NOTICE OF REGULAR MEETING

LCST CREEK MUNICIPAL UTILITY DISTRICT

January 21, 2014 - 6:30 p.m.

TO: THE BOARD OF DIRECTORS OF LCST CREEK MUNICIPAL UTILITY DISTRICT OF TRAVIS COUNTY, TEXAS, AND ALL OTHER INTERESTED PERSONS

Notice is hereby given that the Board of Directors of Lost Creek Municipal Utility District of Travis County, Texas, will hold a regular meeting in the Community Meeting Room of the Lost Creek MUD Office located at 1305 Quaker Ridge Drive, Austin, Texas, on Tuesday January 21, 2014 at 6:30 p.m. to consider and act on the following matters:

AGENDA*

1. Board Convenes - Roll Call
2. Citizen Communications
3. Announcements (Clark)
4. Consent Agenda
   a. Treasurer’s Report
   b. Bookkeeper’s Reports - (MAC)
      i. January 2014 - Fund Balance and Disbursement Reports
      ii. January 2014 - Budget Review
   c. Payment Approval List (Clark)
      i. Freeman & Corbett, District Attorney
      ii. Pinnacle Texas Management Services, LLC
      iii. Municipal Accounts and Consulting, LP
      iv. Judy Osborn, Attorney
      v. Baker-Aiklen Associates
   d. Approve Minutes (Sertich)
      i. December 17, 2013
5. Deed Restriction Matters (Emmons, Clark)
a. Deed Enforcement Officer's Report
b. Deed Restriction Enforcement Committee and Legal Counsel recommended enforcement action/litigation for:
   i. 1905 Big Canyon

6. Discussion and Action concerning:
   a. Financial Matters (Clark)
      i. Annual Financial Audit Report
      ii. Bank Depository Services Agreement
      iii. Investment Policy and Investment Strategies
   b. Signage Matters (Clark)
      i. Request from the LCNA concerning installation of radar speed signs within Lost Creek
      ii. Trailhead sign replacements
   c. Office Building improvements project (Clark)
      i. Resident Survey
      ii. Other Action related thereto
   d. Odor Control System for the wastewater treatment plant (Clark)
      i. Discussion and action regarding proposals from vendors
      ii. Discussion and action regarding lease purchase agreement
      iii. Authorize such other action as may be necessary to proceed with project
   e. Proposal from Baker-Aiklen Associates to conduct survey and prepare easement documents for storage area at Lost Creek Wastewater Treatment Plant (Clark)
   f. Seek bids for landscape improvements in the Lost Creek Median (Clark)
   g. Board Officer Positions (Veregge)
   h. Board Committee Assignments (Veregge)
      i. Employment contract of Owen Ready (Clark)

7. General Manager's Report (Clark)
   a. Replat of 1305 Quaker Ridge
   b. Median electrical improvements project
c. Water Conservation Report - December 2013

d. Monthly Metrics - December 2013

e. Monthly District facilities water use - December 2013


9. Set date and time for the March 2014 Regular Board meeting

10. Adjourn

*The Board of Directors may go into Executive Session, if necessary, pursuant to the applicable section of Subchapter D, Chapter 551, Texas Government Code, of the Texas Open Meetings Act, on any of the above matters.

No final action, decision, or vote will be taken on any subject or matter in Executive Session.

The District is committed to compliance with the Americans with Disabilities Act. Reasonable modifications and equal access to communications will be provided upon request. Please call 512-327-6243 for further information.

Tom Clark, General Manager
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Announcements

Summary
1) Documents to sign
   a. Minutes (Director Sertich)
   b. Investment Policy (Directors Verregge and Sertich)
Consent Agenda
Treasurer Report
Bookkeeper
Board Members, the Bookkeeper report is not complete. It will be emailed to directly as well as a hard copy at your place on Board Meeting day. Thanks

Teresa Castellon
Payment Approval
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Payment Approval

Summary
The following consultants have submitted invoices and payment is recommended.

Freeman Corbett, legal services - $1,550.30
Pinnacle Texas Management Services Inc., deed enforcement - 950.00
Judy Osborne Attorney, legal services - 180.00
Baker-Aiklen & Associates, office replat - 600.00
Municipal Accounts, Bookkeeping services - 3,331.28

$6,611.58
January 06, 2014

Lost Creek Municipal Utility District
Tom Clark, General Manager
1305 Quaker Ridge Drive
Austin, TX 78746.

Re: Various Matters

Dear Mr. Clark:

Enclosed are fiscs for legal services through December 2013. Your prompt payment is appreciated.

If you have questions, please call us at 512 451-6689.

Sincerely,

Tony Corbett

Enclosure
FREEMAN & CORBETT
8500 BLUFFSTONE COVE
SUITE B-104
AUSTIN, TX 78759

Invoice submitted to:
Lost Creek Municipal Utility District
Tom Clark, General Manager
1305 Quaker Ridge Drive
Austin, TX 78746

January 06, 2014
In Reference To: General.
Invoice #13010

<table>
<thead>
<tr>
<th>Professional Services</th>
<th>Hrs/Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/17/2013 ASC</td>
<td>4.50</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>Prepare for and participate in Board of Directors' meeting (flat fee).</td>
<td>250.00/hr</td>
<td></td>
</tr>
</tbody>
</table>

For professional services rendered

Additional Charges:

<table>
<thead>
<tr>
<th>12/31/2013</th>
<th>Copy charges - December 2013</th>
<th>0.30</th>
</tr>
</thead>
</table>

Total additional charges

Total amount of this bill

Monthly Flat Fee.

Previous balance

$1,000.00

Accounts receivable transactions

12/20/2013 Payment - Thank You. Check No. 4979

Total payments and adjustments

($1,000.00) ($1,000.00)

Balance due

$1,000.30
Lost Creek Municipal Utility District

In Reference To: Deed Restriction Enforcement.

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Previous balance</td>
<td>$275.00</td>
</tr>
<tr>
<td>Accounts receivable transactions</td>
<td></td>
</tr>
<tr>
<td>12/20/2013 Payment - Thank You. Check No. 4979</td>
<td>($275.00)</td>
</tr>
<tr>
<td>Total payments and adjustments</td>
<td>($275.00)</td>
</tr>
<tr>
<td>Balance due</td>
<td>$0.00</td>
</tr>
</tbody>
</table>
Lost Creek Municipal Utility District

In Reference To: Special Projects.
Invoice #13011

<table>
<thead>
<tr>
<th>Date</th>
<th>ASC</th>
<th>Description</th>
<th>Hrs/Rate</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/17/2013</td>
<td>ASC</td>
<td>Conference with Director Naeve regarding pending legal matters.</td>
<td>1.00</td>
<td>250.00</td>
</tr>
<tr>
<td>12/19/2013</td>
<td>ASC</td>
<td>Correspond with T. Clark and J. Osborn regarding contract employment matters. Update Investment Policy.</td>
<td>1.20</td>
<td>300.00</td>
</tr>
</tbody>
</table>

For professional services rendered

Previous balance

Accounts receivable transactions

12/20/2013 Payment - Thank You. Check No. 4979

Total payments and adjustments

Balance due

2.20 $550.00

$2,775.00

($2,775.00)

$550.00

250.00/hr

250.00/hr
**FREEMAN & CORBETT**
8500 BLUFFSTONE COVE
SUITE B-104
AUSTIN, TX 78759

Invoice submitted to:
Lost Creek Municipal Utility District
Tom Clark, General Manager
1305 Quaker Ridge Drive
Austin, TX 78746

January 06, 2014

<table>
<thead>
<tr>
<th>Project Billing Summary</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fees/ Costs</th>
<th>Payments/ Credits/ Refunds</th>
<th>Pre/ Bal/ New Chgs/ Pm/Cr/Ref/ New Bal</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In Reference To: General.
Invoice #13010

$1,000.00  ($1,000.00)  $1,000.00
$0.30  $0.00  $1,000.30

In Reference To: Deed Restriction Enforcement.

$0.00  ($275.00)  $275.00
$0.00  $0.00  $0.00

In Reference To: Special Projects.
Invoice #13011

$550.00  ($2,775.00)  $2,775.00
$0.00  $0.00  $550.00

<table>
<thead>
<tr>
<th>GRAND TOTAL</th>
<th></th>
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<tbody>
<tr>
<td></td>
<td>$1,550.00</td>
<td>($4,050.00)</td>
</tr>
<tr>
<td></td>
<td>$0.30</td>
<td>$0.00</td>
</tr>
</tbody>
</table>

$4,050.00  $1,550.30
# Invoice

**Bill To**
Lost Creek MUD  
Tom Clark

**Ship To**

**P.O. #**

**Terms** Net 30

**Ship Date** 1/1/2014

**Due Date** 1/31/2014

## Item Table

<table>
<thead>
<tr>
<th>Item Description</th>
<th>Qty</th>
<th>Price</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deed Restriction Enforcement for month of January 2014</td>
<td>1</td>
<td>925.00</td>
<td>925.00</td>
</tr>
</tbody>
</table>

**Subtotal** $925.00  
**Sales Tax (0.0%)** $0.00  
**Total** $925.00  
**Payments/Credits** $0.00  
**Balance Due** $925.00
FOR PROFESSIONAL SERVICES RENDERED
ON OR BEFORE DECEMBER 31, 2013

12/19/13 Review contract provisions; revise same; email exchanges with Tom Clark and Tony Corbett regarding same.

| Current Fees:        | $180.00 |
| Previous Balance:    | $1,195.00 |

12/19/2013 Payment - Thank You.

| Total payments and adjustments | ($1,195.00) |

| Balance Due:            | $180.00 |
Baker-Acklen & Associates, Inc.
507 West Liberty Ave.
Round Rock, Texas 78664

December 19, 2013
Project No: 2264-3-001
Invoice No: 21312007

LOST CREEK M.U.D.
1305 Quaker Ridge Drive
Austin, TX 78746

Project 2264-3-001 Hills of Lost Creek
Professional Services from November 25, 2013 to December 15, 2013

<table>
<thead>
<tr>
<th>Project Phase</th>
<th>Budget</th>
<th>Previous Amount Billed</th>
<th>Current Fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>10 Replat Processing</td>
<td>2,500.00</td>
<td>140.00</td>
<td>27.50</td>
</tr>
<tr>
<td>20 Replat Preparation</td>
<td>4,250.00</td>
<td>3,677.50</td>
<td>572.50</td>
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<tr>
<td>99 Reimbursables</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Total Fee</strong></td>
<td><strong>6,750.00</strong></td>
<td><strong>3,817.50</strong></td>
<td><strong>600.00</strong></td>
</tr>
</tbody>
</table>

Total Fee 600.00
Total this Invoice $600.00

Billings to Date

<table>
<thead>
<tr>
<th>Current</th>
<th>Prior</th>
<th>Total</th>
<th>Received</th>
<th>A/R Balance</th>
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</thead>
<tbody>
<tr>
<td>600.00</td>
<td>3,817.50</td>
<td>4,417.50</td>
<td>3,817.50</td>
<td>600.00</td>
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Project Manager - MARGARET NOLEN

Received Dec 26 2013
**Invoice**

<table>
<thead>
<tr>
<th>Date</th>
<th>Invoice No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>12/31/2013</td>
<td>32035</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monthly Bookkeeping</td>
<td>1,500.00</td>
</tr>
<tr>
<td>Preparation of Tax Analysis</td>
<td>100.00</td>
</tr>
<tr>
<td>Preparation of Capital Asset &amp; Depreciation Schedules</td>
<td>1,250.00</td>
</tr>
<tr>
<td>Preparation of additional payables</td>
<td>100.00</td>
</tr>
<tr>
<td>Preparation for Additional Payroll</td>
<td>100.00</td>
</tr>
<tr>
<td>Prepared additional information per Auditors request</td>
<td>50.00</td>
</tr>
<tr>
<td>Delivery</td>
<td>13.50</td>
</tr>
<tr>
<td>Postage</td>
<td>54.28</td>
</tr>
<tr>
<td>Copies</td>
<td>144.65</td>
</tr>
<tr>
<td>Document Storage &amp; Retention Service</td>
<td>8.00</td>
</tr>
<tr>
<td>Total Reimbursable Expenses</td>
<td>220.43</td>
</tr>
<tr>
<td>Mileage</td>
<td>10.85</td>
</tr>
</tbody>
</table>

**Total** $3,331.28
MINUTES OF REGULAR MEETING
BOARD OF DIRECTORS

LOST CREEK MUNICIPAL UTILITY DISTRICT
Travis County, Texas

December 17, 2013

The Board of Directors of Lost Creek Municipal Utility District of Travis County, Texas, convened in a regular meeting at the Lost Creek MUD administrative office located at 1305 Quaker Ridge Drive, Austin, Travis County, Texas, on Tuesday, December 17, 2013. Lawful and proper notice of the time, place and the subject of the meeting was posted at the place and time required by law.

Directors:                         President
                                 Steve Veregge     Nancy Naeve
                                 Secretary
                                 Gary Sertich     Asst. Secretary-Treasurer
                                 Eric Castro     Leah Stewart
                                 Director

General Manager:                   Tom Clark
District Attorney:                 Tony Corbett
                                 Freeman & Corbett
Bookkeeper:                       Michael Luft (Municipal Accounts & Consulting)
Deed Restriction Enforcement Officer: Tanya Emmons (Pinnacle Texas Management Services)
Residents and guests:              Shelly Detomaso-Shaw, Madeleine Conner, Doug Hooks

1. **Board Convenes, and Roll Call (Agenda Item 1)**

   Director Sertich called the meeting to order at 6:30 p.m. Directors Sertich, Naeve and Castro were present, thus constituting a quorum.

2. **New Director Matters (Agenda Item 6(a))**

   Director Naeve moved that the Board approve the Oath of Office, Statement of Officer and Director Bond for Leah Stewart and otherwise determine that she has
qualified to serve as director of the District. Director Castro seconded the motion, which passed unanimously (3-0). Director Stewart then took her seat at the dais.

3. **Citizen Communications (Agenda Item 2)**

A representative of the LCNA addressed the Board regarding the proposed condominium project to be located on Lost Creek Boulevard and related deed restrictions.

4. **Announcements (Agenda Item 3)**

Mr. Clark identified handouts to the Board, announced the date for the District's holiday luncheon, and announced the holiday hours for the administrative office.

5. **Consent Agenda (Agenda Item 4)**

Director Castro moved that the Board approve the Consent Agenda subject to revision of the meeting minutes for the Board's last meeting to reference the persons seeking appointment to the vacancy on the Board. Director Naeve seconded the motion, which passed unanimously (4-0).

After approval of the Consent Agenda, Michael Luft of MAC explained why the bookkeepers report identifies certain check payments being out of sequence. He said that those checks represent checks completed by the General Manager during the normal course of business of the District, as opposed to the checks processed by MAC.

6. **Deed Restriction Enforcement (Agenda Item 5)**

The Board discussed the Deed Restriction Enforcement Officer's monthly report. The Board then considered potential deed restriction violations at 1703 Lost Creek Boulevard and 1905 Big Canyon. Mr. Clark reported that no corrective action had been taken by the property owners. Mr. Corbett reported that he had not received any responses to the demand letters previously sent. After discussion, the Board requested the General Manager to continue efforts to contact the property owners, and further requested that the properties be placed on the next meeting agenda for further consideration and potential enforcement action.

7. **Restrictive Covenant (Agenda Item 6(b))**

The Board considered the proposed Second Amendment to Restrictive Covenants for the condominium project to be located on Lost Creek Boulevard. The Board discussed at length whether to include additional deed restrictions for the project to address matters that were not included in the deed restrictions negotiated by LCNA with the property owner. After extensive discussion, Director Stewart moved that the Board approve the Second Amendment to Restrictive Covenants
as presented. Director Castro seconded the motion, which passed unanimously (0-0).

8. **Potential Improvements to Administrative Office and Committee Report**  
   *(Agenda Items 6(c) and 6(d))*

The Board discussed the questions included within the draft survey prepared by the committee appointed by the Board at its prior meeting. The purpose of the survey would be to solicit citizen input regarding potential uses for the building that could be addressed in connection with any modifications to the building. The Board also discussed whether the committee previously was authorized to send the survey out to the community. After discussion, the Board took no action and tabled further consideration of the matters.

9. **Lease Purchase of Odor Control Equipment (Agenda Item 6(e))**

After receipt of a status report from Mr. Clark, the Board directed Mr. Clark to proceed with issuance of a Request for Proposals from potential vendors of odor control equipment. The Board also directed him to try to secure the form of a lease purchase agreement from the City of Austin. No further action was taken.

10. **Surplus Property (Agenda Item 6(f))**

The Board discussed the disposition of property that was no longer needed by the District, and the potential future disposition of property that would no longer be needed after the City of Austin assumes water and sewer service responsibility. The Board directed Mr. Clark to determine whether the City of Austin desired any of the equipment that would be surplus property upon transfer of operations to the City. The Board further directed Mr. Clark to proceed with the disposition of any surplus personal property valued at less than $350.

