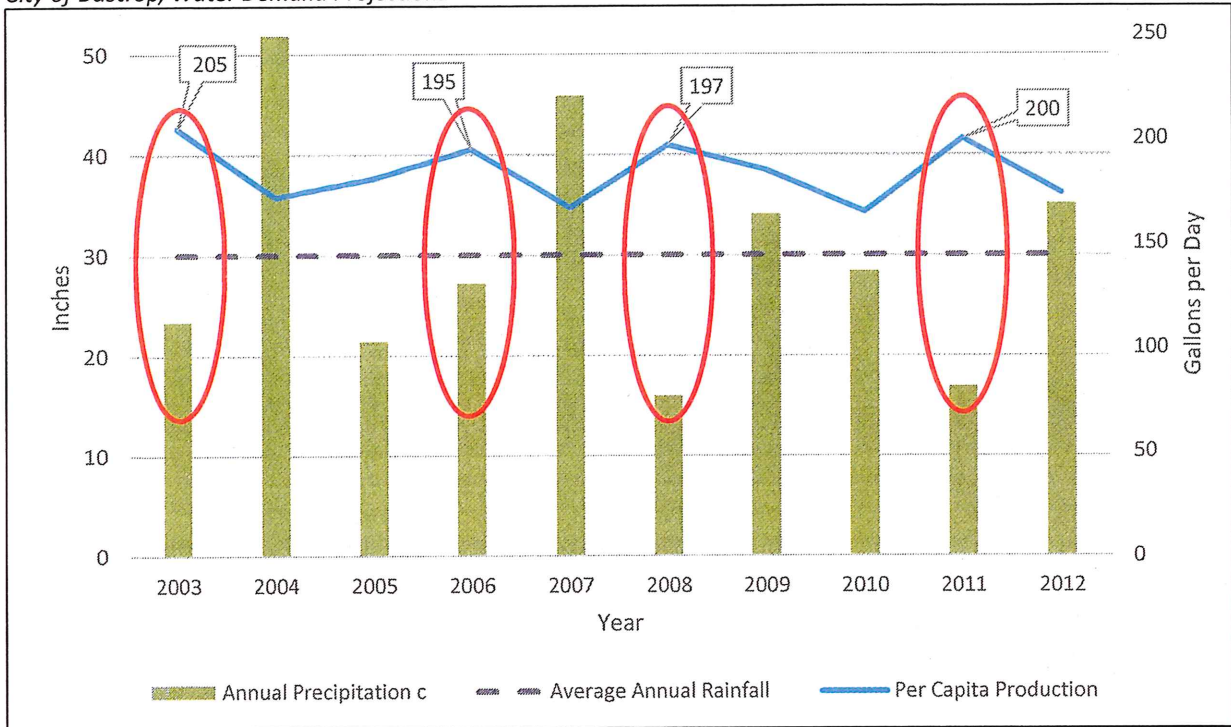
When available, historical water demand data is analyzed over a multi-decadal period to provide a longer perspective on water use patterns within a utility’s service area. Given the rapid growth within the City and data availability, however, this study relies on actual water production data between 2003 and 2013.

The water production and consumption in the City varies significantly from year to year and appears to be influenced by weather patterns, as indicated by the seasonal variation. For example, during 2003, peak residential usage occurred in August and was approximately 2.7 times higher than that used during the lowest winter month (February). Considering both residential and commercial uses, peak monthly use in 2003 was 2.1 times higher than the lowest monthly use. In 2006, the peak residential and overall usage peak months were 2.8 and 2.2 times higher than the lowest usage month, respectively. A similar pattern occurred during 2011 when the residential and overall consumption peaks were approximately 3.0 and 2.4 times

higher, respectively, than the lowest usage months. As shown in Figure 1, annual precipitation amounts for the four years with the highest per capita water usage during the study period were below the average precipitation for the area.

FIGURE 1
Annual Precipitation and Per Capita Water Usage, 2003-2012

City of Bastrop, Water Demand Projections



Distribution and timing of rainfall throughout the year may explain why the per capita value for 2005 was not as high as that for 2006. Some variation may also result from changes in the customer base, such as a changed ratio of residential to commercial connections, an influx of large water-using industries or commercial activities, system leaks, or unaccounted for water. Table 2 provides historical water production by the City of Bastrop and the corresponding per capita water demand. Note that 4 of the last eleven years had a per capita demand of 195 gallons per day or higher.

TABLE 2
Historical Water Production
City of Bastrop, Water Demand Projections

Year	Total Water Production ^a (MG)	Total Water Production (acre-feet/year)	Per Capita Production ^b (gpcd)	Annual Precipitation ^c (inches)
2003	443.03	1,359.60	205	23.38
2004	384.28	1,179.31	172	51.89
2005	415.97	1,276.57	181	21.45
2006	460.74	1,413.95	195	27.23
2007	405.58	1,244.68	167	45.91
2008	491.92	1,509.62	197	15.98
2009	475.36	1,458.83	185	34.11

TABLE 2
Historical Water Production
City of Bastrop, Water Demand Projections

Year	Total Water Production ^a (MG)	Total Water Production (acre-feet/year)	Per Capita Production ^b (gpcd)	Annual Precipitation ^c (inches)
2010	436.24	1,338.75	165	28.42
2011	536.96	1,647.86	200	16.9
2012	472.02	1,448.57	174	35.13
2013	461.55	1,416.44	167	Not Available

^a Water production values for 2003 - 2006 were translated from fiscal year to calendar year and may reflect slight rounding errors. Annual production volumes for 2007 - 2012 were provided directly by the City of Bastrop.