11. **Utility Billing Procedures (Agenda Item 6(g))**

Mr. Clark presented proposed revisions to the utility billing procedures to facilitate the transition of utility services to the City of Austin, which has different billing and payment dates than the District. Upon a motion by Director Stewart, seconded by Director Naeye, the Board unanimously approved implementation of the revised billing procedures presented by the General Manager, commencing February 2014.

12. **Newsletter Articles (Agenda Item 6(f))**

Mr. Clark provided a report to the Board regarding articles to be included in the next newsletter. No action was taken with respect thereto.

13. **Board Officer Positions (Agenda Item 6(j))**
The Board tabled consideration of this matter until all directors could be present.

14. **Board Committee Assignments (Agenda Item 6(k))**

The Board also tabled consideration of this matter until all directors could be present.

15. **General Manager’s Report (Agenda Item 7)**

Tom Clark presented his monthly General Manager’s report. No action was taken by the Board.

16. **Standing Committee Reports (Agenda Item 8)**

There were no standing committee reports.

17. **Meeting Dates (Agenda Item 9)**

The Board scheduled the January regular meeting for February 18, 2014.

18. **Executive Session**

At 9:12 p.m., Director Sertich announced that the Board of Directors would go into Executive Session pursuant to the Open Meetings Act in order to discuss personnel matters, and to seek legal advice, regarding Agenda Item 6(i). At 9:20 p.m., Director Sertich reconvened the public meeting with all directors present and announced that no decisions or votes were taken in Executive Session.

19. **General Manager Employment Contract (Agenda Item 6(i))**

Director Naeve moved that the Board approve the amended Employment Contract with the General Manager as presented. Director Castro seconded the motion, which passed unanimously.

20. **Adjourn (Agenda Item 10)**

The Board adjourned the meeting at 9:22 p.m. by unanimous acclamation.

_________________________________________
Gary Sertich
Secretary
Deed Restriction Matters
<table>
<thead>
<tr>
<th>Address</th>
<th>Location</th>
<th>Issue Description</th>
<th>Status</th>
<th>Notice Type</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1905 Big Canyon Dr</td>
<td>Hills of Lost Creek Sec 2</td>
<td>Moorman Open Referred to Attorney 2/23/2012</td>
<td>3.09 Offensive Activities. No noxious or offensive activity shall be carried on upon any of said lots, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood...</td>
<td>Open</td>
<td>No Change</td>
</tr>
<tr>
<td>2004 Cape Coral Dr</td>
<td>Hills of Lost Creek Sec 2</td>
<td>Galton Open Flagged for Referral 7/31/2013</td>
<td>3.21 Maintenance. The exterior of any structure must be maintained in a manner acceptable in comparison with other structures in the Subdivision...</td>
<td>Open</td>
<td>Flagged for Referral</td>
</tr>
<tr>
<td>2000 Cypress Point E</td>
<td>Lost Creek Sec 1</td>
<td>Mear Open Flagged for Referral 7/11/2013</td>
<td>No noxious or offensive activity shall be carried on upon any of said lots, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood.</td>
<td>Open</td>
<td>Flagged for Referral</td>
</tr>
<tr>
<td>6520 Whitemarsh Valley Walk</td>
<td>Lost Creek Sec 3-A</td>
<td>Butler Open Flagged for Referral 9/12/2013</td>
<td>Property needs repair - porch column unpainted</td>
<td>Open</td>
<td>Flagged for Referral</td>
</tr>
<tr>
<td>1305 Wilson Heights Dr</td>
<td>Lost Creek Hilltop</td>
<td>Haupt Open Notice 12/5/2013</td>
<td>10. No noxious or offensive activity shall be carried on upon any of said lots, nor shall anything be done thereon which may be or become an annoyance or nuisance to the neighborhood...</td>
<td>Open</td>
<td>Notice</td>
</tr>
<tr>
<td>1729 Ben Crenshaw Way</td>
<td>Lost Creek Sec 3-A</td>
<td>Sutton Open Courtesy Notice 6/13/2013</td>
<td>Sports equipment in street impeding traffic.</td>
<td>Open</td>
<td>Notice</td>
</tr>
<tr>
<td>6307 Indian Canyon Dr</td>
<td>Hills of Lost Creek Sec 4</td>
<td>Webber Open Courtesy Notice 12/12/2013</td>
<td>Portable toilet, dumpster on driveway.</td>
<td>Open</td>
<td>Courtesy Notice</td>
</tr>
<tr>
<td>2205 Plumbrook Dr</td>
<td>Bluffs of Lost Creek</td>
<td>Shaffer Open Courtesy Notice 1/16/2014</td>
<td>Garage door crumpled.</td>
<td>Open</td>
<td>Courtesy Notice</td>
</tr>
<tr>
<td>Parking/Vehicles</td>
<td>RV in driveway</td>
<td>Open</td>
<td>3.10. No recreation vehicle larger than an ordinary van and no trailer, camper or other mobile-type home may be parked openly in the street, driveway or at any such place that may be seen from the street or by adjoining property owners...</td>
<td>Open</td>
<td>Courtesy Notice</td>
</tr>
</tbody>
</table>

Page 1 of 1
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Deed Restriction Matters

Summary
a. We will review the Deed Officer report at the meeting.

b. At the last meeting, the Board directed Staff to continue efforts to contact the residents at 1905 Big Canyon. The legal demand letter was hand delivered (taped on the front door) and a subsequent letter was delivered via US Mail. Attempts to contact by telephone and email have failed. Staff will check status on January 21 and brief the Board so a decision can be made to move forward with additional action if desired.
Financial Matters
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Financial Matters

Summary

i. The Auditor previously sent the draft audit the Board via email for review. We anticipate Mr. Brian Toldan from McCall Gibson Swedlund Barfoot PLLC will provide hard copies of the audit and present the annual audit to the Board for comment and possible acceptance.

ii. The bank depository agreement has expired and staff seeks direction from the Board if it wishes to bid the services or stay with its current bank Capital One and renew for another five year term.

iii. Annually, the district is required to update its Investment Policy and strategies and approve an authorized list of qualified brokers. The policy is attached and includes no changes and the updated list of Brokers is attached as exhibit C.
BANK DEPOSITORY SERVICES AGREEMENT

THIS BANK DEPOSITORY SERVICES AGREEMENT hereinafter called the “Agreement”, is made and entered into on the date last herein written by and between the ________________, pursuant to the ______________ Code of the State of Texas, hereunto called the “____________,” and ________________, a banking association, organized under the law of the United States and authorized by law to do banking business in the State of Texas, hereinafter called the “Bank”, and provides as follows:

1. Designation of Depository. ________________, through action of the ________________, its governing body, on ______________, 201__, hereby designates Bank as a primary depository bank for the period beginning ________________, 201__, and continuing through ________________, 201__, with the option for ____ () ___-year extensions under the same terms and conditions.

2. General. All services rendered to ________________ by Bank under this Agreement shall be performed in accordance with accepted commercial banking standards for public fund organizations and under the overall direction and instructions of ________________ pursuant to Bank’s standard operations, policies, and procedures.

3. Scope of Services. Bank agrees to provide those services as described in the Bank’s Response to ________________’s Bank Depository Services RFA as amended, incorporated herein by reference. Bank acknowledges that all such services shall be performed by Bank subject to the approval of ________________.

4. Representatives. During the term of this Agreement, the ________________ will, through appropriate action of its Council, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the ________________ in any and all matters of every kind arising under this Agreement and to (a) appoint and designate, from time to time, a person or persons who may request withdrawals, orders for payment or transfer on behalf of the ________________ in accordance with the electronic funds or funds transfer agreement and addenda, and (b) make withdrawals or transfer by written instrument.

5. Entire Agreement. The entire agreement between Bank and ________________ shall consist of this Agreement, ________________’s Bank Depository Services RFA, Bank’s Response to ________________’s Bank Services RFA, Treasury Management Services Agreement, ________________ Agreement, and other such bank service agreements, policies and documents as may be required and approved by the parties (together, the “Banking Agreements”), each incorporated by reference and listed in governing order of precedence in the event of conflict among the documents. This Agreement supersedes any and all prior representations, statements, and agreements, whether written or oral. The terms and provisions of this Agreement may not be amended, altered, or waived except by mutual agreement evidenced by a written instrument signed by duly authorized representatives of both parties.

6. Custodian. ________________ and Bank, by execution of this Agreement, hereby designate the ________________ as custodian, hereinafter called the “Custodian”, to hold in trust, according to the terms and conditions of this Agreement, the collateral described and pledged by the Bank in accordance with the provisions of this Agreement.

7. Custodian Fees. Any and all fees associated with the Custodian’s holding of collateral for the benefit of ________________ will be paid by Bank and the ________________ will have no liability therefore.

8. Collateralization. All funds on deposit with the Bank to the credit of the ________________ shall be secured by collateral as provided for the Public Funds Collateral Act (Chapter 2257 of the Texas Government Code), the ________________’s Investment Policy, and the Bank’s Response to the ________________’s Bank Depository Services RFA as accepted by the ________________.
If marketable securities are pledged, the total market value of the collateral (which includes accrued interest or income to the extent it is not included in the market price) securing such deposits shall be in an amount at least equal to one hundred percent (100%) of the amount of such deposits, plus the amount of any accrued interest thereon, less the amount that such deposits are insured by an agency or instrumentality of the United States government. The market value with respect to any collateral as of any date and priced on such date will be obtained from a non-affiliated information source acceptable to the _______. The Bank will work with the _______ to establish an appropriate cushion to cover normal deposit fluctuations and _______ will notify Bank of significant changes in its balances. Bank will be liable for the monitoring and maintaining the required collateral margins and levels at all times.

Bank has heretofore, or will immediately hereafter, deliver to Custodian collateral of the kind and character above mentioned of sufficient amount and market value to provide adequate collateral for the funds of _______ deposited with Bank. Said collateral or substitute collateral, as hereinafter provided for, shall be kept and retained by the Custodian in trust so long as the depository relationship between _______ and Bank shall exist hereunder, and thereafter so long as deposits made by _______ and Bank hereunder, or any portion thereof, shall have not been properly paid out by Bank to _______ or on its order. Bank hereby grants a security interest in such collateral to _______. The Custodian will accept said collateral and hold the same in trust for the purposes herein stated.

If surety bonds or letters of credit are utilized, the _______ shall agree as to the issuer and form of contract prior to pledge. The amount securing such deposits will be in an amount at least equal to 100% of the amount of such deposits including the amount of any accrued interest thereon and less the amount that such deposits are insured by an agency or instrumentality of the United States government. The termination or expiration of any surety bond or letter of credit shall be a minimum of two (2) business days after the _______ anticipates withdrawing the secured deposit.

9. Default. Should Bank fail at any time pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposits and the interest on such deposits or in any manner breach its Agreement with _______, _______ shall give written notice of such failure or breach to the Bank, and the Bank shall have three (3) business days to cure such failure or breach. In the event Bank shall fail to cure any such failure or breach with three (3) business days or should the Bank be declared insolvent by a Federal banking regulatory agency, it shall be the duty of the Custodian, upon demand of _______ (supported by proper evidence of any of the above listed circumstances), to surrender the above described collateral to _______. _______ may sell any part of such collateral and out of the proceeds thereof, pay _______ all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale, and account to Bank for the remainder, if any, of said proceeds or collateral remaining unsold.

10. Sale of Collateral. Any sale of such collateral, or any part thereof, made by _______ hereunder may be either at public or private sale, provided, however, it shall give both the Custodian and Bank two (2) hours notice of the time and place where such sale shall take place, and such sale shall be to the highest bidder therefore for cash. _______ and Bank shall have the right to bid at such sale.

11. Substitution of Collateral. If Bank shall desire to sell or otherwise dispose of any one or more of said collateral securities so deposited with the Custodian, with the advance written approval of _______, it may substitute for any one or more of such securities other securities of the same market value and character of the character authorized herein. Such right of substitution shall remain in full force and may be exercised by Bank as often as it may desire; provided, however, that the aggregate market value of all collateral pledged hereunder, shall be at least equal to the amount of collateral required hereunder and meet the requirements of the law. If at any time, the aggregate market value of such collateral so deposited with the Custodian is less than one hundred percent (100%) of the _______’s funds on deposit with the Bank, Bank immediately shall deposit with the Custodian such additional collateral as may be necessary to cause the market value of such collateral to equal the total amount of required collateral. Bank shall be entitled to income on securities held by the Custodian
for the collateral required hereunder, and the Custodian may dispose of such income as directed by Bank without approval of

12. **Trust Receipts.** Bank shall promptly forward to ________ copies of safekeeping or trust receipts covering all such collateral held for Bank, including substitute collateral as provided for herein.

13. **Withdrawal of Collateral.** If at any time the collateral in the hands of the Custodian shall have a market value in excess of one hundred ___ percent (10% %) of the balances due ________ by Bank, ________ shall authorize the withdrawal of a specific amount of collateral. The Custodian shall deliver this amount of collateral (and no more) to Bank, taking its receipt therefore, and the Custodian shall have no further liability for collateral so redelevered to Bank.

14. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Whenever a reference is made herein to either party, such reference shall include the party’s successors and assigns.

15. **Release of Collateral.** When the relationship of ________ and Bank shall have ceased to exist between ________ and Bank, and when Bank shall have properly paid out all deposits of ________, it shall be the duty of ________ to give the Custodian notice to that effect; whereupon the Custodian shall, with the approval of ________, redelever to Bank all collateral then in its possession belonging to Bank, taking its receipt therefore. An order in writing to the Custodian by ________ and a receipt for such collateral by Bank shall be a full and final release of the Custodian of all duties and obligations undertaken by it by virtue of these presents.

16. **Compensation.** ________ and Bank agree that any compensation for the performance of all duties and services is set forth in the Bank’s Response to ________’s Bank Depository Services RFA as accepted by ________. Except as otherwise provided in this Agreement, said compensation shall constitute full payment for all services, liaison, products, materials, and equipment required to provide the professional banking services, including services, materials, training, equipment, travel, overhead, and expenses. Fees shall be fixed for the term of the contract.

17. **Governing Law and Venue.** This Agreement shall be governed by the laws of the State of Texas. _____ County will be the venue for any lawsuit arising out of this Agreement.

18. **Notices.** Except as may otherwise be specified in the applicable service-level agreements and/or set-up forms, any demand, notice, request, instruction, designation, or other communication(s) required in writing under this Agreement shall be personally delivered or sent certified mail, return receipt requested, to the other party as follows:

Bank: ____________________________
______________________________
______________________________
______________________________, TX ________

_______: ____________________________
______________________________
______________________________
______________________________, TX ________

Changes to notice information may be made by either party with written notification to the other party.
19. **Severability.** If any provision of this Agreement is held to be illegal, invalid, or unenforceable by a court of competent jurisdiction, the parties, shall, if possible, agree on a legal, valid, and enforceable substitute provision that is as similar in effect to the illegal, invalid, or unenforceable provision as possible. The remaining portion of the Agreement not declared illegal, invalid, or unenforceable shall remain valid and in full force and effect for the term remaining.

20. **Binding Commitment.** Bank hereby acknowledges itself duly and firmly bound for the faithful performance of all the duties and obligations required by applicable law, including the Texas Government Code and Texas Local Government Code, such that all funds deposited with it as depository shall be faithfully kept by it and accounted for according to law.

21. **Continuation.** Unless this Agreement is terminated sooner, Bank’s designation as the primary Depository will remain continuously in effect through ____________, 201_ , subject to execution of the extension options.

Executed by the undersigned duly authorized officers of the parties hereto:

____________________
BY: __________________

____________________
BY: __________________

____________________
ATTEST: ________________

____________________
ATTEST: ________________
LOST CREEK MUNICIPAL UTILITY DISTRICT
ORDER APPROVING INVESTMENT POLICY

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

WHEREAS, V.T.C.A., Government Code, Chapter 2256, as amended (the "Public Funds Investment Act"), requires the governing body of political subdivisions to adopt a written investment policy concerning the investment of its funds and funds under its control;

WHEREAS, Section 49.157(a) of the Texas Water Code, as amended, provides that all municipal utility district deposits and investments shall be governed by Subchapter A, Chapter 2256, Government Code (Public Funds Investment Act);

WHEREAS, Section 49.157(b) of the Texas Water Code, as amended, provides that the board of directors of a district may provide that an authorized representative of the district may invest and reinvest the funds of the district and provide for money to be withdrawn from the appropriate accounts of the district for the investment on such terms as the board considers advisable;

WHEREAS, the Board of Directors of the District has previously designated one or more investment officers and adopted a policy relating to the investment of District funds in accordance with the Public Funds Investment Act;

WHEREAS, the Public Funds Investment Act requires that the Board of Directors of the District review the Investment Policy and its investment strategies not less than annually and make any changes thereto as determined by the Board of Directors to be necessary and prudent, and to adopt an order or resolution stating that it has reviewed the Investment Policy and investment strategies and recording any changes made thereto; and

WHEREAS, in accordance with the requirements of the Public Funds Investment Act, the Board of Directors of the District has reviewed the District's Investment Policy and desires to approve and affirm the policy and investment strategies set forth therein.