^b Population values for 2003 - 2009 were estimated by interpolating U.S. Census Bureau data from years 2000 and 2010. If actual annual population growth was higher or lower than the interpolated values, the estimated per capita values may be correspondingly higher or lower than actual. Population values for 2010 - 2012 are based on U.S. Census Bureau estimates, and the 2013 value was estimated by interpolating between the 2012 value and the 2014 estimate provided in the Nielsen Solution Center 2013 report.

^c Annual precipitation data reflect annual totals at Austin Bergstrom International Airport, from the National Oceanic and Atmospheric Administration, <http://www.srh.noaa.gov/images/ewx/aus/ausmonrain.pdf>. Historical precipitation data available from the Texas Water Development Board differs slightly because of a larger area for which precipitation is averaged.

4.0 Previous Population and Water Demand Projections

Several organizations and investigation efforts have previously estimated the City’s projected population and water demand. These organizations include:

- Texas Water Development Board’s Regional Water Planning efforts, which include planning cycles ending in both 2011 and 2016 (Bastrop is in Region K)
- Capital Area Metropolitan Planning Organization (CAMPO)
- Capital Area Council of Governments (CAPCOG)
- K Friese & Associates, Inc., Bastrop Regional Water Facilities Planning Study

Table 3 compares the different population projections for the City of Bastrop’s water service area. Note the CAPCOG projections are provided at the County level only and are not included. For perspective, note CAPCOG projections at the County level were approximately 4 percent higher than CAMPO’s population projections for 2040 at the County level.

TABLE 3
Comparison of Previous Studies, Population Projections through 2055
City of Bastrop, Water Demand Projections

Source	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055
2011 Region K Plan ^a	8,890	10,683	12,475	14,198	15,920	18,462	21,003	23,079	25,155	27,698
2016 Region K Plan ^a			9,653	11,371	13,088	15,321	17,553	20,578	23,603	27,689
K Friese Study ^b	8,020	8,672	13,935	19,198	25,245	31,291	37,338			

^a Data for years not divisible by 10 were interpolated. Source: TWDB, 2013a

^b CAMPO provides population projections distributed among Traffic Analysis Zones (TAZ). The K Friese study compared the City’s water service area to the CAMPO TAZ data and provided CAMPO projections delineated specifically for the City.

Table 4 compares the different water demand projections for the City of Bastrop’s water service area.

TABLE 4
Comparison of Previous Studies, Water Demand Projections, acre-feet/year
City of Bastrop, Water Demand Projections

Source	2010	2015	2020	2025	2030	2035	2040	2045	2050	2055
2011 Region K Plan ^a	1,992	2,366	2,739	3,099	3,459	3,988	4,517	4,950	5,382	5,926
Per Capita Use (gpcd)	200	198	195	195	194	193	191	191	191	191
2016 Region K Plan ^a			1,957	2,278	2,598	3,022	3,446	4,029	4,612	5,407
Per Capita Use (gpcd)			180	179	177	176	175	175	174	174

gpcd = gallons per capita per day

Note water demands developed for the K Friese study were for a study area larger than the current water service area, thus have not been included for comparison purposes.

^a *Data for years not divisible by 10 were interpolated. Source: TWDB, 2013b*

5.0 Population and Water Demand Projection Scenarios

5.1 Population Projections

5.1.1 Methodology

The rate of population growth in the City of Bastrop slowed during 2011 and 2012 according to U.S. Census Bureau estimates; however, the number of active metered water connections in Bastrop’s service area increased somewhat. Population in the surrounding areas continues in a rapid growth pattern. In May 2013, the City of Austin estimated that approximately 115 people moved to the area each day; only 45 of those people move within the Austin city limits (KVUE 2013). According to a U.S. Census Bureau report released in June 2012, Round Rock and Austin ranked second and third, respectively, among the fastest-growing U.S. cities with populations of 100,000 or more. In 2013, Forbes named the Austin/Round Rock/San Marcos Metropolitan Statistical Area, which includes Bastrop, Caldwell, Hays, Travis and Williamson counties, the fastest growing “metro-region” in the country. Based on strong economic indicators, regional growth predictions, and new roadways providing access to currently vacant land, the project team identified no factors that would inhibit near and mid-term growth for the City and assumed that the historical growth rate would continue for the foreseeable future.

5.1.2 Population Scenarios

Scenario One

The total population increase between 1990 and 2012 was approximately 83 percent, which equates to an annual average population increase of approximately 3.8 percent. Note that this historical growth reflects population increases within the city limits as well as growth in an expanded area due to annexation. Scenario One assumes an equivalent growth rate per year, beginning with the 2014 population estimate provided by the 2013 Nielsen Solution Center report supplied by the City.

Scenario Two

Scenario Two accounts for the City’s historical growth rate, as well as potential expansion of the City’s water service area. This expansion was estimated using an additional 10 percent population increase every 5 years.

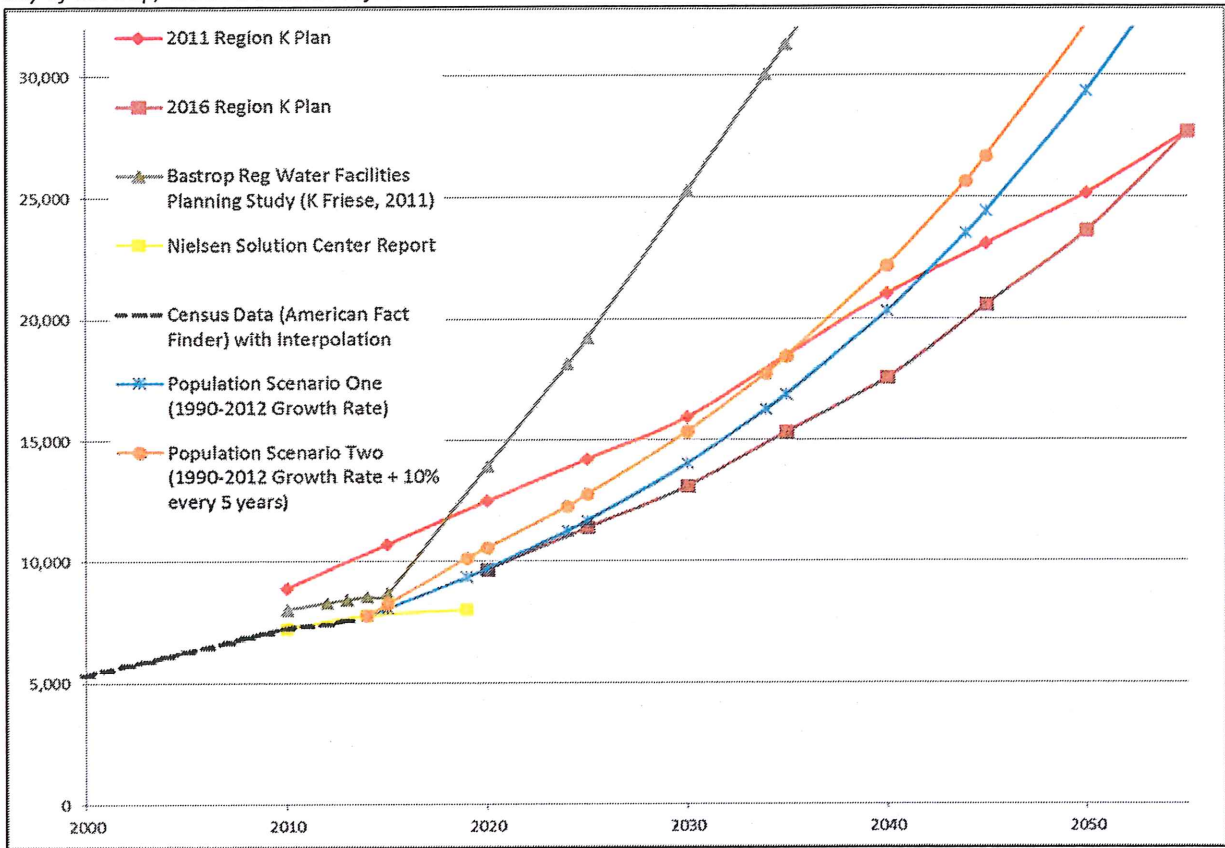
Table 5 provides the population projections using the current study scenarios in 5 year increments.

TABLE 5
Population Projections, Current Study
City of Bastrop, Water Demand Projections

Year	Scenario One	Scenario Two
2014	7,762	7,762
2015	8,054	8,232
2020	9,689	10,540
2025	11,656	12,743
2030	14,022	15,336
2035	16,869	18,450
2040	20,293	22,195
2045	24,412	26,701
2050	29,367	32,121
2055	35,329	38,641

Figure 2 on the following page provides a graphical representation of these projections as compared to the previous population projections reviewed during this study. Scenario One is fairly aligned with the 2016 Regional Water Planning projections through 2030, and then increases at a higher rate in later years. The Regional Water Planning projections include a slow attenuation of the growth rate to approximately 2.6 percent per year over the next 30 years (SDAT Report, 2011). Scenario Two represents an expanded service area or additional growth greater than that historically experienced and is, therefore, a higher projection than both of those. The CAMPO projections used in the Regional Facilities Study (K Friese, 2011) are significantly higher than all of the other projections.

Figure 2
Population Projections Comparison: Previous and Current Studies
 City of Bastrop, Water Demand Projections



Note: The population change for the City of Bastrop between 2000 and 2010 as reported by the U.S. Census Bureau was evenly distributed for each year during the 10-year period (as shown in the black line). Actual annual growth between 2000 and 2010 most likely varied among years.

5.2 Water Demand Projections

5.2.1 Methodology

As noted previously, the project team developed two water usage profiles, a base case and a conservation case, that are described in more detail in this section.

Base Case

To develop water demand projections for the current study, the project team reviewed historical per capita use from 2003 to 2013. While ten years is a shorter period of record than is typically available for evaluation, the region experienced extreme drought conditions during this period, thus providing recent data regarding water use during such periods. As mentioned previously, water use in the City is very much dependent on weather patterns. Hot, dry summer weather that does not trigger drought restrictions can significantly increase per capita use values, as illustrated in the difference in daily per capita use between 2010 and 2011 (165 and 200 gallons, respectively). During four of the ten years reviewed, per capita use ranged between 195 and 205 gallons per day. The most conservative assumption would be to select 205 as the daily per capita use value for planning purposes; however, the daily per capita use value was lower during the extreme drought conditions of 2011 than for 2003. This suggests that water efficiency practices and passive conservation resulting from installation of fixtures compliant with federal water-saving standards have occurred during the historical period and would be expected to continue. While the average during the

period was 184 gpcd, this underestimates the demand for water during hot and dry conditions, during which no outdoor water use restrictions or other drought curtailment measures are in place to manage the peak usage. Further, given the potential for additional development within the service area and the relatively large percentage of undeveloped land available for conversion to commercial use, the 2011 actual usage number of 200 gpcd was selected for this study. This value is consistent with recent data and uncertainties related to the future water customer base profile, without being overly conservative.