NOW, THEREFORE BE IT ORDERED BY THE BOARD OF DIRECTORS OF LOST CREEK MUNICIPAL DISTRICT, THAT:

Section 1. The matters and facts recited in the preamble to this Order are found to be true and correct and the same are incorporated herein as a part of this Order.

Section 2. The Board has reviewed its Investment Policy and the investment strategies set forth therein in accordance with the requirements of Section 2256.005(c) of the Public Funds
Investment Act. Based upon such review, the Board finds and declares that the Amended and Restated Investment Policy in the form attached hereto is hereby approved and adopted.

Section 3. The President or Vice President or the Secretary/Treasurer or Assistant Secretary/Treasurer is authorized to do all things necessary and proper to evidence the Board's adoption of this Order and to carry out the intent hereof. Upon execution, a permanent copy of this Order shall be filed in the permanent records of the District.

PASSED AND APPROVED this ___ day of ______________, 2014.

________________________
President

ATTEST:

________________________
Secretary

(SEAL)
LOST CREEK MUNICIPAL UTILITY DISTRICT
INVESTMENT POLICY

STATUTORY AUTHORITY

Chapter 2256 of the Texas Government Code, Public Funds Investment Act (the “Act”).
Chapter 2257 of the Texas Government Code, Public Funds Collateral Act.

SCOPE

This Investment Policy applies to the investment of all funds of Lost Creek Municipal Utility District (the “District”), including, without limitation, all funds held within the District’s operating, debt service, construction, customer reserve, and operating reserve accounts. Investments shall be made in accordance with this Policy and all state statutes governing the investment of funds of municipal utility districts.

The Board of the District (the “Board”) shall review and approve this Investment Policy and Strategies not less than annually and shall make any changes thereto as determined by the Board to be necessary and prudent.

INVESTMENT OBJECTIVES

The District's funds shall be managed and invested in accordance with this Policy and applicable covenants of District bond resolutions, if any, including covenants with respect to the arbitrage regulations under the U.S. Internal Revenue Code, and shall utilize the following objectives, in order of priority, for investment activities:

A. **SAFETY** - Preservation and the safety of the District's principal is the foremost concern of the investment program. Investments shall be undertaken in a manner that seeks to ensure the preservation and safety of principal. The objective is to mitigate credit and interest rate risk. Credit risk is the risk of loss due to failure of the security issuer or backer. Interest rate risk is the risk that the market value of securities in the portfolio will fall due to changes in general interest rates. To mitigate these risks, the District shall:

1. Limit investments to the highest credit quality securities.
2. Pre-qualify and monitor the financial institutions and investment vehicles in which the District deposits funds.
3. Diversify the investment portfolio to minimize volatility and the impact of individual securities.
4. Structure the portfolio so that securities meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity.
5. Invest operating funds in accordance with anticipated cash-flow.
6. Assure settlement of all securities on a delivery versus payment basis to assure that the District has total control of its assets and funds at all times.

B. **LIQUIDITY** - The District shall maintain a cash flow schedule addressing liquidity needs to ensure adequate and timely availability of funds for reasonably anticipated liabilities.

C. **DIVERSIFICATION** - The portfolio shall be diversified by market sector and maturity in order to spread market risk. There shall be no Policy defined level of required investment diversification but Investment Officers shall monitor and diversify the portfolio in accordance with market conditions.

D. **YIELD** - District funds shall be invested to obtain the maximum yield taking into consideration the preservation and safety constraints set forth in this Policy.

**RATING DECLINES OR LOSS OF RATING.**

The Investment Officers shall monitor, on no less than a weekly basis, the credit rating on all authorized investments of the District based upon independent information from a nationally recognized rating agency. If any security falls below the minimum rating required by this Policy or the Public Funds Investment Act, the Investment Officers shall notify the Board of Directors of the loss of rating, conditions affecting the rating and possible loss of principal with liquidation options available, within two weeks after the loss of the required rating.

**STANDARD OF CARE (Prudent Person Rule)**

The District shall seek to ensure that all investments be made with the utmost judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of the capital as well as the probable income to be derived.

In determining whether the Investment Officers have exercised prudence with respect to an investment decision, the Board shall take into consideration (i) the investment of all funds over which the Investment Officers have responsibility rather than consideration as to the prudence of a single investment and (ii) whether the investment decision was consistent with the Investment Policy.

Investment Officers investing District funds in accordance with this Policy shall have no personal liability for any individual security’s credit or market price changes provided that deviations from expectations for a specific security’s credit risk or market price change or portfolio shifts are reported in a timely manner and that appropriate action is taken to control adverse market effects.

**INVESTMENT STRATEGY**
The overall strategy for all District funds will be to purchase high credit quality investments that preserve the safety of capital, maximize liquidity, promote diversification, and provide reasonable market yield (in that order of priority), based on the District's anticipated cash flows and the maintenance of a liquidity buffer for unanticipated liabilities. Detailed strategies by fund type are found in the Policy's Exhibit A.

Investments are to be chosen in a manner which promotes diversity by market sector, credit and maturity. The choice of high credit quality investments and high-grade, money market instruments are designed to assure the marketability of those investments should liquidity needs arise.

**DESIGNATION OF AUTHORITY AND RESPONSIBILITY**

**INVESTMENT OFFICERS**
District funds shall be invested only by persons with training or experience in the investment of public funds. The General Manager of the District is hereby designated the Investment Officer of the District.

The Board may contract with an investment management firm registered and regulated by the SEC under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) to provide for the investment and management of District funds as an additional Investment Officer. The Adviser shall certify in writing to a review of the Policy.

The authority hereby granted to the Investment Officer to invest the District's funds is effective until rescinded by the Board, until the expiration of the person's employment or contract with the District, or if an investment management firm, until the expiration or termination of the contract with the District.

The Investment Officer shall manage all funds in strict accordance with this Policy.

Investment Officer(s) shall disclose any personal or business relationships with any entity seeking to sell an investment to or transact financial activities with the District in accordance with the Act. Investment Officer shall file a statement disclosing the personal business interest ("Disclosure Statement") with the Board and the Texas Ethics Commission.

In accordance with Section 49.1571 of the Texas Water Code, Investment Officer shall attend at least six hours of investment training session, from an independent source approved by the Board, relating to investment responsibilities within twelve (12) months after taking office or assuming duties. The Investment Officer shall also attend four hours of investment training within each succeeding two-year period year relating to investment responsibilities from a Board approved independent source. Training must include education on investment controls, security risks, strategy risks, market risks, diversification of investment portfolio and compliance with the Public Funds Investment Act.
An “independent source” from which investment training shall be obtained shall include a professional organization, an institution of higher education or any other sponsor other than a business organization with whom the District may engage in an investment transaction.

BOARD OF DIRECTORS
The Board retains ultimate responsibility for investments as fiduciaries of the assets of the District. The Board’s specific responsibilities shall include:
- designating the Investment Officer,
- providing for the training of the Investment Officer,
- adopting the Investment Policy of the District on not less than an annual basis,
- adopting the Investment Strategy of the District on not less than an annual basis,
- accepting and reviewing quarterly investment reports from the Investment Officer, and
- reviewing the list of financial counter-parties annually.

INVESTMENT REPORTS

On a quarterly basis, the Investment Officer shall prepare (or cause to be prepared), sign and submit to the Board of Directors of the District a written report of investments in accordance with the Act. The reports shall address all investments of the District, shall be signed by each Investment Officer, and shall include certification that, to the best knowledge of each Investment Officer, all funds have been invested in accordance with, and all investment transactions have taken place in accordance with, this Policy and the Act. The quarterly report shall also contain general market information and strategy guidelines by the Officers.

The quarterly report shall (i) give a complete description of each investment, (ii) describe in detail the investment position on the date of the report, and (iii) include the following:

1. A summary statement for each pooled fund group containing (i) the beginning market value for the reporting period; (ii) ending market value for the period; and (iii) fully accrued interest for the reporting period.

2. The book value and market value of each separately invested asset at the end of the reporting period by the type of asset and fund type invested.

3. The stated maturity of each separately invested asset that has a maturity date.

4. The account or fund or pooled group fund for which each individual investment was acquired.

INTERNAL CONTROLS

The Investment Officer is responsible for ensuring that all investment transactions of District are
performed in accordance with the adopted Board's Investment Policy and other Board policies relating thereto.

AUTHORIZED FINANCIAL DEALERS AND INSTITUTIONS

A list of approved brokers/dealers is attached as Exhibit C to this Resolution.

District Depository
The Board of Directors of the District shall designate one or more banks or savings associations within the State of Texas to serve as depository for the funds of the District in accordance with Section 49.156 of the Texas Water Code. In selecting the depository for banking services, the services, cost of services, credit worthiness, earnings potential, and collateralization by the institutions shall be considered. Other depositories may be designated for the purchase of time deposits (certificates of deposit). Ongoing credit conditions at depositories shall be monitored by the Investment Officer. The depositories’ past experience and history should indicate a priority for the safety of public funds.

Security Broker/Dealers
The Investment Officer shall maintain a list of broker/dealers and financial institutions authorized to provide investment services. A list of authorized brokers/dealers is attached as Exhibit C to this Policy. The Board will review the list of authorized broker/dealers annually in connection with the review of this Policy. All financial institutions and broker/dealers who desire to transact business with the District must supply the following documents to the Investment officer or adviser:

- Financial Industry Regulatory Association (FINRA) certification,
- FINRA Central Registration Depository (CRD) number
- proof of Texas State Securities registration
- policy review certification
- other information as requested

Any financial institution, broker/dealer or pool must be provided a copy of the current Investment Policy before any transactions take place. The certification form shall be substantially in the form of Exhibit B. The counter-party must certify in writing to:
- receipt and review the Investment Policy
- acknowledgment that the organization has implemented reasonable procedures and controls in an effort to preclude investment transactions that are not authorized by the District's Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolio and requires a interpretation of subjective investment standards.

Whenever material changes are made to the Policy by the Board, the new Policy will be provided to all counter-parties requiring renewed certification. The Investment Officer may not execute any transaction with a person or firm who has not provided the required certification. The District or
Adviser shall maintain a copy of each of the executed certifications.

A list of qualified broker/dealers will be reviewed at least annually by the Board or a Board appointed committee.

**AUTHORIZED INVESTMENTS**

Authorized investments shall be limited to the instruments below, as further described by the Act. No additional type of securities is authorized or eligible for investment by the District until this Policy has been amended and the amended version approved by the Board.

A. Obligations of the United States, its agencies and instrumentalities, excluding mortgage backed securities, with a final stated maturity not to exceed two (2) years.

B. Obligations of the State of Texas or any state of the United States or their respective agencies and instrumentalities, agencies, counties, cities, and other political subdivisions rated as to investment quality by two nationally recognized investment rating firms not less than A or its equivalent, no to exceed two (2) years to final stated maturity.

C. Fully insured or collateralized certificates of deposit from banks doing business in Texas, collateralized in accordance with this Policy, not to exceed one (1) year to maturity under a depository agreement executed under the terms of FIRREA. To the extent permitted by law, certificates of deposit may be invested through the CDARS program through a bank doing business in Texas.

D. Fully insured certificates of deposit purchased from a broker or a bank that has its main office or a branch office in the State of Texas and is selected from the list of qualified brokers attached to this Investment Policy. All investments in such brokered certificates of deposit shall be made on a delivery versus payment basis to the District’s safekeeping agent, and the Investment Officer shall verify that the bank is fully insured by the Federal Deposit Insurance Corporation prior to purchase. In the event any bank from which the District has purchased a brokered certificate of deposit merges with, or is acquired by, another bank in which brokered certificates of deposit are owned by the District, the Investment Officer shall immediately contact the banks and liquidate any brokered certificate that exceeds FDIC insurance levels.

E. Fully collateralized repurchase agreements with a defined termination date executed with a primary dealer as defined by the Federal Reserve or a financial institution doing business in this state. A flex repurchase agreement may be used for bond proceeds but may not extend beyond the planned expenditure plan.

F. Commercial paper rated A1/P1 or its equivalent by two nationally recognized rating
agencies, not to exceed 90 days to stated maturity.

G. AAA-rated, SEC registered money market mutual funds with a dollar-weighted average stated maturity of ninety (90) days or fewer; and with an investment objective of a stable net asset value of $1.00 for each share.

H. AAA-rated, constant-dollar local government investment pool in accordance with the Act, and approved by the Board, restricted to District authorized investments.

**Competitive Bidding Requirement**
All securities, including certificates of deposit, will be purchased or sold after three (3) offers/bids are taken to verify that the District is receiving fair market value/price for the investment.

**Delivery versus Payment**
All security transactions entered into by the District, shall be conducted on a delivery versus payment (DVP) basis.

**Rating Declines or Loss of Rating**
The District shall not be required to liquidate any security which loses its minimum rating or was authorized at the date of purchase but the Investment Officer shall take all prudent measures consistent with this Policy to determine the status of the security and the best alternative for the District.

**Safekeeping Agreement**
The District shall safe-keep securities owned by the District in the banking services depository. Securities shall not be purchased through the depository’s brokerage subsidiary in order to perfect ownership through the delivery versus payment process.

**UNAUTHORIZED INVESTMENTS**
The District is prohibited from investing in any mortgage backed security including those specifically unauthorized by the Act. (2256.009(b)).

**DIVERSIFICATION**
The District recognizes that investment risks can result from issuer defaults, market price changes, or various technical complications leading to temporary illiquidity. Market risks are controlled through portfolio diversification.

**COLLATERAL, SAFEKEEPING AND CUSTODY**

**Time and Demand Pledged Collateral**
All District time and demand deposits shall be secured above FDIC coverage by pledged collateral.
In order to anticipate market changes and provide a level of security for all funds, collateral will be maintained and monitored by the depository at not less than 102% of market value of principal and accrued interest on the deposits. The Investment Officer will review collateral reports at least monthly.

Collateral pledged to secure deposits shall be held by an independent financial institution outside the holding company of the depository in accordance with a safekeeping agreement signed by authorized representatives of the District, the Depository, and the custodian (with the exception of the Federal Reserve as Custodian). The Custodian will provide monthly reports of the collateral fully describing the collateral and its current market value.

All collateral shall be subject to inspection and audit by the District or the District’s independent auditors.

**Authorized Collateral for Time and Demand Deposits**
The District shall accept only the following securities as collateral for time and demand deposits:
- A. FDIC insurance coverage.
- B. Obligations of the United States, its agencies or instrumentalities, or other evidence of indebtedness of the United States guaranteed as to principal and interest.
- C. Obligations of Texas or other states or of a county, city or other political subdivision of a state having been rated as not less than “A” or its equivalent by two nationally recognized rating agencies.

**Authorized Collateral for Repurchase Agreements**
The District shall accept only the following securities as collateral for repurchase agreements:
- A. Obligations of the United States, its agencies or instrumentalities guaranteed as to principal and interest.

**Collateral Safekeeping**
All collateral will be held by an independent safekeeping agent, outside the holding company of the bank or counter-party, and approved by the District.

**Safekeeping of Time and Demand Account Collateral**
All collateral securing bank deposits must be held by an independent third-party banking institution outside the holding company of the bank approved by and under contract with the District, or by the Federal Reserve Bank.

**Safekeeping of Repurchase Agreement Securities**
The securities purchased under repurchase agreements must be delivered to an independent third-party custodian as defined by the executed Master Repurchase Agreement.

**ANNUAL FINANCIAL AUDIT.**
The District, in conjunction with its annual financial audit, shall perform a compliance audit of management controls on investments and adherence to the Act and the District's established investment policies.

**ANNUAL POLICY ADOPTION**

The Board shall review and adopt by resolution the Investment Policy not less than annually. Any changes made to the Policy as a result of this review and adoption shall be recorded in the approval resolution.

Any and all prior orders or resolutions relating to the investment of District funds are hereby repealed and this Order shall supersede any such prior orders or resolutions. The President, Vice President, Secretary, and Treasurer are authorized to do all things necessary and proper to evidence the Board's adoption of this Order and to carry out the intent hereof.

PASSED AND ADOPTED THIS _____ day of______________, 2014.

________________________________________
President, Board of Directors

ATTEST:

________________________________________
Secretary, Board of Directors
EXHIBIT A

INVESTMENT STRATEGY BY FUND TYPE

DEBT SERVICE FUNDS

Debt service funds shall be invested to ensure adequate funding for each successive debt service payment. The Investment Officer shall invest in such a manner as not to exceed an “unfunded” debt service date with the maturity of any investment security. The predictability of each payment reduces the need for liquidity. Therefore, market conditions shall determine the relative appropriateness of eligible investments. Investments shall be chosen to preserve the safety of capital and maximize yield (in that order of priority).

CONSTRUCTION FUNDS

Bond proceeds used for construction programs have reasonably predictable draw down schedules with input from the District’s consulting engineers. Therefore investment maturities shall generally follow the anticipated cash flow requirements. Because of the potential for variance from the anticipated draw down schedule investment pools and money market mutual funds may be used to provide readily available funds generally equal to at least one month’s anticipated cash flow needs.