Conservation Case

Water use efficiency is an increasingly important component of municipal water supply portfolios. Efficient water use can reduce operating costs associated with treatment and transmission and can often defer facility expansions. The State currently requires conservation and drought management plans and is expected to consider legislation establishing water loss standards during the upcoming legislative session. Due to the importance of conservation of meeting future water needs in Central Texas, the project team developed a conservation-based per capita use estimate in addition to the base case for each scenario. The conservation case decreases per capita use by 1 percent per year until reaching a goal of 140 gpcd, a voluntary target developed by the Texas Water Development Board’s Water Conservation Task Force in 2004 (TWDB 2004). Methods for achieving such water use efficiency goals were not evaluated in this study. Table 6 provides projected water demand and projected per capita use with and without additional conservation, and Figures 3 and 4 provide a comparison of these projections and previous per capita use and water demand projections performed. Note that the 2011 and 2016 Region K Water Plan per capita values factor in the “reduction-effect” of passive conservation. Such efficiencies are captured in this study’s scenarios that factor in one (1) percent annual conservation savings.

TABLE 6
Water Demand and Per Capita Use Projections, Current Study
City of Bastrop, Water Demand Projections

Year	Base Case Per Capita Use (gallons/day)	Scenario One, No Additional Conservation (acre-feet/year)	Scenario Two, No Additional Conservation (acre-feet/year)	Conservation Case Per Capita Use (gallons/day)	Scenario One, Additional Conservation (acre-feet/year)	Scenario Two, Additional Conservation (acre-feet/year)
2014	200	1,739	1,739	200	1,739	1,739
2015	200	1,804	1,844	198	1,786	1,826
2020	200	2,177	2,368	188	2,049	2,229
2025	200	2,611	2,855	179	2,338	2,556
2030	200	3,141	3,436	170	2,675	2,925
2035	200	3,779	4,133	162	3,060	3,347
2040	200	4,559	4,986	154	3,510	3,839
2045	200	5,469	5,982	146	4,005	4,380
2050	200	6,579	7,196	140	4,605	5,037
2055	200	7,915	8,657	140	5,540	6,060

Note that in the Conservation Case, annual per capita use reduction of one percent per year ceased at 140 gallons per day resulting in a larger increase for the period between 2045 and 2055 than for the previous periods.

FIGURE 3
Per Capita Water Use Projections Comparison: Previous and Current Studies
City of Bastrop, Water Demand Projections