Market conditions and arbitrage regulations shall be considered. An attempt shall be made to avoid negative arbitrage. Generally, if investment rates exceed the applicable arbitrage yield (producing positive arbitrage) for a specific issue, the District is best served by locking in those yields. If the arbitrage yield cannot be exceeded, then existing market conditions will determine the timing and maturity of investments. At no time shall the anticipated expenditure schedule be exceeded in an attempt to bolster yield.

OPERATING FUND

Operating funds require the greatest short term liquidity of any of the fund types. Therefore, diversified investment maturities shall provide monthly cash flow based for anticipated operating needs. The maximum allowable maturity shall be one year.

RESERVE FUNDS

Operating reserve funds are essentially District savings. Reductions are generally not anticipated. Therefore, the predictability of the cash availability in other funds will govern the appropriate maturity mix. The strategy utilizes diversified maturities with a maximum maturity of one year.
CUSTOMER DEPOSITS ACCOUNT

Customer deposit funds are held in escrow or reserve for the District’s customers. Sufficient liquidity must be provided for known and scheduled repayments along with a liquidity buffer for unanticipated reimbursements. Investments shall be chosen to preserve capital, recognize a reasonable market yield, and liquidity taking into account the escrow or reserve payments that may have to be made from each account.
EXHIBIT B

INVESTMENT POLICY CERTIFICATION
Lost Creek Municipal Utility District

Firm Name: ____________________________

I, as a registered principal or authorized representative for the Firm named above, hereby certify that I, and the broker covering this account have received and reviewed the Investment Policy of the Lost Creek Municipal Utility District.

We acknowledge that this firm has implemented reasonable internal procedures and controls in an effort to preclude investment transactions conducted between this firm and the District that are not authorized by the District’s Investment Policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entire portfolio or requires an interpretation of subjective investment standards.

Firm: ____________________________

Signature ____________________________

Name: ____________________________

Title: ____________________________

Date: ____________________________
EXHIBIT C
APPROVED BROKER/DEALER LIST
LIST OF AUTHORIZED BROKERS

ABC Bank
Allegiance Bank
Amegy Bank of Texas, N.A.
BB & T
Bank of America N.A.
Bank of Houston
Bank of New York Mellon
Bank of Texas N.A.
BBVA Compass Bank
Cadence Bank
Capital Bank of Texas
Capital Markets Group
Capital One
Central Bank
Chasewood Bank
Citibank N.A.
Comerica Bank
Comerica Securities
Commercial Sate Bank
Community Bank of Texas
Community Trust Bank
Coastal Securities
Enterprise Bank
First Bank of Conroe
First Bank of Texas
First Bank & Trust
First Citizens Bank
First Community Bank
First National Bank of Texas
First State Bank of Central Texas
First Texas Bank
Frost National Bank
Green Bank
Herring National Bank
Hometown Bank, N.A.
Houston Community Bank N.A.
Icon Bank
Independent Bank
International Bank of Commerce
Inter National Bank
JP Morgan Chase
Legacy Texas Bank
Lone Star Bank
Lone Star Investment Pool
Memorial City Bank
Metro Bank, N.A.
Moody National Bank
New First National Bank
North Star Bank of Texas
Omnip Bank N.A.
Plains Capital Bank
Patriot Bank
Plains State Bank
Post Oak Bank
Prosperity Bank
Regions Bank
Security State Bank
Southwest Securities
Sovereign Bank
Spirit of Texas Bank
State Bank of Texas
State Street Bank & Trust Co.
Stifel Nicholas
Tex Star Investment Pool
Texas Capital Bank N.A.
Texas Class
Texas Citizens Bank
Texas Community Bank
Texas Exchange Bank
Texas First Bank
Texas Independent Bank
Texas Savings Bank
Texpool/Texpool Prime
The Bank of River Oaks
The Right Bank for Texas
Tradition Bank
Trustmark National Bank
United Bank of El Paso Del Norte
United Texas Bank
Unity National Bank
U. S. Bank
Wells Fargo Bank, N.A.
Wells Fargo Brokerage Services, I.I.C
Wells Fargo Trust
Westbound Bank
West Star Bank
Whitney Bank
Woodforest National Bank
GLOSSARY

**Bond Proceeds** means the proceeds from the sale of bonds, notes, and other obligations issued by the District and reserves and funds maintained by the District for debt service purposes.

**Book Value** means the original acquisition cost of an investment net of amortization or accretion.

**FINRA** is the Financial Industry Regulatory Authority is the self regulatory organization of the brokerage industry, formerly NASD (National Association of Securities Dealers).

**FIRREA** the Financial Institutions Resource and Recovery Enforcement Act is the Act which controls FDIC actions in the closure of a bank. Specific requirements are stipulated: the depository/collateral agreement must be in writing, it must be approved by resolution of the bank board or bank loan committee to assure inclusion in the bank’s official records, and no list of specific pledged securities are to be included as part of the agreement.

**Funds** means public funds in the custody of the District that (i) are not required by law to be deposited in the State Treasury and (ii) the District has authority to invest.

**Investment Pool** means an entity created under the Government Code to invest public funds jointly on behalf of the entities that participate in the pool and whose investment objectives in order of priority are (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.

**Market Value** means the current face or par value of an investment multiplied by the net selling price of the security as quoted by a recognized market pricing source quoted on the valuation date.

**Separately Invested Asset** means an account or fund of the District that is not invested in a Pooled Fund Group.

**SIFMA** Security Industry and Financial Markets Association is the organization for all market institutions, formerly the Bond Market Association.
Signage
Lost Creek Municipal Utility District  
January 21, 2014  
Board Meeting  
Signage

Summary

i. The LCNA is considering installing LED type radar speed indicator signs within Lost Creek. They requested this item be placed on the agenda so they may brief the Board of the project and seek feedback.

ii. The Board has previously discussed replacing and updating signs within the district. This is a budgeted item and staff is seeking guidance from the Board if it wishes to move forward. The Committee originally established by the Board consisted of Directors Naeve and Castro and current committee members are Directors Naeve and Vergege.

Attached are copies of the sign locations and inventory and a cost estimate from Izone to print new signs for the greenbelt entries.
Subject: FW: Safety Committee Radar Speed Signs

From: Jennifer Lamm [mailto:jenniferplamm@yahoo.com]
Sent: Wednesday, January 15, 2014 10:28 AM
To: Tom Clark
Subject: Fw: Safety Committee Radar Speed Signs

Just to keep you up to speed on the issues to be discussed at meeting - the email below is probably all you need, but I included the string if you are interested:

On Wednesday, January 15, 2014 10:24 AM, Jennifer Lamm <jenniferplamm@yahoo.com> wrote:
UPDATE: Before we do any research, I need to get some answers about placing signs in Right of way (ROW). If we go permanent signs, then we enter agreement with Travis county to place in the ROW - need to make sure TC can enter such an agreement with a Neighborhood Association (usually a MUD or HOA.) Our MUD code will not let them put up traffic related signs. If we buy a portable sign on a trailer, we do not enter an agreement with Travis County (TC.) Not sure if we need permission of the MUD to place the sign and if that is the case, we need to know the MUD would allow this option before we spend time on all the research. If we go with rent a sign option, we also need to know that the MUD will allow placement in the ROW. I prefer a concrete answer from the MUD board before we do all the research.
I have the issue on the MUD agenda, but I am not able to go to Tues MUD meeting (I have a class Tues 6:30pm.) Shelly has volunteered to go to discuss the issue and get a definitive answer. If others can go to encourage the MUD board to put their faith in the LCNA board and committee, it might help.
Thanks,
Jenn

On Wednesday, January 15, 2014 10:01 AM, Duane Hutson <duane@hutsonlandplanners.com> wrote:
I can try and call TC/COA to see about rentals and/or placement for us.

From: Jennifer Lamm [mailto: jenniferplamm@yahoo.com]
Sent: Monday, January 13, 2014 10:25 AM
To: Duane Hutson; Martin Hurt; Doug Hooks; Kristin Vetromile
Subject: Safety Committee Radar Speed Signs

Hello All,
I have included all those that expressed interest in the Safety Committee's task of researching and recommending the best course of action of adding radar speed signs to our neighborhood with the goal of slowing down traffic. Below is how I think we should divide and conquer and what follows is a summary of information I have gathered thus far. At this point our focus is just radar speed signs, and not other traffic calming measures. The MUD attorney has been consulted and such measures as radar speed signs do not fall within their code.

Tasks:
1. Contact Travis County to discuss rental and purchase option and protocol for such signs.
2. Research effectiveness of radar signs as traffic calming measure
   - Possibly contact COA Local Area Traffic Management and Speed Mitigation
3. Contact local area HOA and MUD's to get opinions about radar signs.
   Westminster Glen HOA
   Wells Branch MUD
   Others?
4. Research types of signs available for purchase and prices/insurance/maintenance.
Lost Creek Mud Sign Inventory

The Lost Creek Municipal Utility District has signs at the follow locations:

- 360 Entrance
  - Portable /removable sign
- Central Office on Quaker Ridge Drive
  - Letters on the window
  - Hours of operation sign on the door
- Water Storage Area
  - Emergency Contact information
  - Superior Public Water System
  - Handicap parking
  - LCMLD Storage facilities
  - No Trespassing
- Wastewater Treatment Plant Gate
  - Reflective markers
  - Danger, open reservoirs, no trespassing
  - Emergency contact
- Lost Creek Boulevard Park
  - Information Kiosk
- Boulder Trail Park
  - Information kiosk
  - No organized sports sign
  - Dogs on a leash sign
  - Pet Station
  - Cigarette disposal
- Barton Creek Trailhead
  - Under video surveillance
  - Pet station
  - No unauthorized vehicles
- Barton Creek Entrance
  - No sign or monument
- LCMUD Greenbelts
  - Augusta National
    - 2-dog on a leash sign
  - Whitemarsh Valley walk two
    - 2-pet stations
    - 2-dog on a leash signs
- Torrey Pines at Augusta National Entrance
  - No sign or monument
Lost Creek Greenbelt Trail and Park System

Draft trailhead replacement sign

Park and Trail Rules

• No Smoking
• No camp Fires
• Fireworks prohibited
• No overnight camping
• No Alcoholic Beverages
• Report loose dogs to 311
• All dogs must be on a leash
• Contact us at 512-327-6243

• No organized sports at Boulder Trail Park
• All Parks and trails closed from dusk to dawn

• Animals not allowed in the fenced in area at Boulevard Park
• Group events more that 25 attendees requires a permit
• Gazebo is first come first serve or call 512-327-6243 for Reservation.

Please clean up after your self, your pets and place trash in receptacles
Several sign displays are available and this is an example of a typical pedestal type sign display.
Lost Creek Boulevard Median

11/28/2011

11/28/2011
Portable / removable sign used at the Loop 360 median

Lost Creek Office
Lost Creek Office Door

No Smoking

OFFICE HOURS
8:00 - 4:30
MON. - FRI.

11/28/2011

Employee Parking

RESERVED FOR EMPLOYEES

11/28/2011
Wastewater Plant entry

Boulder Trail Park Kiosk
Boulder trail park no Sports sign

Boulder Trail Park signage and cigarette disposal
Boulder Trail Park Pets on a leash

ALL DOGS MUST BE ON A LEASH AT ALL TIMES WHEN AT THIS PARK

TO REPORT LOOSE DOGS CALL TRAVIS COUNTY ANIMAL CONTROL @ 311

PARK HOURS: DAWN to DUSK

Lost Creek Municipal Utility District

11/28/2011

Boulder Trail Park Pet Stations

PET WASTE

PLEASE KEEP THE AREA CLEAN.

11/28/2011
Whitemarsh Valley Walk Trailhead 6400 block

11/28/2011

Augusta National
Torrey Pines at Augusta National
Office Building Matters
Lost Creek Municipal Utility District
January 21, 2013
Board Meeting
Office Building

Summary
At its last meeting, the Board tabled this item until the January Board meeting.

Discussion and Action

i. Approve a Resident Survey - the Board previously appointed a committee to review and make recommendations for potential use of the office building. The committee prepared Draft Survey language which is attached. The survey has not been opened to the community for comment and this item will consider authorizing moving forward with the survey.

ii. Accept a proposal from Atkins North America for preliminary design – In addition to receiving public comment from the survey, we received a proposal from Atkins North America for preliminary design that would incorporate results from the resident survey and prepare a preliminary design based on the following three concepts:

1. A minor remodel that would include basic paint, lighting, floors, countertops and a possible garage conversion for equipment storage.
2. A major upgrade that would include paragraph ‘i’ above plus energy upgrades, additional restrooms, removing or moving walls, updating the kitchen, etc., and consider use limitations due to parking, ADA or other requirements.
3. A total rebuild by demolishing the existing building and construct a new facility that would eliminate wasted space and provide up to date features, reposition a new building on the lot to allow for additional parking with access from Quakcr Ridge Drive.
4. Estimated cost of the above options range from approximately $50,000 to $250,000.

The proposal is based on estimated time and material cost of $8,630.00 and would not be exceeded without written authorization.
MUD Building Improvements

1. Below you will find a list of possible uses for the Lost Creek MUD building space. Please check boxes for ALL the activity ideas for which you would participate. Assume that the building layout and furniture would accommodate the activity listed. Assume that alcohol consumption is prohibited. If you have ideas not covered by the suggestions below, you are encouraged to write them in the "other" category.

- Parties
- Exercise class
- Book club
- Movie night
- Game night
- Bridge club
- Moms’ club
- Da’die’ club
- Fundraiser
- After school tutoring
- Book lending library
- Toy swap
- Craft fair
- Polluck dinner
- Informational forum
- Boy Scout/Girl Scout meetings
- TV watch party
- Church group
- Bible study
- Support group
- Other (please specify)

2. How often would you use the building for the above purposes? If you chose more than one use, you may choose more than one level of frequency.

- Daily
- Weekly
- Monthly
- Yearly
- Other (please specify)

3. Based on your response from question 1, please check ALL the amenities that would be necessary or useful.

- Vending machines
- ATM
- Coin operated games
- Sound system
- Projection TV
- Disco ball
- Fully functional kitchen
- Couches
- Banquet tables & chairs
- Other (please specify)
MUD Building Improvements

4. Based on your response to question 1, what size groups would be using the building?
   - 1-10
   - 11-25
   - 26-50
   - 50-75
   - 75-100
   - 100+
   - Other (please specify)

5. Depending on the uses selected above, it might be necessary or appropriate to charge a fee to users reserving the MUD building for those uses. Would you be willing to pay a fee for use of the MUD building?
   - Yes, but only to cover costs
   - Yes, and acceptable for the Limited District to make money
   - No
   - Other (please specify)

6. What fees are reasonable to request of Lost Creek residents for use of the building space?
   - Cleaning fee
   - Room rental fee
   - Chair & table rental
   - Audio visual equipment use fee
   - Other (please specify)

7. Based on your response to question 1, will staff be necessary for the functions you would organize or attend? If yes, should staff be volunteer basis or paid by Limited District?
   - Yes - volunteer
   - Yes - Paid by Limited District
   - No
   - Other (please specify)
MUD Building Improvements

8. If the alcohol rule could be changed to allow alcohol at the MUD building, and liability issues covered, would you want the rule changed? It might involve an increased damage deposit and police officer on duty to eliminate drinking and driving liability.

- Yes, please consider changing the rule. I would use the building more.
- No, do not change the rule. It does not affect my use of the building.
- Other (please specify) [Blank]

9. As the MUD phases out and the Limited District takes over, what level of service would you like to see available at the MUD building (note that the primary functions of the Limited District are limited to maintaining parks, greenbelts, and public spaces and enforcing deed restrictions)?

- No staff, all communication would go through contracted phone/e-mail service
- Full time office staff
- Part time office staff
- Other (please specify) [Blank]

10. When the MUD converts to the Limited District, what additional services should be provided?
Remember that this gives input into office space and staffing needs.

- [Blank] Drop box for water bill (that would be couriered to City of Austin)
- [Blank] Notary Public
- [Blank] Other (please specify) [Blank]

11. The main meeting room currently has a single solid door accessing the playscape park. It is currently hidden from view of the park. Based on the possible uses for the MUD building and the park, please check your preference for changes to that access.
Consider function, aesthetics and safety.

- [Blank] Replace existing door only if not properly functioning.
- [Blank] Move existing door so it is visible from the park.
- [Blank] Remove existing windows and replace with multiple French doors.
- [Blank] The park side should not have access to the upgraded MUD building.
- [Blank] Other (please specify) [Blank]
12. Please describe any ideas for future use of MUD building that were not addressed in the above questions:

13. We request you provide your Lost Creek address below for verification purposes.
December 11, 2012 R1

Mr. Tom Clark
General Manager
Lost Creek M.U.D.
1305 Quaker Ridge Road
Austin, Texas 78746

RE: Architectural Services Proposal for Community Center Study

Dear Tom:

We look forward to working with you and the Lost Creek M.U.D.; thank you for the opportunity. Our proposal follows:

PROJECT

It is our understanding that the Lost Creek M.U.D. is interested in renovating its facility at 1305 Quaker Ridge Road to better serve its constituents. As a result of the recent election to create a limited district M.U.D for Lost Creek, the current facility is available and can be converted to other uses.