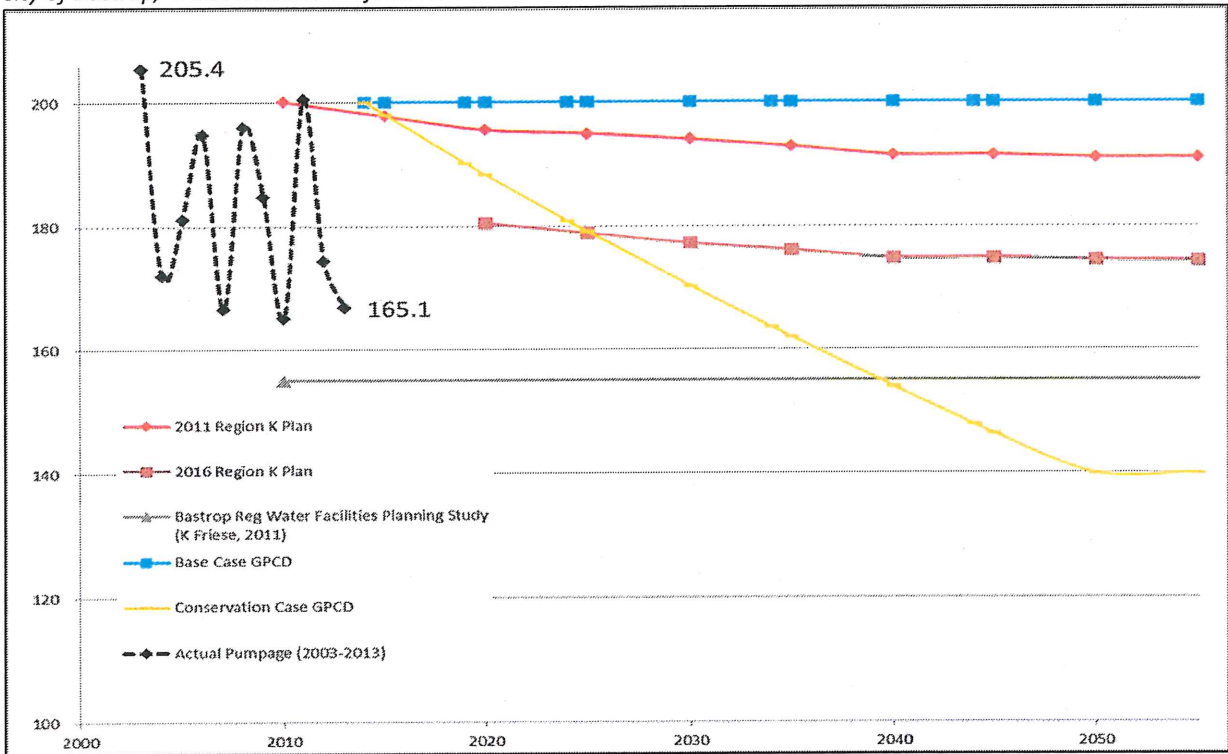
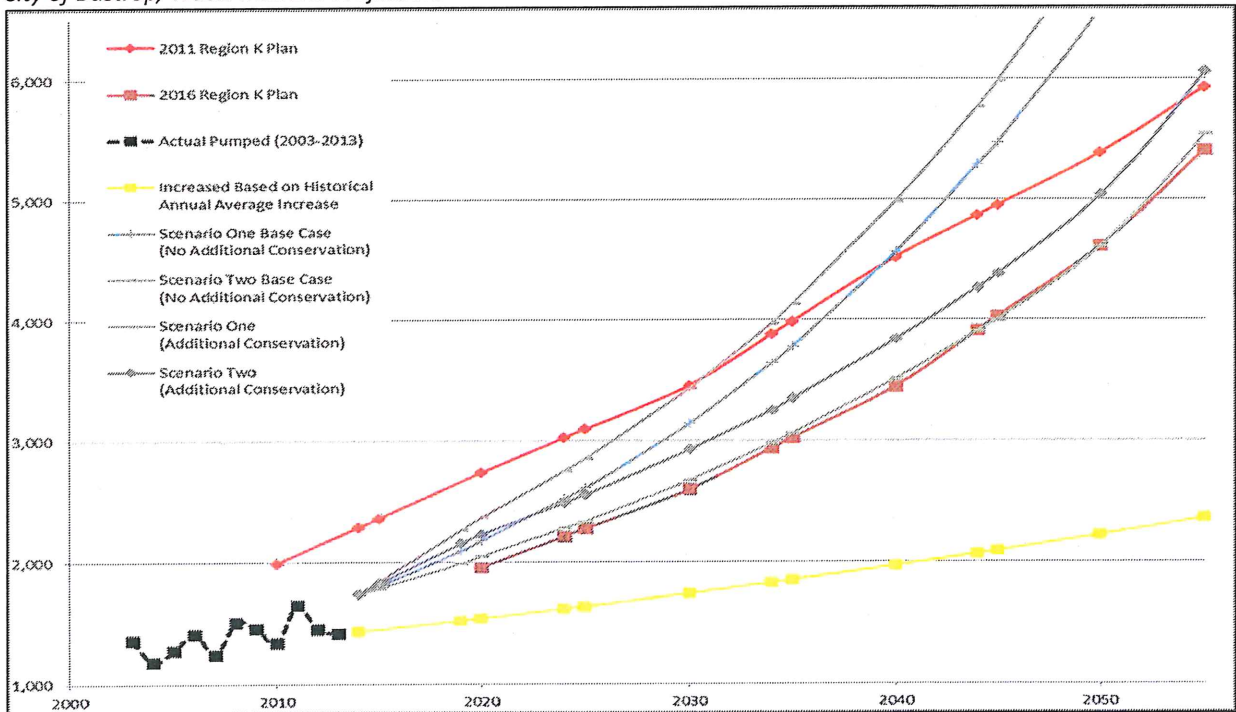


FIGURE 4
Water Demand Projections Comparison: Previous and Current Studies
City of Bastrop, Water Demand Projections



Note water demands developed for the K Friese study were for a study area larger than the current water service area, thus have not been included for comparison purposes.

6.0 Considerations for Meeting Future Water Supply Needs

Planning for water supply to meet future demands requires consideration of many factors and uncertainties. Many communities account for these uncertainties by including a margin of safety in water demand forecasts. Factors that the City may want to consider when adopting a water demand scenario for planning purposes include:

- **Regional context and population growth** – Bastrop is situated in a high-growth corridor and may experience growth higher than that experienced historically. Increasing housing costs in the City of Austin and land development opportunities resulting from the completion of SH 130 and other major transportation corridors may contribute to the future growth within the City. As noted in Section 5.1.1, the Metropolitan Statistical Area is one of the most rapidly growing regions in the country. The forecasting challenge is identifying when a steep increase is most likely to happen, not if it will happen.
- **Economic development** – The Bastrop Economic Development Strategy completed by the Bastrop Economic Development Corporation in 2013 establishes strategies to attract targeted industries including: 1) hospitality and retail; 2) life sciences; 3) information technology (IT); and 4) manufacturing. If the development strategies are successful in attracting businesses to the City, water use would be expected to increase disproportionately with population growth such that the per capita use values used for planning could actually be higher in the future, even if water use efficiency increases. Other initiatives such as the “Bastrop, Elgin, Smithville Texas,” or BEST, campaign could also accelerate growth within the service area. The Region K Water Plan provides estimates of the economic impacts if water demands are not met.
- **Future land uses within the City of Bastrop** – The 2000 Land Use Survey indicated that 49.5 percent of land within the existing city limits was undeveloped at that time. The potential exists for much of the land to be commercially developed, which could result in a higher per capita water use than anticipated, even if the residential population growth rate remains constant with, or decreases from, historical trends.
- **Annexation/service area expansion** – While the City’s service area is currently constrained by service areas of other water providers, the City may seek to extend its certificated area to serve residents and businesses as the city limit boundaries are expanded due to annexation. Recent annexations such as that in the XS Ranch Development Agreement provide indications of the City’s growth policy. If the water service area expands, additional water supply would be needed to meet future needs for users currently outside the city limits. The growth rate in Bastrop County has surpassed that within the City during some previous periods.
- **Climate variability or extended drought** – As noted, peak monthly water usage has been up to 3 times as much as low water use months, indicating high outdoor water use corresponding to temperature and low precipitation conditions. Without aggressive water use efficiency (conservation measures) and drought curtailment measures, climate variability would likely result in higher than average water demand. In some cases, extended drought can also increase system losses due to leaks as soils shrink and expand due to dry conditions. Furthermore, if the water supply is affected by drought conditions or restrictions, then having a water supply that exceeds water demand projections would provide a cushion to ensure an adequate water supply for the City.
- **New supply development timelines** – Many groundwater supply projects require up to 10 years to develop and be fully operational. The time required for supply acquisition, permitting, rights-of-way acquisition, financing, design and construction can vary substantially from planned durations. Delays can extend the development schedule in some instances. In the Central Texas area, competing demands for nearby supplies could extend the development timeline if more distant sources are required to meet future demands.