Lost Creek is requesting a proposal for Architectural services to prepare a preliminary design and probable cost report considering three cost options:

Cost Option 1 – update building floors, paint, lighting, windows, cabinetry in restroom, counter tops and evaluate exterior siding and roof for repair or replacement. Convert General Manager Office space into a garage with roll up door.

Cost Option 2 – major upgrade considering the following scope:
   a. Design based on the existing building structure constraints
   b. Greater more convenient access between the playground/park area and building for events.
   c. The design will incorporate two adjacent and separate meeting/party spaces that can be joined for a large gathering.
   d. The restroom(s) and kitchen must be accessible from either meeting space.
   e. The design should incorporate a small lockable office for recordkeeping and potential staffing.
   f. The design should incorporate storage space for neighborhood items such as Christmas ornaments, banners, etc.
   g. The design should improve the energy profile by improved windows, insulation and a review of the HVAC units and ventilation system.
   h. The design should assess and recommend exterior roof and siding repairs or replacement as needed.
   i. The design should assess existing parking and recommend additional parking and identify any use issues pertaining to building use due to any parking restraints.

Cost Option 3 – provide a probable cost report using standard construction costs of demolition of existing building and new construction.

Final report - A preliminary report will be presented to the Board of Directors for feedback followed by a final report incorporating board feedback.
SCOPE OF WORK

1. One meeting with Lost Creek personnel to discuss project needs in regard to the three cost options noted above.

2. Tour the existing facility and document with photographs.

3. Prepare a preliminary report based upon the three cost options noted above. At a minimum the report will include:
   a. Our findings
   b. Schematic plans / diagrams (our proposal does not include measuring the existing facility; we are assuming the Owner will provide drawings)
   c. Probable cost report for each cost option noted above. This will be a rough order of magnitude report based upon square footage costs.

4. One meeting with the Lost Creek Board to present the preliminary report

5. Prepare a final report incorporating comments from the Lost Creek Board

COMPENSATION

<table>
<thead>
<tr>
<th>Phases</th>
<th>Hours</th>
<th>Rate</th>
<th>Total</th>
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<tr>
<td>Scope of Work:</td>
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<tr>
<td>Project Prep</td>
<td>2</td>
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<td>$280.00</td>
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<tr>
<td>Tour Existing Facility</td>
<td>2</td>
<td>$140.00</td>
<td>$280.00</td>
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<tr>
<td>Develop floor plans from Owner supplied drawings</td>
<td>18</td>
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<td>$2,070.00</td>
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<td>Prepare Preliminary Report</td>
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<td>Prepare Final Report</td>
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<td>$560.00</td>
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<td>QAQC / Management</td>
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<td>$140.00</td>
<td>$560.00</td>
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<td><strong>Grand Total:</strong></td>
<td></td>
<td></td>
<td><strong>$8,630.00</strong></td>
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</table>

OWNER REQUIRED INFORMATION:

1. Drawings of existing facility

2. Property survey with topographic, utility and tree information

EXCLUSIONS AND MISCELLANEOUS:

3. Reimbursable expenses will be billed at 1.1 times the cost to the Architect and include but are not limited too: travel, mileage, printing; fees paid on the owner's behalf, delivery, etc . . .

4. Compensation listed above is based on a one time preparation of documents.
5. Additional services will be provided based on a negotiated fee as agreed to between the Owner and Architect.

6. The Texas Board of Architectural Examiners has jurisdiction over complaints regarding the professional practices of persons registered as architect in Texas.

TBAE, P.O. Box 12337, Austin, TX 78711, Phone: 512-305-8900

When you are ready to proceed let us know and we will execute an Owner / Architect agreement. If you have any questions do not hesitate to contact me at 512-372-1244.

We sincerely appreciate this opportunity to assist you and the Lost Creek MUD.

Sincerely

[Signature]

Dale Austin, AIA, RA
Program Manager
Lost Creek Community Building Remodel Project Scope of Services

Lost Creek MUD will convert to a Special Utility District effective December 2015. The operation and use of the existing building located at 1305 Quaker Ridge Drive Austin Texas will change and Lost Creek is requesting a proposal for Architectural services for preliminary design and cost estimates considering three cost options.

**Cost Option 1** – update building floors, paint, lighting, windows, cabinetry in restroom, counter tops and evaluate exterior siding and roof for repair or replacement. Convert General Manager Office space into a garage with roll up door.

**Cost Option 2** – major upgrade considering the following scope:

a. Design based on the existing building structure constraints
b. Greater more convenient access between the playground/park area and building for events.
c. The design will incorporate two adjacent and separate meeting/party spaces that can be joined for a large gathering.
d. The restroom(s) and kitchen must be accessible from either meeting space.
e. The design should incorporate a small lockable office for recordkeeping and potential staffing.
f. The design should incorporate storage space for neighborhood items such as Christmas ornaments, banners, etc.,
g. The design should improve the energy profile by improved windows, insulation and a review of the HVAC units and ventilation system.
h. The design should assess and recommend exterior roof and siding repairs or replacement as needed.
i. The design should assess existing parking and recommend additional parking and identify any use issues pertaining to building use due to any parking restraints.

**Cost option 3** – provide estimate using standard construction costs of demolition of existing building and new construction.

**Final report** - A preliminary report will be presented to the Board of Directors for feedback followed by a final report incorporating board feedback.
Lease Purchase Odor Control System
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Odor Control System

Summary

1. The Board previously authorized staff to seek proposals to replace the odor control system at the wastewater plant. Bids were advertised in the Westlake Picayune per the state bidding requirements, three packets were distributed to interested vendor and one was received from El2. WWaterTech who bid in the December bid declined to bid stating they could not agree to the lease purchase provisions. The El2 bid cost to the district is $15,600 less than the previous bid because of the installation cost. the El@ bid also includes maintenance of the equipment so it is the best value.

If the Board wishes to proceed with this project, staff recommends accepting the bid subject to approval of the project by the City of Austin City Manager.

2. The Odor Control Bid called for a lease purchase that will need to be approved by the City of Austin. The draft lease purchase agreement and submittal letter to the City is attached.
# Odor Control Bid Comparison

<table>
<thead>
<tr>
<th>Company Name</th>
<th>buy out price</th>
<th>monthly lease payment</th>
<th>installation cost</th>
<th>installation plus buy out</th>
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<tr>
<td>E12</td>
<td>$ 97,000.00</td>
<td>$1,750.00</td>
<td>$18,000.00</td>
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<tr>
<td>WWaterTech</td>
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<table>
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<tr>
<th></th>
<th>Cost from May 1 - December 1</th>
<th>Total district Cost</th>
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<tbody>
<tr>
<td>E12</td>
<td>$12,250.00</td>
<td>$30,250.00</td>
</tr>
<tr>
<td>WWaterTech</td>
<td>$10,850.00</td>
<td>$45,850.00</td>
</tr>
</tbody>
</table>

Note: WWater tech did not bid this time and the information is based on the bid received from them in December.
Attention Mr. Tom Clark
General Manager
Lost Creek MUD
1305 Quaker Ridge Drive
Austin, Texas 78746
512.327.6243

Subject: EI2 Biorem odor control proposal

Mr. Clark,

Thank you for the opportunity to offer a proposal. Note our offering is per the specifications only. All H2S requirements per spec. Biorem and EI2 are not reasonable for media replacement if H2S is higher than listed in the spec...

The installation cost is $18,000 price includes offloading, installation of the unit, electrical hookup, air piping hookup, water hookup. (Utility is responsible for main power and proper breakers)

Lease amount is $1,750 per month to be paid at the 1st of the month. Price includes schedule maintenance, media replacement if required.

Buyout amount is $97,000 net thirty days after invoice.
November 20, 2013

Tom Clark - General Manager
Lost Creek Municipality Utility District
1305 Quaker Ridge Dr.
Austin, TX 78746

Subject: Vapor Phase Bio Trickling Filter Odor Control System

Dear Sir,

Thank you for your interest in a BioAir Solutions Odor Control system. Please find attached proposal for an EcoPure system to treat the odor stream on the EQ basin.

The EcoPure EPM2 system proposed is a dual-technology treatment system incorporating EcoBase media and a secondary polishing stage of EcoCarb media.

Advantages of a synthetic biological treatment system include extremely low operating cost, minimal maintenance and years of hassle free treatment with zero complaints from the operators or the neighbors.

Materials and Services provided are as follows:
- EcoPure Odor Control Unit
- Concrete pad modifications
- Foul Air Ductwork
- Electrical & Water connections
- Equipment Start up

Note: It will be the City’s responsibility to provide water supply, electrical power and discharge piping within 5 ft. of the odor control unit.

System Pricing – Least to Own Option (Does not include Installation – System Cost Only)

Monthly Lease Payment.................................................................$ 1,550.00
Buyout after 2 years.........................................................................$ 92,000.00

Installation Pricing (Payable upon start-up of EcoPure system)

Installation Price.................................................................$ 35,000.00

Sincerely,

WWATERTECH, INC.

Keith Mayfield
January 16, 2014

Lost Creek MUD
Smithfield Lift Station
Vapor Phase Biotrickling Filter Odor Control System

Mike Harman
Regional Sales Manager
BIOREM Technologies Inc.
678-697-9722
mharman@biorem.biz
Design Criteria As Specified

<table>
<thead>
<tr>
<th>Process Parameter</th>
<th>Value</th>
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<tr>
<td>Flow Rate:</td>
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<tr>
<td>Inlet Air Temperature:</td>
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<tr>
<td>Type of Contaminant:</td>
<td>Average / Peak Con. Levels</td>
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<td>H₂S: 50 ppm</td>
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<td>300 ppm</td>
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Design Parameter

<table>
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<th>Design Parameter</th>
<th>Value</th>
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<tbody>
<tr>
<td>Model of Odor Control System:</td>
<td>SK BTF</td>
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<tr>
<td>Number of Odor Control Systems:</td>
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<td>Vessel Material of Construction:</td>
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<td>Water Consumption:</td>
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<td>Electrical - Main Power supply:</td>
<td>460V, 3Ph, 60Hz, 20 Amps</td>
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<tr>
<td>Operating Weight:</td>
<td>6,850 lbs</td>
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Components Provided As Specified:

Biorem will supply the essential biofilter system components, submittals and services as specified in Section 11910SP: Biological Odor Control System. All components are in accordance with the specification and include the following:

1. Skid Assemblies. A pre-arranged equipment skid, constructed of extruded anodized aluminum, with equipment secured for shipment. Able to be lifted by forklift or crane.
2. Odor control vessels, UV and acid resistant HDPE, with pre-assembled media support flooring, 304 SS hardware, EPDM gaskets and integral sump.
3. Synthetic biotrickling filter media, pre-installed.
4. Carbon polisher with activated carbon pre-installed.
5. Transitiona air ductwork from blowers to vessel inlets, pre-assembled. Ductwork between biotrickling filter vessel and carbon vessel shipped loose.
6. Biotrickling liquid recirculation and biofilter irrigation system, each comprising:
   i. (1) 1 HP recirculation pump, CPVC or 316 SS, TEFC Class 1, Division 2 motor.
   ii. Schedule 80 PVC manifolds and PVC spray nozzles for optimized coverage of filter media beds.
7. 2 HP 316 SS pressure blowers rated at 9" WC, TEFC, Class 1, Division 2 motor.
8. Nutrient addition systems, each comprising:
   i. (1) Nutrient solution storage vessel.
   ii. (1) Metering pump.
   iii. (1) Nutrient solution mixer and valving.
   iv. (1) Year supply of dry nutrients.
9. Control Panels, each comprising:
   i. NEMA 4X Polycarbonate enclosure with pedestal legs.
   ii. Door mounted fused disconnect.
   iii. Motor starters for fan and recirculation pump.
   iv. Status lights (on when running) for fan and recirculation pump.
   v. Recirculation low flow alarm light.
   vi. Alarm reset push button.
   vii. Dry contacts for transmitting signals to remote location.
10. Water panels, each housing the following instrumentation and fluid control valves:
    i. (1) Flow indicator/switch, to display recirculated water flow rate, signal alarm and shut off recirculation pump in case of reduced water flow.
    ii. (1) Flow indicator to display blow down water flow rate.
    iii. (1) Solenoid valve for irrigation control.
    iv. (1) Pressure indicator on water supply line.
    v. (1) Lot fluid control valves (pre-plumbed).
11. Instrumentation external to water panel:
   i. Static pressure gauges to measure pressure drop across media (local read).
   ii. Inlet air temperature indicator (local read).
   iii. Pressure indicators (water), at outlet of recirculation pump.
   iv. Lot fluid control valves and strainers.


14. Field Services will consist of two (2) consecutive days (1 trip) for system commissioning and operator training.

Exceptions

None.

Delivery Timetable

Standard Submittal delivery is 4-6 weeks after purchase order is acknowledged. To be confirmed with Project Manager once purchase order is received. Equipment delivery schedule is 10-12 weeks after approval of submittal packages.

Warranties

A. The Manufacturer warrants that the biotrickling filter media and the biofilter media will not compact, degrade or decompose for a period of 10 years from the date of Substantial Completion, provided that the system is operated in accordance with the Manufacturer's printed Operation and Maintenance Manuals.

B. All mechanical components shall be warranted free of manufacturing defects for a period of 12 months from Substantial Completion, or 18 months from shipment, whichever occurs first.
RESPONSIBILITIES OF THE CONTRACTOR

The following items are to be supplied and/or installed by the CONTRACTOR or others:

1. Provide all equipment offloading, temporary storage and placement.

2. Provide labor, materials and equipment for the installation and assembly of all Biorem supplied equipment and instrumentation. Supply and install all other materials or equipment required for a complete operational system.


4. Design and supply an appropriately sized reinforced concrete slab to handle full load of the odor control skid assembly. Provide collection and analysis of any geo-technical data as required.

5. Supply and install all external water piping and drain piping to and from the vessel, water panel, fan and other fluid equipment including heat tracing, insulation, piping supports, drainage traps where necessary and / or UV protective paint. Drainage ports for system ducting with traps and winterization as required. If winterizing system, contractor to insulate differential pressure gauge enclosures, with polytubing installed in electrical conduit, which is to be heat-traced and insulated.

6. Supply and install air ductwork to the odor control system, including manual or actuated dampers, filters, insulation and piping supports, unless otherwise indicated above.

7. Supply and install all hardware, supports, guide wires, duct gaskets, expansion joints and connectors needed for a complete and operational system.

8. Supply make-up water at a minimum pressure of 40 psi. Water analysis for hardness or other parameters as necessary.

9. Provide main electrical service and system field wiring outside the main biofilter control panel. All electrical requirements for heat tracing and equipment not specifically provide by Biorem to be provided by others.

10. Provide duct balancing, and system functional, hydrostatic, vibration and performance testing to be conducted by OTHERS as specified.
TERMS & CONDITIONS

PRICING
Unless otherwise specified in writing by Biorem Technologies Inc, (Biorem) price does not include any taxes, excises, duties, tariffs or other governmental charges which BIOREM® may be required to pay or collect under existing or future law with respect to the sale, transportation, delivery, storage, installation or use of any of the equipment sold by Biorem.

CANCELLATION
Unless otherwise agreed in writing by the parties, the Buyer may not cancel the Order, except upon written notice and payment to Seller of an amount covering all costs incurred under the Order, all costs which arose out of the cancellation, and a cancellation fee of 50% of the Order Price. Materials received and Goods manufactured in part or whole under the Order prior to the time of cancellation shall be retained by and shall be property of the seller. When calculating the cancellation related costs, payments made by buyer to seller prior to cancellation shall be taken into account.

LIMITATION OF LIABILITY - SELLER’S LIABILITY TO THE PRICE ALLOCABLE TO THE GOODS DETERMINED DEFECTIVE, AND IN NO EVENT WILL SELLER’S CUMULATIVE LIABILITY BE IN EXCESS OF THE TOTAL SALES ORDER PRICE, WHETHER ARISING UNDER WARRANTY, CONTRACT, NEGLIGENCE, STRICT LIABILITY, INDEMNIFICATION, OR ANY OTHER CAUSE OR COMBINATION OF CAUSES WHATSOEVER. SELLER WILL NOT BE LIABLE FOR ANY SPECIAL, INDIRECT, INCIDENTAL, OR CONSEQUENTIAL DAMAGES OR INDEMNIFICATION, OR ANY OTHER CAUSE OR COMBINATION OF CAUSES WHATSOEVER. THIS LIMITATION SHALL APPLY NOTWITHSTANDING ANY FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY. BUYER’S REMEDIES ARE SPECIFICALLY LIMITED TO THE REPAIR OR REPLACEMENT OF THE GOODS AND IS EXCLUSIVE OF ALL OTHER REMEDIES. SHOULD THESE REMEDIES BE FOUND INADEQUATE OR TO HAVE FAILED THEIR ESSENTIAL PURPOSE FOR ANY REASON WHATSOEVER, BUYER AGREES THAT RETURN OF THE FULL SALES ORDER PRICE TO IT BY SELLER SHALL PREVENT REMEDIES FROM FAILING THEIR ESSENTIAL PURPOSE AND SHALL BE CONSIDERED BY BUYER AS A FAIR AND ADEQUATE REMEDY.
Mr. Mark Ott  
City Manager  
City of Austin  
P.O. Box 1088  
Austin, Texas 78767

RE: Odor Control System Lost Creek Municipal Utility District

Dear Mr. Ott:

The City of Austin (City) will annex Lost Creek Municipal Utility District (Lost Creek) for full purpose annexation effective December 15, 2015. The City shall assume responsibility for operation and maintenance of the Lost Creek water and wastewater utility system effective December 1, 2014 under the provisions of the Amended and Restated Strategic Partnership Agreement (Agreement) between the City and Lost Creek. Lost Creek has received numerous odor complaints from residents residing adjacent to the Lost Creek Wastewater Plant and Lost Creek and City staff has worked together to help resolve the odor issue. Our efforts have resulted in receiving bids for an odor control system to treat the odor on site.

Section 3.03 Transfer of Assets, Employment and Services Contractual Obligations of the District Paragraph (3) does not allow the District to enter into a contract or service that will result in a contractual obligation for the City after the full purpose annexation date. The contract is silent to a similar provision of entering into a contract or service that would commit the City to an obligation after the Utility Operations Transfer Date.

Because the odor control system will be operation for many years after the Utility Operations Transfer Date, Lost Creek proposes to install the system and pay a lease payment until the Utility Operations Transfer Date at which time the City would assume the lease or pay the balance in full at its discretion.

Your agreement and our awarding the bid would allow us to provide relief to the residents now rather than wait until after the Utility Transfer Date and the City will receive an asset at a reduced cost. A copy of the bid is attached for review and if you agree, please acknowledge your approval below and return one original.

Sincerely,

Tom Clark or Steve Verege?

__________________________________________
Mark Ott  
Approved
LEASE WITH OPTION TO PURCHASE AGREEMENT

THE STATE OF TEXAS §
COUNTY OF TRAVIS §

KNOW ALL BY THESE PRESENTS:

THIS LEASE WITH OPTION TO PURCHASE AGREEMENT ("Agreement") is entered into between the Lost Creek Municipal Utility District, a Texas conservation and reclamation district and political subdivision of the State of Texas ("Lessees" or "District") and __________________________, a __________________________ ("Lessor"). In this Agreement, Lessor and Lessee are sometimes individually referred to as "a Party" and collectively referred to as "the Parties".

Recitals

WHEREAS, Section 49.218 of the Texas Water Code authorizes a water district to acquire any property, real or personal, considered necessary for the purpose of accomplishing any one or more of the district's governmental purposes and further authorizes a district to lease property from others for its use on such terms and conditions as the board of the district may determine to be advantageous; and

WHEREAS, Section 271.005 et seq. of the Public Property Finance Act authorizes conservation and reclamation districts and other political subdivisions of the State of Texas to execute, perform, and make payments under a contract with any person for the purchase or acquisition of personal property, including contracts that provide for a lease with an option to purchase such personal property; and

WHEREAS, under the Public Property Finance Act, personal property is defined to include equipment, whether movable or fixed, considered by the governing body of the political subdivision to be necessary, useful, or appropriate to one or more purposes of the political subdivision, including all materials and labor incident to the installation of that personal property; and

WHEREAS, the Board of Directors of the District has determined that it is necessary, useful and appropriate for the District to acquire certain odor control at its wastewater treatment plant facility for purposes of controlling and mitigating odors generated at the facility. The odor control equipment is more particularly described in Exhibit "A" attached hereto and is hereinafter referred to as the "Equipment"; and

WHEREAS, the District has solicited competitive bids and/or proposals for the Equipment in accordance with the procurement laws applicable to municipal utility districts; and

WHEREAS, the Parties desire to enter into this Agreement in order to provide for the lease of, with an option to purchase, the Equipment from Lessor to Lessee.
NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises and agreements of the Parties contained in this Agreement, the Parties agree as follows:

I. DEFINITIONS

When used in this Agreement, capitalized terms not otherwise defined shall have the meanings set forth below:

1.01 “Acceptance Certificate” means the certificate to be executed by Lessee on the Acceptance Date, the form of which is attached hereto as Exhibit “E”.

1.02 “Acceptance Date” means the date on which Lessee accepts the Equipment after it has been installed and commences operation in accordance with the requirements of this Agreement.

1.03 “Agreement” means this Lease With Option to Purchase Agreement.

1.04 “Fiscal Year” means Lessee’s fiscal year, as may amended from time to time.

1.05 “Commencement Date” means the date when Lessee’s obligation to pay Rental Payments begins, which shall correspond to the Acceptance Date.

1.06 “Equipment” means all of the items of equipment listed on Exhibit “A” and all replacements, restorations, modifications and improvements thereto.

1.07 “Equipment Location” means the location designated by Lessee at its wastewater treatment facility at which the Equipment shall be installed by Lessor.

1.08 “Lease Term” means the period of time from the Commencement Date until all amounts due by Lessee under this Agreement are paid.

1.09 “Lessee” means Lost Creek Municipal Utility District, and its successors and assigns (including the City of Austin as more fully set forth in Section 7.01 below).

1.10 “Lessor” means the entity identified in the first paragraph of this Agreement as Lessor.

1.11 “Purchase Option Price” means the amount that may be paid by Lessee on any Rental Payment date to purchase the Equipment, as set forth on Exhibit “B” attached hereto.

1.12 “Rental Payments” means the payments that Lessee is required to make under this Agreement as more fully set forth in Exhibit “B”.

1.13 “Work” means the delivery, installation and commencement of operation of the Equipment by Lessor in accordance with the terms of this Agreement.
1.14 "Work Schedule" means the schedule for delivery, installation and commencement of operation of the Equipment, as more fully set forth in Exhibit "C" attached hereto.

II. FURNISHING, INSTALLATION AND ACCEPTANCE OF EQUIPMENT

2.01 General. Lessor shall furnish, deliver and install the Equipment and cause it to be fully operational in accordance with the terms and conditions of this Agreement. Lessor agrees to perform the Work diligently, using the Lessor's best skill and attention, and in compliance with the highest applicable industry standards.

2.02 Completion Time. Lessor shall furnish and install the Equipment in accordance with the schedule attached hereto as Exhibit "C" (the "Work Schedule"). Lessor agrees that the installation of the Equipment shall be coordinated with Lessee so as to ensure that the operation of Lessee's wastewater treatment plant is not materially disrupted by the installation of the Equipment. Time is of the essence of this Agreement and with regard to Lessor's furnishing and installation of the Equipment in accordance with the Work Schedule. Lessee shall not dictate or determine the schedule of the working hours of Lessor; provided, however, that Lessee may restrict the times during which Lessor accesses and performs work at the Equipment Location and any portions thereof to normal working hours and days, consistent with written holiday schedules and policies of Lessee which will be furnished to Lessor upon request.

2.03 Review of Field Conditions. Lessor agrees and acknowledges that it has carefully examined the Equipment Location, has adequately investigated the nature and conditions of the Equipment Location, has familiarized itself with conditions affecting the difficulty of the Work, and has agreed to the Work based on its own examination, investigation, and evaluation, and not in reliance upon any opinions or representations of Lessee or any other party.

2.04 Labor and Materials. Lessor shall furnish at its own cost and expense all services, labor, materials, equipment, tools, transportation, facilities, and all other things necessary for the proper execution and completion of the Work.

2.05 Supervision and Construction Procedures; Safety. Lessor shall be solely responsible for and have control over construction means, methods, techniques, sequences and procedures, and for coordinating all portions of the Work. Lessor shall be responsible to Lessee for acts and omissions of Lessor's employees, subcontractors and their agents and employees, and any other persons or entities performing portions of the Work for or on behalf of Lessor or any of its subcontractors. Lessor shall be responsible for initiating, maintaining and supervising all safety precautions and programs in connection with the performance of the Work. Lessor shall take reasonable precautions for safety of, and shall provide reasonable protection to prevent damage, injury or loss to: (a) employees and other persons present at the Equipment Location or performing the Work, (b) the materials and equipment used in the performance of the Work, and (c) other real and personal property at the site or adjacent thereto.
2.06 Compliance with Laws. Lessor shall give notices and comply with applicable laws, ordinances, rules, regulations, and lawful orders of public authorities related to the performance of the Work, including those bearing on safety of persons and property and their protection from damage, injury or loss. Lessor shall promptly remedy damage and loss to property caused in whole or in part by Lessor, a subcontractor, a sub-subcontractor or anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable for and for which Lessor is responsible hereunder, except for damage or loss attributable to acts or omissions of Lessee and not attributable to the fault or negligence of Lessor.

2.07 Warranties of the Work; Correction of Defective Work. Lessor warrants to Lessee that materials and equipment furnished in the performance of the Work will be of good quality and new, that the performance of the Work will be free from defects, and that the Equipment, once operational, will comply with the performance criteria set forth in Exhibit “D”. Work not conforming to these requirements may be considered defective. The foregoing warranties shall commence on the Acceptance Date (as hereinafter defined). Lessor shall promptly correct any Work determined by Lessee to be defective or to fail to conform to the requirements of this Agreement, whether discovered before or after the Acceptance Date. Costs of correcting such defective or nonconforming Work shall be at Lessor’s expense. In addition to the foregoing, if, within one year after the date for commencement of warranties established herein, any of the Work is deemed by Lessee not to be in accordance with the requirements of this Agreement; Lessor shall correct it promptly after receipt of written notice from Lessee to do so. If Lessor fails to correct defective or non-conforming Work within a reasonable time, Lessee may correct such defective or non-conforming Work and may deduct the reasonable cost thereof from any Rental Payment then or thereafter due Lessor. Additionally, Lessor agrees to assign to Lessee any and all manufacturer’s warranties relating to materials and labor used in the Work and further agrees to perform the Work in such manner so as to preserve any and all such manufacturer’s warranties.

2.08 Cleaning Up. Lessor shall keep the Equipment Location and surrounding area free from waste materials, packaging, and other debris or rubbish accumulated in connection with the Work by collecting and removing such waste materials, packaging, and other debris or rubbish from the Equipment Location or placing it in locations designated by Lessee on a daily basis. At completion of the Work, Lessor shall remove from and about the job site and surrounding area waste materials, rubbish, Lessor’s tools, construction equipment, machinery, and surplus material. Failure to comply with the clean up requirements set forth in this Agreement shall constitute a breach of this Agreement.

2.09 Acceptance by Lessee. Lessee shall accept the Equipment as soon as installation has been completed, it commences operation and it is confirmed that the Equipment meets the operational performance criteria set forth in Exhibit “D”. Lessee shall evidence its acceptance and commencement of the lease term by executing and delivering to Lessor an acceptance certificate in the form attached as Exhibit “E” attached hereto (the “Acceptance Certificate”). The date of execution of the Acceptance Certificate by Lessee shall constitute the Commencement Date.

2.10 Title to Equipment. Title to the Equipment shall automatically vest in Lessee on the Acceptance Date when Lessee executes the Acceptance Certificate. Title to the Equipment
will automatically transfer to Lessor in the event of an Event of Default under Section 5.01 below or due to an Event of Nonappropriation in accordance with Section 3.05 below.

III.

RENTAL PAYMENTS AND PURCHASE OPTION PRICE

3.01 Rental Payments. Lessee shall pay Rental Payments to Lessor from funds appropriated thereto and other funds legally available for that purpose in money of the United States of America. The Rental Payments will be payable without notice or demand at the time and in the amounts shown on Exhibit “B”. The Rental Payments shall be sent to the location specified by the Lessor. If any amount payable hereunder is not paid within thirty (30) days after it is due, Lessee will pay to Lessor an amount equal to five percent (5%) of such overdue payment as a delinquency charge. THE OBLIGATIONS OF LESSEE TO MAKE RENTAL PAYMENTS FROM LEGALLY AVAILABLE FUNDS SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMUNITION, DEDUCTION, SET-OFF OR DEFENSE. LESSOR ACKNOWLEDGES THAT IT HAS NO RIGHT TO COMPEL LESSEE TO LEVY OR COLLECT TAXES TO MAKE ANY PAYMENTS REQUIRED HERUNDER, OR TO EXPEND FUNDS BEYOND THE AMOUNT Appropriated THEREFOR IN THE THEN CURRENT FISCAL YEAR OF LESSEE.

3.02 Purchase Option Price. Upon not less than thirty (30) days prior written notice, Lessee and its successors and assigns shall have the option to pay, in addition to the Rental Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit “B”. This option is only available to Lessee on a Rental Payment date and no partial prepayments are allowed. In the event Lessee chooses this option and payments the Purchase Option Price to Lessor, then Lessor’s obligation to pay Rental Payments thereafter shall terminate. Further, upon payment of the Lessee of the Purchase Option Price, this Agreement shall terminate for all purposes, save and except any warranties relating to the Equipment in effect as of such payment date shall survive termination.

3.03 Appropriation of Funds. Lessee, by entering into this Agreement, acknowledges its current intention to make all payments due under this Agreement during its current Fiscal Year on the dates such payments are then due, but does not commit to a legal or other obligation to make other payments due under this Agreement or to incur any liability or debt beyond the revenue and income provided during its then current Fiscal Year. The liability and obligations of Lessee during each Fiscal Year and remedies of Lessor will be limited to recovery only of funds appropriated for payments for such Fiscal Year. Lessee agrees that: (i) its governing body shall, for each ensuring Fiscal Year in which the payments are scheduled to be made, to the extent funds have been appropriated for such Fiscal Year, make all such payments as and when due; and (ii) if sufficient funds are appropriated and budgeted for the next Fiscal Year for the lease and purchase of the Equipment, then this Agreement will continue during the Fiscal Year.

3.04 Funding Intent. Lessee reasonably believes that sufficient funds can be obtained to make all Rental Payments and other payments during the term of this Agreement. Lessee affirms that funds to pay Rental Payments under this Agreement are available for Lessee’s current Fiscal Year. Lessor and Lessee agree that Lessee’s obligation to make Rental Payments
under this Agreement will be Lessee’s current expense and will not be interpreted to be a debt in violation of applicable law or constitutional limitations or requirements. Nothing contained in this Agreement will be interpreted as a pledge of Lessee’s general tax revenues, funds or moneys.

3.05 Nonappropriation. If, during a Fiscal Year (the “Current Fiscal Year”), the governing body of the Lessee fails to specifically include in its proposed budget or related documents, or to appropriate sufficient funds to make the Rental Payments and other amounts due under this Agreement in the next succeeding Fiscal Year with regard to the Equipment, then Lessee will immediately notify Lessor of such occurrence. In such event, an event of nonappropriation (“Event of Nonappropriation”) will be deemed to have occurred, and this Agreement will be terminated at the end of the Current Fiscal Year, whereupon Lessee will be obligated to pay all amounts previously appropriated then due under this Agreement subject to the provisions herein. At the end of the Current Fiscal Year, Lessor will have the right to take possession of the Equipment and title to the Equipment shall best in Lessor, and all rights of Lessee in and to the Equipment including rights to possession, shall terminate. Nothing in this Agreement will be deemed in any way to obligate Lessee or create a debt of Lessee beyond its Current Fiscal Year. If Lessee makes all payments due under this Agreement through the end of the Current Fiscal Year and relinquishes the Equipment as provided in this Agreement, then Lessee will have no further liability under this Agreement as it relates to such Act of Nonappropriation.

IV.

DUTIES OF LESSEE

4.01 Use and Maintenance of Equipment. Lessee agrees that the Equipment will be used solely for public purposes in the conduct of its business. Lessee shall maintain the Equipment in good repair and working order, reasonable wear and tear excepted, to the same extent that Lessee would, in the prudent management of its property, maintain comparable equipment. Subject to the warranty provisions hereof, if any additional improvements to the Equipment or replacement thereof is required, Lessee will do so at its own expense. The Equipment is and shall at all times be and remain personal property.

4.02 Sale and Encumbrance. Lessee will not sell, lease or encumber the Equipment

4.03 Inspection. At any time during Lessee’s normal working hours, Lessor may inspect the Equipment with prior reasonable notice.

4.04 Insurance. Lessee will provide public liability insurance with respect to the Equipment or an actuarially sound self-insurance program. On demand, Lessee will deliver to Lessor evidence satisfactory to Lessor showing the existence of such insurance.

4.05 Loss. Lessee assumes all risk of loss to the Equipment. Lessee will immediately notify Lessor of any loss for which an insurance claim may be made, and shall, at Lessee’s option: (i) exercise its option to pay the Purchase Option Price; or (ii) replace or repair any damaged Equipment in as good a condition as before such damage.
V.

DEFAULT AND REMEDIES

5.01 Events of Default. The following will be Events of Default under this Agreement: (i) following the appropriation of funds, Lessee’s failure to pay any payment after it is due, or failure to comply with any other covenant under this Agreement, within 30 days after written notice from Lessor requesting that such failure be remedied; (ii) Lessee becomes insolvent or bankrupt or makes an assignment for the benefit of creditors; or (iii) Lessee fails to comply with its obligations under Section 3.05 following an Event of Nonappropriation.