- **Regulatory uncertainty** – Groundwater conservation districts may impose pumping rules that reduce production volumes on a pro rata basis if permitted production exceeds management targets, such as adopted “Desired Future Conditions.” Acquiring supplies sufficient to meet future water needs in the event of such potential pro rata reductions may help ensure an adequate water supply to meet future needs.
- **Conservation adoption rates** – While the City is planning to invest in Advanced Metering Infrastructure and revise its Water Conservation Plan, both of which are expected to increase water use efficiency, achieving an annual one percent reduction in per capita usage requires end users to install water-efficient appliances, irrigation equipment and commercial equipment, as well as change water use behavior. If customers do not adopt water-efficient technologies and practices or if regulations to limit water waste are not adopted, demand scenarios reflecting aggressive conservation may underestimate required future water supply.
- **System capacity requirement** - Although a system capacity analysis was not conducted as a part of this study, the volume of water to ensure adequate water supply should also consider compliance with Texas Commission on Environmental Quality (TCEQ) capacity standards for Public Water Systems as found in 30 TAC 290.45 (D). TCEQ requires that a groundwater-based system serving 250 connections or more have a minimum of 2 wells that produce a minimum of 0.6 gallons per minute (gpm) per connection and that “two or more pumps that have a total capacity of 2.0 gpm per connection or that have a total capacity of at least 1,000 gpm and the ability to meet peak hourly demands with the largest pump out of service, whichever is less, at each pump station or pressure plane.”

To plan for such uncertainties, some communities seek to invest to acquire 100 percent of their long-term supply in the near-term; however, this may not be feasible due to limited financial resources. Policies requiring stringent drought or water shortage curtailment are sometimes considered as alternatives to investing in additional water supplies sufficient to meet drought conditions. Such measures also require financial investment and can affect utility revenues. Financial assistance programs may be available to support conservation and water supply development projects. For example, the Texas Water Development Board administers the State Participation Program and other funding programs that defer repayment of loans used for developing future supplies to allow water providers’ customer bases to grow.

7.0 Summary

30-year water demand forecasts were developed for the City of Bastrop. Numerous uncertainties exist regarding such long-term forecasts. Further, policies regarding growth, land use, and drought curtailment regulations will affect future water demands for the City. Regardless of growth management and land use policies that might affect future water demands, however, increasing water use efficiency throughout the service area is recommended.

To mitigate some of the risks and uncertainties related to meeting future water needs, the City may wish to consider a planning goal to have water supply on-hand or reserved ten years ahead of forecast demand to mitigate some of the risks and uncertainties associated with meeting future water needs. Table 7 on the following page summarizes projected water needs for the 30-year and 40-year planning horizons to meet such a planning goal.

TABLE 7
Water Demand Forecast With Conservation, 2045 and 2055
City of Bastrop, Water Demand Projections

Year	Scenario One, Additional Conservation (acre-feet/year)	Scenario Two, Additional Conservation (acre-feet/year)
2045	4,005	4,380
2055	5,540	6,060

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LOST PINES GROUNDWATER CONSERVATION DISTRICT

**AN ORDER APPROVING AN OPERATING PERMIT FOR WELL NO. 1 FOR THE
CITY OF BASTROP**

WHEREAS, the City of Bastrop submitted an application for an Operating Permit authorizing withdrawal of 2,000 acre-feet of water per year from the Simsboro aquifer at a maximum rate of 1,500 gallons per minute from Well No. 1 in Bastrop County, to be used for municipal purposes within the City of Bastrop's CCN service area (the "Application"); and

WHEREAS, after proper notice under District Rule 14.3.C, the Board of Directors of the District (the "Board") held a public hearing on the Application at 6:00 p.m. on April 29, 2015, at the City of Bastrop City Hall in Bastrop, Texas; and

WHEREAS, on April 23, 2015, the District received requests for a contested case hearing on the Application from the following persons: Lyn F. Caliva and Janet Spencer; Christi Martinez and Robert Martinez; Charles Tarket; Troy, David and Kay Graves; Paul Diamond; Linda Evans-Logan and James H. Logan; and Anita Kay Linenberger, Aya Linenberger-Lueders, and Dara K. Hofferek; and

WHEREAS, on April 24, 2015, the District received requests for a contested case hearing on the Application from the following persons and entities: Maurice Bennight, Marlene Bennight and Karen Sue Bennight Morris; Forestar (USA) Real Estate Group, Inc.; and McCall Ranch, L.P and Mary Jo Goertz; and