5.02 Lessor Remedies. Whenever an Event of Default has occurred, Lessor may, subject to the limitations of Section 3.03 of this Agreement, exercise any one or more of the following remedies: (i) By written notice to Lessee, declare all amounts coming due during the current Fiscal Year to be immediately due and payable; (ii) take possession of the Equipment, without demand or notice, without any court order or other process of law, sell or lease it and retain the proceeds, holding Lessee liable for an amount equal to all amounts payable hereunder to the end of the then current Fiscal Year less the proceeds of such sale or lease; provided, however, if the proceeds of such sale or lease exceed the amount required to compensate Lessor for all payments contemplated under this Agreement, then such excess proceeds will be paid to Lessee; (iii) require Lessee to deliver the Equipment to a location designated by Lessor; (iv) enforce through judicial action performance by Lessee of any terms of this Agreement and/or recover all damages and expenses incurred by Lessor by reason of the Event of Default; and (v) exercise any other right or remedy available to Lessor at law or in equity.

5.03 Lessee Remedies. In the event of a default by Lessor, Lessee may, after providing not less than thirty (30) days prior written notice and opportunity to cure, exercise any right or remedy available at law or in equity.

VI.

REPRESENTATIONS AND COVENANTS

6.01 Representations of Lessee. Lessee represents, covenants and warrants that: (i) it is a political subdivision of the State of Texas with statutory authority to enter into this Agreement and has been duly authorized to execute, delivery and carry out its obligations under this Agreement; (ii) the execution and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessee; and (iii) Lessee has never non-appropriated or defaulted under any of its obligations under any lease-purchase, bond, or other debt obligation.

6.02 Representations of Lessor. Lessor represents, covenants and warrants that: (i) it has been duly authorized to execute, delivery and carry out its obligations under this Agreement; and (ii) the execution and performance of this Agreement will not violate any judgment, order, law or regulation applicable to Lessor.

VII.
ASSIGNMENT

7.01 Assignment by Lessee.

(a) Except as set forth in Section 7.01(b) below, Lessee may not assign this Agreement without the prior written consent of Lessor.

(b) Lessor acknowledges and agrees that Lessee is currently a party to a contract with the City of Austin ("Austin") pursuant to which Austin will commence the provision of retail water and wastewater service within the District, and will assume responsibility and control over all water and sewer operations within the District, effective December 1, 2014 (the "City Assumption Date"). Effective as of the City Assumption Date, Austin will automatically assume all rights, interests, cures and obligations of the District under this Agreement, and the District will be released of any and all obligations hereunder as of said date.

7.02 Assignment by Lessor. Upon written notice to Lessee identifying the name and address of the assignee(s), Lessor may assign any of its rights or interests in this Agreement or the Equipment.

VIII. GENERAL PROVISIONS

8.01 Term. This Agreement will be effective on the last date of execution by a Party and shall remain in effect until the earliest of the following: (i) the final Rental Payment is made; (ii) the end of the Fiscal Year during which an Event of Nonappropriation occurs; (iii) the Purchase Option Price is tendered by Lessee to Lessor; or (iv) an Event of Default occurs and Lessee’s possession of the Equipment terminates.

8.02 Severability. The provisions of this Agreement are severable and, if any provision of this Agreement is held to be invalid for any reason by a court or agency of competent jurisdiction, the remainder of this Agreement will not be affected and this Agreement will be construed as if the invalid portion had never been contained herein.

8.03 Cooperation. The Parties agree to cooperate at all times in good faith to effectuate the purposes and intent of this Agreement.

8.04 Entire Agreement. This Agreement contains the entire agreement of the Parties regarding the subject matter hereof and supersedes all prior or contemporaneous understandings or representations, whether oral or written, regarding the subject matter.

8.05 Amendments. Any amendment of this Agreement must be in writing and will be effective if signed by the authorized representatives of the Parties.

8.06 Applicable Law; Venue. This Agreement will be construed in accordance with Texas law. Venue for any action arising hereunder will be in Travis County, Texas.

8.07 Notices. Any notices given under this Agreement will be effective if (i) forwarded to a Party by hand-delivery; (ii) transmitted to a Party by confirmed telecopy; or (iii)
deposited with the U.S. Postal Service, postage prepaid, certified, to the address of the Party indicated below:

**LESSEE:**

Lost Creek Municipal Utility District  
1305 Quaker Ridge Road  
Austin, Texas 78746  
Attn: General Manager  
Facsimile: (512) 327-6282

**LESSOR:**

Attn:  
Facsimile

**8.08 Exhibits.** The following exhibits are attached to this Agreement and incorporated herein by reference:

Exhibit A - Description of Equipment  
Exhibit B - Rental Payments Schedule (Including Purchase Price Option)  
Exhibit C - Work Schedule  
Exhibit D - Performance Criteria  
Exhibit E - Form of Acceptance Certificate

**8.09 Counterparts; Effect of Partial Execution.** This Agreement may be executed simultaneously in multiple counterparts, each of which will be deemed an original, but all of which will constitute the same instrument.

**LESSOR:**

By:  
Name:  
Title:  
Date:

**LESSEE:**

9
LOST CREEK MUNICIPAL UTILITY DISTRICT

By:__________________________

Name: 

Title:_________________________

Date:_________________________
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Accept Proposal for survey of a permanent easement for a storage facility at the Wastewater Treatment Plant

Summary
The City of Austin has agreed to allow a permanent easement to be located at the wastewater treatment plant that would allow continued storage of equipment after the city assumes operation of the utility and after Lost Creek converts to a limited district. The easement will require a survey and field notes and some legal drafting of the easement. Attached is a proposal from Baker-Aiklen to conduct the survey and prepare the field notes.
Tom Clark

From: Shropshire, Paul [Paul.Shropshire@austintexas.gov]
Sent: Thursday, January 02, 2014 12:56 PM
To: gm@lostcreekmud.org
Cc: Scharf, Matthew; Martinez, Lisa; Bennett, James
Subject: 7 lost creek access area.pptx
Attachments: 7 lost creek access area.pptx

Tom,

Yes, this is agreeable to us. In fact, it's a great way for AWU to start their long term relationship with Lost Creek.

Thanks and let me know how we can help.

Paul

---

Thanks Paul. So for an easement, I will need to get it surveyed and have legal draft an easement document for your review based on the drawing we did?

Sincerely

Tom Clark
General Manager
Lost Creek MUD
1305 Quaker Ridge Drive
Austin, Texas 78746
512.327.6243
LIMITED SERVICES AUTHORIZATION

Design Professional: BAKER-AICKLEN & ASSOC., INC.
Firm: 507 W. Liberty Avenue
Firm: Round Rock, TX 78664
Date: January 8, 2014

Client: Lost Creek M.U.D.
Tom Clark, General Manager
1305 Quaker Ridge Drive
Austin, TX 78746

Phone/Fax: P: 512.327.6243 F: 512.327.6282
Email: gm@lostcreekmud.com
Contract No. 14-3004

Project Name/Location:
Lost Creek Access Area, 6104½ Turtle Point Drive, Austin, Texas

Scope/Intent and Extent of Services:
Research recorded documentation and locate enough monumentation in the area to provide a signed metes and bounds description with sketch for an easement. The client is to provide the configuration of the easement required.

Fee Arrangement:
Fixed fee basis in the amount of $1,950.00 plus reimbursable expenses.

Special Conditions:
1. Assisting the Client in resolution of any boundary conflicts or discrepancies identified during the course of the survey will be handled as an additional service.
2. Any requested services not specifically covered by the above-listed Scope of Services will be provided on an actual time and materials expended basis in accordance with the attached Standard Rate Schedule.

Prepared by:
Margaret A. Nolen, R.P.L.S., Project Surveyor (printed name/title)

Offered by: [Signature] 1/8/14 (signature) date
R. David Strutton, Vice President (printed name/title)

The Professional Services Agreement as well as the attached rate schedule are a part of this Agreement.

Accepted by:

[Signature] date (signature) date
(printed name/title)
(name of Client)
PROFESSIONAL SERVICES AGREEMENT

LOST CREEK, M.I.D., as CLIENT engages Baker-Ackiea & Associates, Inc. as ENGINEER/SURVEYOR/LANDSCAPE ARCHITECT/PAMNER (ENG/SURVL/PLA) to perform professional services for the assignment described on the attached proposal.

I. SERVICES: ENG/SURVL/PLA agrees to perform Basic Services and Additional Services in conformance with the following descriptions, definitions, terms and conditions.

A. BASIC SERVICES:
   See reverse side.
   B. ADDITIONAL SERVICES: All work performed by ENG/SURVL/PLA which is either described in this paragraph or not included in the Basic Services defined above, shall constitute Additional Services. These shall include:
   1. Travel and subsistence to points other than ENG/SURVL/PLA or CLIENTS offices and project site.
   2. Copies of final reports, studies, drawings and other data in excess of one (1) set or that specified.
   3. Revisions to approved reports, studies, drawings and other data.
   4. Other services not otherwise included in this Agreement or not customarily furnished in accordance with generally accepted engineering practice.

II. COMPENSATION: CLIENT agrees to pay ENG/SURVL/PLA for above described services in accordance with the following descriptions, definitions, terms and conditions.

A. BASIC SERVICES: Compensation will be on a fixed fee basis for: $1,950.00, plus reimbursable expenses.

B. ADDITIONAL SERVICES: ENG/SURVL/PLA compensation will be on an hourly-charge basis for personnel services plus Reimbursable Expenses (defined below).
   1. HOURLY CHARGE: Hourly charges are to be based on the current Standard Rate Schedule effective at the time of billing.
   2. REIMBURSABLE EXPENSES: Expenses in connection with Additional Services shall include transportation and subsistence, cost of ENG/SURVL/PLA field office, reproduction, subcontracts and similar items. Such expenses shall be reimbursed at the following rates:
      a. Transportation by ENG/SURVL/PLA vehicles: at ENG/SURVL/PLA standard rates.
      b. Reproduction performed in ENG/SURVL/PLA office: at prevailing commercial rates.
      c. All others: actual cost to ENG/SURVL/PLA plus 15% service charge.

III. PAYMENTS: ENG/SURVL/PLA will invoice CLIENT semi-monthly in amounts based on ENG/SURVL/PLA estimate of the portion of the Basic Services completed, plus charges for Special Services performed. CLIENT agrees to promptly pay ENG/SURVL/PLA at his office in Williamson County, Texas, the full amount of each such invoice upon receipt. A charge of 1.5% per month may be added to the unpaid balance of invoices not paid within 30 days after date of invoice. If the invoice is not paid within 60 days, ENG/SURVL/PLA may, without waiving any claim or right against CLIENT, and without liability whatsoever to the CLIENT, terminate the performance of the services. Retainers shall be credited on the final invoice.

IV. OWNERSHIP OF DOCUMENTS: All documents, including original drawings, CAD files, estimates, specifications, field notes and data are and shall remain the property of ENG/SURVL/PLA; however, CLIENT will be furnished, upon request, duplicate copies of original drawings, CAD files and other documents, but agrees that he will use such copies solely in connection with the project covered by this Agreement and for no other purpose.

V. OPINION OF PROBABLE CONSTRUCTION COST: Opinion of probable construction cost prepared by ENG/SURVL/PLA represents his reasonable skill as a design professional familiar with the construction industry. It is recognized, however, that the ENG/SURVL/PLA has no control over the cost of labor, materials or equipment, over the Contractor's methods of determining bid prices, or over competitive bidding or market conditions. Accordingly, the ENG/SURVL/PLA cannot and does not guarantee that bids will not vary from any cost estimate prepared by him.

VI. INSURANCE: ENG/SURVL/PLA agrees to maintain worker's compensation insurance to cover all of its own personnel engaged in performing services for CLIENT under this Agreement. ENG/SURVL/PLA also agrees to maintain public liability insurance covering claims against ENG/SURVL/PLA for damages resulting from bodily injury, death or property damage from accidents arising in the course of services performed under this Agreement.

VII. LIABILITY LIMITATION: ENG/SURVL/PLA shall have no liability to CLIENT or to others for any reasons beyond use of reasonable skill in performing the services for the assignment covered by this Agreement. In no event shall ENG/SURVL/PLA professional liability exceed amount of the total compensation received by ENG/SURVL/PLA under this Agreement, limited to a maximum of $50,000.

VIII. DISPUTE RESOLUTION: In an effort to resolve any conflicts that arise during the design or construction of the project or following the completion of the project, the CLIENT and the ENG/SURVL/PLA agree that all disputes between them arising out of or relating to this Agreement shall be submitted to binding mediation and, if necessary, followed by binding arbitration. The CLIENT and the ENG/SURVL/PLA further agree to include a similar mediation/arbitration provision in all agreements with independent contractors and consultants retained for the project and to require all independent contractors and consultants also to include a similar mediation/arbitration provision in all agreements with subcontractors, subconsultants, suppliers or fabricators so retained, thereby providing for mediation as the primary method for dispute resolution between the parties to those agreements and, if necessary, followed by binding arbitration.

IX. TERMINATION:
   A. CONDITIONS OF TERMINATION: This Agreement may be terminated without cause at any time prior to completion of ENG/SURVL/PLA services either by CLIENT or by ENG/SURVL/PLA, upon seven days written notice to the other at the address of record. Termination shall release each party from all obligations of this Agreement, except as specified in paragraph IX.B below.
   B. COMPENSATION PAYABLE ON TERMINATION: On termination, by either CLIENT or ENG/SURVL/PLA, CLIENT shall pay ENG/SURVL/PLA with respect to Basic Engineering Services which have been completed an amount fixed by applying the rate specified for Additional Services in paragraph II.B to all Basic Services performed to the date of termination, plus an amount fixed by applying the rate specified in paragraph II.B to all Additional Services performed to date of termination. (Including all Reimbursable Expenses incurred).

X. SUCCESSORS AND ASSIGNS: CLIENT and ENG/SURVL/PLA each binds himself, and his partners, successors, executors, administrators and assigns to the other party of this Agreement and to partners, successors, executors, administrators and assigns of such other party in respect to all covenants of this Agreement. Neither CLIENT nor ENG/SURVL/PLA shall assign, sublet, or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as giving any rights or benefits hereunder to anyone other than CLIENT and ENG/SURVL/PLA.

XI. SPECIAL PROVISION: This instrument contains the entire Agreement between CLIENT and ENG/SURVL/PLA, except as additionally stated below:

Limited Professional Services Agreement on reverse side forms a part of this agreement, as well as attached Standard Rate Schedule that may change without notice in consideration of changes in price indices and pay scales applicable to the period when services are in fact being rendered.

XII. INVALIDATION: If this Agreement is not executed by CLIENT within 30 days of the date tendered, it shall become invalid unless MODIFICATIONS: No one has authority to make variations in, or additions to the terms of this Agreement on behalf of ENG/SURVL/PLA other than one of its Officers, and then only in writing signed by him.

7/12 LIA/FP
STANDARD RATE SCHEDULE
Labor Rate Table 60

Effective January 1, 2013 the following rates are recommended for work performed on an hourly-charge basis. Rates include company overhead and profit for services accomplished during regular working hours.

DIRECT LABOR

OFFICE PERSONNEL SERVICES

<table>
<thead>
<tr>
<th>Classification</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sr. Project Manager</td>
<td>$175 per hour</td>
</tr>
<tr>
<td>Managing Planner</td>
<td>$170 per hour</td>
</tr>
<tr>
<td>Managing Landscape Architect</td>
<td>$170 per hour</td>
</tr>
<tr>
<td>Managing Surveyor/GIS</td>
<td>$170 per hour</td>
</tr>
<tr>
<td>Managing Construction Manager</td>
<td>$170 per hour</td>
</tr>
<tr>
<td>Project Manager</td>
<td>$160 per hour</td>
</tr>
<tr>
<td>Sr. Landscape Architect</td>
<td>$150 per hour</td>
</tr>
<tr>
<td>Sr. Project Engineer/Surveyor/Planner</td>
<td>$150 per hour</td>
</tr>
<tr>
<td>Construction Manager</td>
<td>$150 per hour</td>
</tr>
<tr>
<td>Sr. Project Engineering/Surveying/Planning/GIS Coordinator</td>
<td>$140 per hour</td>
</tr>
<tr>
<td>Project Engineer/Surveyor/Planner</td>
<td>$130 per hour</td>
</tr>
<tr>
<td>Project Engineering/Surveying/Planning/GIS Coordinator</td>
<td>$130 per hour</td>
</tr>
<tr>
<td>Sr. Project Engineering/Surveying/Planning/GIS Designer</td>
<td>$120 per hour</td>
</tr>
<tr>
<td>Sr. Project Engineering/Surveying/Planning/GIS Associate</td>
<td>$115 per hour</td>
</tr>
<tr>
<td>Project Engineering/Surveying/Planning/GIS Designer</td>
<td>$110 per hour</td>
</tr>
<tr>
<td>Project Landscape Architect</td>
<td>$110 per hour</td>
</tr>
<tr>
<td>Engineering/Surveying/Planning/GIS Associate</td>
<td>$105 per hour</td>
</tr>
<tr>
<td>Engineering/Surveying/Planning/GIS Assistant</td>
<td>$100 per hour</td>
</tr>
<tr>
<td>Sr. Engineering/Surveying/GIS CAD Technician</td>
<td>$90 per hour</td>
</tr>
<tr>
<td>Engineering/Surveying/GIS CAD Technician</td>
<td>$85 per hour</td>
</tr>
<tr>
<td>CAD/GIS Computer Operator</td>
<td>$70 per hour</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>$70 per hour</td>
</tr>
<tr>
<td>Expert Witness/Testimony/Deposition Services</td>
<td>Double Rate</td>
</tr>
<tr>
<td>Department Manager</td>
<td>$175 per hour</td>
</tr>
</tbody>
</table>
| Principal (as appropriate)                          | $240 per hour *

FIELD PARTY SERVICES

<table>
<thead>
<tr>
<th></th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-Man Field Party</td>
<td>$85 per hour</td>
</tr>
<tr>
<td>2-Man Field Party</td>
<td>$150 per hour</td>
</tr>
<tr>
<td>3-Man Field Party</td>
<td>$185 per hour</td>
</tr>
<tr>
<td>4-Man Field Party</td>
<td>$225 per hour</td>
</tr>
</tbody>
</table>

DIRECT EXPENSES

Transportation:
By Firm's Passenger Vehicles Charged at current IRS allowable rate
By Firm's Survey Trucks (Notes 1, 2, & 3) Charged at current IRS allowable rate
Direct Expense - Reproduction & Printing by Firm, Prevailing Survey Stakes, Lathes, Iron Rods, Commercial Rates Or Subsistence of out-of-city services, and other Direct Expense Cost Plus 15%

* Not default rates. These rates are used as required in special situations only and with Client notification.