WHEREAS, on May 13, 2015 the Board issued an order granting the request of McCall Ranch, L.P. and Mary Jo Goertz, and referring all other requests to the State Office of Administrative Hearings; and

WHEREAS, on June 12, 2015, the State Office of Administrative Hearings Administrative Law Judge granted party status to Christi Martinez, Robert Martinez, Troy Graves, David Graves, Kay Graves, Paul Diamond, Linda Evans-Logan, James Logan, Anita Kay Linenberer, Aya Linenberger-Lueders, Dara Hofferek, Maurice Bennight, Marlene Bennight, and Karen Sue Bennight Morris; and

WHEREAS, on July 2, 2015, the SOAH ALJ granted Lyn F. Caliva, Janet Spencer, Charles Tarket, and the Bar W. Ranch's requests for party status; and

WHEREAS, on July 7, 2015, the SOAH ALJ granted Forestar's request for party status; and

WHEREAS, on December 29, 2015, the SOAH ALJ granted Forestar's request to withdraw as a party; and

WHEREAS, on January 21, 2016, the SOAH ALJ granted the Motion to Intervene and for Party Status of Grant Crump, David Odom, Jimmy Odom, Linda Odom, Tommy Odom, Linda Odom, Jimmy Williamson, and Sarah Williamson; and

WHEREAS, a contested case hearing at which all parties were represented was held from March 23 to 25, 2016; and


WHEREAS, on July 26, 2016, the Administrative Law Judge issued a Proposal for Decision related to the Application; and

WHEREAS, at a public meeting on October 12, 2016, after closing the public hearing and upon considering the record from the contested case hearing as well as the Proposal for Decision issued by the Administrative Law Judge, under the factors as set out in Chapter 36 of the Texas Water Code and the District Rules, the Board voted to: (i) approve the Proposal for Decision and adopt the findings of fact and conclusions of law proposed by the Administrative Law Judge; and (ii) approve an operating permit for Well No. 1 in the form attached to this Order;

NOW THEREFORE, the Board APPROVES the issuance of the Permit for Well No. 1, in the form attached hereto, and further

ADOPTS the Administrative Law Judge's Proposal for Decision and the findings of fact and conclusions of law contained therein.

ISSUED:



Vice President, Lost Pines Groundwater
Conservation District Board of Directors

Date: November 16, 2016

LOST PINES GROUNDWATER CONSERVATION DISTRICT OPERATING PERMIT

District Well Number: 5854819

Permit Approved: October 12, 2016

Permittee:

City of Bastrop
Attn: Marvin Townsend
1311 Chestnut Street
Bastrop, Texas 78602

Location of Well: approximately 0.1 miles west of Phelan Road in Bastrop County, Texas
(30°9'32.76"N 97°19'41.88"W)

Permittee is authorized to operate Well No. 5854819 within the Lost Pines Groundwater Conservation District under the following conditions:

Authorized annual withdrawal: 2,000 acre-feet per year

Maximum rate of withdrawal: 1,500 gallons per minute

Aquifer unit: Simsboro

Type of water use: Municipal

Place of water use: City of Bastrop water service area

Standard Permit Provisions:

This Operating Permit is granted subject to the District Rules, the orders of the Board, the District Management Plan, and Chapter 36 of the Texas Water Code. In addition to any well-specific permit provisions and special conditions included in this Operating Permit, this Operating Permit includes the following provisions:

- (1) This permit is granted in accordance with District Rules, and acceptance of this permit constitutes an acknowledgement and agreement that Permittee will comply with the terms, conditions, and limitations set forth in this permit, the District rules, the orders of the Board, and the District Management Plan.
- (2) Water withdrawn under the permit must be put to beneficial use at all times, and operation of the permitted well in a wasteful manner is prohibited.

- (3) Water produced from the well must be measured using a water measuring device or method approved by the District that is within plus or minus 10% of accuracy.
- (4) The well site must be accessible to District representatives for inspection, and Permittee agrees to cooperate fully in any reasonable inspection of the well and well site by District representatives.
- (5) Permittee will use reasonable diligence to protect groundwater quality.
- (6) Permittee will follow well plugging guidelines at the time of well closure.
- (7) The application pursuant to which this permit has been issued is incorporated in this permit by reference, and this permit is granted on the basis of and contingent upon the accuracy of the information provided in that application. A finding that false or inaccurate information has been provided is grounds for revocation of the permit.
- (8) Violation of the permit's terms, conditions, requirements, or special provisions, including pumping amounts in excess of authorized withdrawals, may subject the permittee to enforcement action under District Rules.
- (9) Whenever the special conditions in the permit are inconsistent with other provisions of the permit or the District Rules, the special condition will prevail.

Special Conditions:

This Operating Permit is granted subject to the following special conditions:

- (1) Within 180 days of the date of issuance of this permit, Permittee shall complete a 36-hour pump test that complies with District Rule 5.1.B(5) and report the results of the test to the District.
 - (a) Permittee shall produce groundwater from the well at an instantaneous rate of 1,500 gpm during the 36-hour pump test.
 - (b) Permittee shall provide the District with not less than 75 days' prior notice of the date the 36-hour pump test will begin.
 - (c) No less than 60 days before the date that the 36-hour pump test begins, the General Manager will mail notice of the 36-hour pump test to all property owners within 5,000 feet of the location of Well No. 1, as shown in the county tax rolls on the date the notice is mailed. The notice will describe the date that the 36-hour pump test will begin, the general nature of the pump test, and the process for requesting

monitoring of a well located within 5,000 feet from the location of Well No. 1 during the 36-hour pump test.