NOTES:
1. Field Party rates include equipment, supplies and survey vehicles. Abnormal use of stakes, lathes, etc., used such as during the construction phase of a project will be charged as indicated.
2. Field party time charge will be made for show-up time and return to office, resulting from inclement weather conditions, etc.
3. Field Party stand-by time will be charged for at the above-shown appropriate rates.
4. The firm's professional liability is limited to the total amount of compensation under the Professional Services Agreement to a maximum of $50,000.

04-01-13
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Landscape Improvements in Lost Creek Median

Summary
Last year, the Board tabled proceeding with landscape improvements in the median but authorized replacing the electrical due to safety issues. The electrical should be completed in January 2014. If the Board wished to proceed with the landscape portion of the project it is recommend soliciting a minimum of three proposals from area landscape vendors. A draft bid document is attached. Estimate cost of the project is less the $75,000.
Notice to Bidders

Lost Creek Municipal Utility District is proposing landscape improvements to its entry median located at the intersection of Lost Creek Blvd and Loop 360 Capital of Texas Highway. The project will consist of removing existing plants, installing a drip irrigation system complete and install new landscaping as directed. A mandatory on-site meeting will be held ___date___. The bid will include all materials, labor, equipment, for the work listed and described below.

ITEM ONE
IRRIGATION SYSTEM – connect to existing mainline and install drip irrigation sprinkler system complete with controller and drip system as designed by successful bidder (Lost Creek will pay permit application fees however the successful bidder will be required to secure an irrigation permit from the City of Austin).

Item One Irrigation System Subtotal including labor ____________

ITEM TWO
PLANTING – material, labor and equipment to install new plantings as shown on the landscape plan including touch up mulch.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Quantity</th>
<th>Size</th>
<th>Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>ILEX VOMITORIA 'NANA'/DWARF YAUPON</td>
<td>44</td>
<td>3 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>ROSA SPP. -KNOCKOUT (not double)</td>
<td>44</td>
<td>5 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>PAVONIA LASIOPELATA/PAVONIA</td>
<td>30</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>MALVAVISCUS DRUM./TURKS CAP</td>
<td>34</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>GULF MUHLE GRASS/ MUHLE CAL</td>
<td>30</td>
<td>3 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>LANTANA MONTEVIDENSIS/ TRAILING WHITE LANTANA</td>
<td>37</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>POLIOMENTHA LONGIFLORA/MEXICAN OREGANO</td>
<td>16</td>
<td>5 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>ANISICANTHUS WRIGHTII/FLAME ANISACANTHUS</td>
<td>35</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>CAESALPINIA PULCHERA/PRIDE OF BARBADOS</td>
<td>23</td>
<td>5 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>SCUTTELLARIA SUFF/PINK SKULLCAP</td>
<td>17</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>SALVIA COCCINEA/WHITE SAGE</td>
<td>45</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>HESPERALOE PARVIFLORA/YELLOW YUCCA</td>
<td>30</td>
<td>5 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>FLOWERING RED YUCCA</td>
<td>74</td>
<td>3 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>SOPHORA SECUNDIFLORA/MT. LAUREL</td>
<td>6</td>
<td>30 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>MELAMP. LEUC./BLACKFOOT DAISY</td>
<td>27</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>STIPA TENUISSIMA/MEX. FEATHER GRASS</td>
<td>36</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>LANTANA CAM. 'NEW GOLD' LANTANA</td>
<td>15</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>SALVIA LEUCANTHA/MEX. BUSH SAGE</td>
<td>24</td>
<td>3 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>DICHONDRA ARGENTEA/SILVER PONYFOOT</td>
<td>30</td>
<td>1 GAL</td>
<td>__________</td>
</tr>
<tr>
<td>H.C. SHREDDED HARDWOOD MULCH, &amp; INSTALLATION LABOR</td>
<td>300</td>
<td>BAGS</td>
<td>__________</td>
</tr>
</tbody>
</table>

Item Two Planting Subtotal including Labor ____________
ITEM THREE
BOULDER INSTALLATION

Provide all material, labor, equipment and supervision to install large flat limestone boulders, stacked and meandering in a natural way, along the length of the median stopping and starting as terrain and boulder quantities allow. The height of this outcropping will vary as well as its layout. Backfill behind outcropping with a filter fabric, fill soil and composted garden soils. District will provide temporary road closure plan to allow for delivery.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Quantity</th>
<th>Size</th>
<th>Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>NATIVE LIMESTONE BOULDERS</td>
<td>(approximate) 50</td>
<td>TON</td>
<td></td>
</tr>
<tr>
<td>STONE DELIVER</td>
<td>4</td>
<td>LOADS</td>
<td></td>
</tr>
<tr>
<td>STEEL EDGING - 12 GAUGE</td>
<td>45</td>
<td>16 ft.</td>
<td></td>
</tr>
<tr>
<td>FILTER FABRIC 12'x250'</td>
<td>0.5</td>
<td>EA</td>
<td></td>
</tr>
</tbody>
</table>

Item Three Boulder Subtotal including labor ________

ITEM FOUR
HARDCAPES IMPROVEMENTS

Provide all materials, labor, equipment and supervision for: DEMOLITION - demolish existing plantings, LANDSCAPE - Remove existing plant material except for Oaks and Crape myrtles to remain. Create raised planting beds in and around boulders using a screened topsoil, topped with an organic planting soil. Shredded hardwood mulch will be used in some areas and decomposed granite will be used in more level areas. Install river rock as needed for drainage and aesthetics.

<table>
<thead>
<tr>
<th>DESCRIPTION</th>
<th>Quantity</th>
<th>Size</th>
<th>Unit Price</th>
</tr>
</thead>
<tbody>
<tr>
<td>GARDEN SOIL MIX</td>
<td>72</td>
<td>YDS.</td>
<td></td>
</tr>
<tr>
<td>SCREENED TOPSOIL</td>
<td>72</td>
<td>CU, YDS.</td>
<td></td>
</tr>
<tr>
<td>WEED SPRAYING</td>
<td>6</td>
<td>HOURS</td>
<td></td>
</tr>
<tr>
<td>CIBOLO GRAVEL - 1- 1/1/2&quot; SIZE</td>
<td>8</td>
<td>CU, YDS.</td>
<td></td>
</tr>
<tr>
<td>DECOMPOSED GRANITE</td>
<td>24</td>
<td>CU,YD.</td>
<td></td>
</tr>
<tr>
<td>H.C. SHREDDED HARDWOOD MULCH, INSTALLED</td>
<td>350</td>
<td>BAGS</td>
<td></td>
</tr>
<tr>
<td>TRENCHER/OPERATOR-RIDING</td>
<td>2</td>
<td>DAY</td>
<td></td>
</tr>
</tbody>
</table>

Item Four Hardscapes Subtotal including labor ________

ITEM FIVE
Other

List any other items required in your bid and provide detail. Add additional sheets as necessary.

Item Five Other Subtotal ________
Bid Summary

Item One Irrigation System Subtotal __________
Item Two Planting Subtotal __________
Item Three Boulder Subtotal __________
Item Four Hardscapes Subtotal __________
Item Five Other __________
Total bid __________

List any exceptions to the bid here and add additional sheets as necessary.
Board Officers
Lost Creek Municipal Utility District
January 21, 2013
Board Meeting
Board Officers and Committees

Summary
With the Addition of Director Stewart to the Board, the Board needs to review Officer positions and Committee Assignments.

1) Current Board Officer positions are:
   a. President (Steve Veregge)
   b. Vice President (vacant)
   c. Secretary (Gary Sertich)
   d. Treasurer (vacant)
   e. Assistant Secretary Treasurer (Eric Castro)

2) The List of Current Committees is attached.
### Standing Committees

<table>
<thead>
<tr>
<th>Committee &amp; Scope</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Communications</td>
<td></td>
</tr>
<tr>
<td>• Website</td>
<td>Naeve</td>
</tr>
<tr>
<td>• Newsletter</td>
<td>Veregge</td>
</tr>
<tr>
<td>• Signage</td>
<td></td>
</tr>
<tr>
<td>• MUD billing message</td>
<td></td>
</tr>
<tr>
<td>Deed Restriction</td>
<td></td>
</tr>
<tr>
<td>• LCNA collaboration</td>
<td>Castro</td>
</tr>
<tr>
<td>• Enforcement</td>
<td>Dooge</td>
</tr>
<tr>
<td>Employee</td>
<td></td>
</tr>
<tr>
<td>• Policy</td>
<td>Castro</td>
</tr>
<tr>
<td>• Compensation</td>
<td>Veregge</td>
</tr>
<tr>
<td>Finance</td>
<td></td>
</tr>
<tr>
<td>• Budget</td>
<td>Sertich</td>
</tr>
<tr>
<td>• Audit</td>
<td>Veregge</td>
</tr>
<tr>
<td>Recreation</td>
<td></td>
</tr>
<tr>
<td>• Parks</td>
<td></td>
</tr>
<tr>
<td>• Greenbelt</td>
<td>Sertich</td>
</tr>
<tr>
<td>• Seasonal decorations</td>
<td>Naeve</td>
</tr>
<tr>
<td>Safety and Traffic</td>
<td></td>
</tr>
<tr>
<td>• Pedestrian</td>
<td></td>
</tr>
<tr>
<td>• Roads</td>
<td>Doege</td>
</tr>
<tr>
<td>• Fire</td>
<td>Sertich</td>
</tr>
<tr>
<td>Water Conservation</td>
<td></td>
</tr>
<tr>
<td>• Communication &amp; education</td>
<td></td>
</tr>
<tr>
<td>• Water Rates</td>
<td>Sertich</td>
</tr>
<tr>
<td>• Policy</td>
<td>Veregge</td>
</tr>
</tbody>
</table>

### Ad Hoc Committees

<table>
<thead>
<tr>
<th>Committee &amp; Scope</th>
<th>Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited District</td>
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</tr>
<tr>
<td>• City of Austin interaction</td>
<td>Castro</td>
</tr>
<tr>
<td>• LCNA coordination</td>
<td>Sertich</td>
</tr>
<tr>
<td>Media Landscaping</td>
<td></td>
</tr>
<tr>
<td>• Scope and communication</td>
<td>Sertich</td>
</tr>
<tr>
<td>• Neighborhood collaboration</td>
<td>Veregge</td>
</tr>
<tr>
<td>Sidewalks</td>
<td></td>
</tr>
<tr>
<td>• Scope and communication</td>
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</tr>
<tr>
<td>• Neighborhood collaboration</td>
<td></td>
</tr>
<tr>
<td>Trails &amp; Greenbelts</td>
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</tr>
<tr>
<td>• Website</td>
<td></td>
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<tr>
<td>Website</td>
<td>Castro</td>
</tr>
<tr>
<td>• Scope and communication</td>
<td>Sertich</td>
</tr>
<tr>
<td>• Neighborhood collaboration</td>
<td></td>
</tr>
<tr>
<td>• Communication &amp; education</td>
<td></td>
</tr>
</tbody>
</table>


Employment Contract
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
Employment Contract

Summary
It is anticipated the Board will discuss this item in executive session
Lost Creek Municipal Utility District
January 21, 2014
Board Meeting
General Manager Report

Summary
1. The sidewalk repairs are complete.
2. Median electrical is ongoing and should be complete by 1/24.
3. City of Austin matters:
   a. Effective January 1, 2014 we will not remit any commercial water and sewer revenue to the City Pre the Restated SPA. We read all commercial water meters December 31 and will prepare a hand calculation for the December payment which will be the last payment to the City.
   b. The City has agreed to not require us to install a driveway to the lift station on Plum Creek Drive.
   c. The City has agreed to allow a permanent easement in the wastewater plant site to allow us and the limited district a storage area after the Utility Transfer Date and Full Purpose Annexation Date. This will require a survey and legal description and we would be required to install a chain link fence after approval.
   d. Baker-Aiklen and I met with the City planning department January 15 to discuss the replat of the office and park and the City indicated the process should be fairly easy and take approximately 6-weeks. The City has requested an ingress easement through the park to access the back 500,000 gallon water storage tank during major maintenance events.
   e. I inquired with the City when they would start conducting plumbing inspections and they stated they will initiate inspections December 2014.
4. MS4 Stormwater Permit renewal – the TCEQ has updated its permit with EPA and we are required to submit a Notice of Intent and a revised Stormwater Pollution Plan by June 13, 2014. I will attempt to update the documents and will keep the Board briefed in the event I need assistance.
5. Boulder Trail Park – this is the preliminary response from Heidi Kelly, General Manager at Transwestern – “Tom - Jenny Wheeler, the onsite Property Manager at Las Cimas IV and I spoke about this. We do not have record of this agreement in our files. Do you have a copy that you can send us? As far as allowing organized sports there are several concerns but at the top of the list are a) liability issues and b) time taken for organized sports basically makes the majority, if not all of the park unavailable to the community. For example, if you let a soccer league practice on Tuesdays, have games on Fridays and then other teams or groups requesting use for other specific times. Before you know it, the availability to the park for the residents becomes very limited.”
I forwarded them a copy of the agreement and all amendments for comment.

6. Attached are the water Conservation, Metric and Monthly Water Use Reports for review.
### Monthly Metrics

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<td><strong>YTD 2013</strong></td>
<td><strong>20</strong></td>
<td><strong>34</strong></td>
<td><strong>40</strong></td>
<td><strong>32</strong></td>
<td><strong>498</strong></td>
<td><strong>658</strong></td>
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</table>

Average water use per month in 2012 = 97.75 thousand
Average Use in 2013 = 54.83

reduction in water use = 56.1%
# Lost Creek MUD - Water Conservation Report

**Dec-2013**

<table>
<thead>
<tr>
<th>Period Ending</th>
<th>Residential</th>
<th>Commercial</th>
<th>Unbilled</th>
<th>Total</th>
<th>Water Use</th>
<th>Water Loss</th>
<th>Peak Demand</th>
<th>Lost Creek Rainfall</th>
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<tbody>
<tr>
<td>Jan-2013</td>
<td>11,792,000</td>
<td>1,388,000</td>
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<td>40,000</td>
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<td>181,673,000</td>
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<td>204,111,000</td>
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</tbody>
</table>

% of Total: 89.8% 9.9% 0.3% 100.0%

**2013 Conservation Goal:** 207,617,000

**Monthly Average:**
- Per Household: 12,092

---

### Cumulative Water Purchases

![Cumulative Water Purchases Graph](image)

### Water Use to Rainfall Correlation

![Water Use to Rainfall Correlation Graph](image)

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`t guerrero 1/14/2014`
Audience Overview

109 people visited this site

- Visits: 128
- Unique Visitors: 109
- Pageviews: 327
- Pages / Visit: 2.55
- Avg. Visit Duration: 00:02:04
- Bounce Rate: 39.84%
- % New Visits: 53.91%

Language

1. en-us

Visits | Unique Visitors | % Visits
---|---|---
105 | 109 |
128 | 66 |
89 | 67 |
101 | 242 |

423 | 484 |

December 2013

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- Maintain current fence lines shown in black.
- Address property boundaries that don’t match with the fence line with permanent easements or land purchases.
- The property boundary adjacent to MUD office will need to have fencing erected.
- Rear site access must be maintained with an access easement to the street.
- Site irrigation system will be disconnected from MUD building system.