(d) Permittee will pay all costs of the 36-hour pump test and the monitoring of other wells.

(e) Within thirty (30) days of the completion of the 36-hour pump test, Permittee will provide the data gathered at Well No. 1 and at the monitored wells during the pump test to the General Manager.

(f) The General Manager will review the results of the 36-hour pump test to determine if the monitored wells were impacted by pumping from Well No. 1 during the 36-hour pump test. If the General Manager determines that one or more wells were impacted by the pumping from Well No. 1 during the 36-hour pump test, then the General Manager will compare the impact of the pumping of Well No. 1 during the 36-hour pump test on those monitored wells to the predicted impact of the pumping from Well No. 1 during a 36-hour pump test on those monitored wells at an instantaneous rate of 1,000 gpm. If the General Manager determines that pumping from Well No. 1 at 1,500 gpm causes significantly more impact on those monitored wells than the predicted impact on those monitored wells of pumping from Well No. 1 at 1,000 gpm, then the General Manager may reduce the authorized maximum annual withdrawal amount under this permit to 1,600 acre-feet per year and the authorized maximum rate of withdrawal under this permit to 1,000 gpm. The General Manager will mail notice of his decision to reduce the maximum annual withdrawal amount and maximum rate of withdrawal or not to reduce the maximum annual withdrawal amount and maximum rate of withdrawal to Permittee and all owners of monitored wells no later than the 60th day after receipt of the information described in subsection (e).

(g) Permittee or the owner of a monitored well may appeal the General Manager's decision under subsection (f) to the Board under District Rules.

(2) Within 30 calendar days of the issuance of this Permit, Permittee shall pay \$50,000 into an escrow account at a bank in Bastrop to serve as a well Mitigation Fund. Thereafter, Bastrop will deposit \$10.00 per acre-foot of water produced from Well No. 1 into the Mitigation Fund within 30 days of the end of the month that the water was produced. Bastrop's monetary obligation to the Mitigation Fund is capped at a total of \$100,000.

(a) To receive reimbursement for mitigation costs, well owners must submit their request for reimbursement and proof of material impact no later than the 10th anniversary of the date that Permittee begins production from Well No. 1. After such 10th anniversary, any unused money in the Mitigation Fund and interest shall be returned to Permittee.

- (b) Further conditions for the Mitigation Fund for well owners are as follows:
1. Any Simsboro well owner located within 5,000 feet of Well No. 1 may seek reimbursement of actual well mitigation costs (such as the cost of lowering the well pump because of artesian drawdown) if pumping from Well No. 1 is a substantial contributing factor causing a material reduction in the groundwater level or artesian pressure in such well owner's well(s).
 2. Any Simsboro well owner seeking reimbursement of costs must have registered the well with the District before seeking reimbursement and not later than January 31, 2016.
 3. Any Simsboro well owner seeking reimbursement of costs must have established baseline information prior to the 36-hour pump test of Well No. 1, including without limitation: depth of well and pump; formation into which the well is completed; potentiometric surface (water level) before and after the 36-hour pump test for Well No. 1. Any Simsboro well owner within 5,000 feet of Well No. 1 may use the Mitigation Fund to establish the baseline information, provided the information is gathered by the independent, licensed hydrologist identified in Item Number 5, below, and such information is provided to Permittee and the District.
 4. Any Simsboro well owner seeking reimbursement of costs must demonstrate by convincing evidence that:
 - a. the well owner's well is completed in the Simsboro Aquifer;
 - b. pumping from Well No. 1 is a substantial contributing factor to the reduction in groundwater level or artesian pressure in the well owner's well (e.g., any decline that occurred before Permittee begins operations at Well No. 1 is, of course, not caused by Permittee) and that the reduction caused the well owner to incur well mitigation costs for which the well owner seeks reimbursement; and
 - c. the well owner's well was in continuous use for at least one year prior to June 11, 2015.
 5. An independent, licensed hydrologist identified by Permittee and approved by the District will review the well owner's proof of material impact caused by pumping from Well No. 1 and reimbursement request and, in the discretion of the independent, licensed hydrologist, determine the amount, if any, that should be reimbursed to the well owner to mitigate the material impact on the well.

(3) This permit is issued subject to any future production limits adopted by the District under the District Rules.

Term:

(1) This Operating Permit shall automatically terminate if, within 180 days of the date of issuance of the permit, (1) the permitted well has not been completed or (2) the well log required by Texas Occupations Code Section 1901.251 has not been filed with the District, unless the Permittee files a request for an extension of time to drill the well as provided in the District Rules.

(2) This Operating Permit shall automatically terminate if, within 24 months of the date that the permitted well is completed, the Permittee has not used water from the permitted well for a purpose authorized in the Operating Permit, unless the Permittee requests an extension of time to operate the well as provided in the District Rules.

(3) This Operating Permit shall be effective for a period of five years from the date the permit is approved, unless terminated, amended or revoked as provided in the District Rules.

Acceptance of this permit by the Permittee constitutes acknowledgment and agreement to comply with all of the terms, provisions, conditions, and restrictions stated in the permit and the rules of the Lost Pines Groundwater Conservation District.

ISSUED:

Vice-President, Lost Pines Groundwater
Conservation District Board of Directors

Date: _____