

STATE OF TEXAS           §  
                                      §           SUPPLEMENTAL AGREEMENT NO. 3  
                                      §           TO TREATED WATER CONTRACT  
COUNTY OF DALLAS       §

THIS SUPPLEMENTAL AGREEMENT NO. 3 to that certain Wholesale Treated Water Contract dated November 18, 1987 (“the Contract”), as amended by Supplemental Agreement Nos. 1 and 2, dated June 12, 1992, and November 9, 1994, respectively, by and between the CITY OF DALLAS, TEXAS, a Texas municipal corporation, hereinafter called “**DALLAS**”, and CITY OF COPPELL, TEXAS, a Texas municipal corporation, hereinafter called “**COPPELL**”, evidences the following:

1. The Contract is amended as follows:

(a) The contract is amended to include Exhibit E governing the provision of interim construction water service and interim wastewater service concerning the project referred to as “CYPRESS WATERS” located within the boundaries of **DALLAS** and Exhibit E-1 which provides a depiction of the initial development of “CYPRESS WATERS” (the “**First Phase**”).

(b) Section 13 of the contract is amended to read as follows:

“13.0 SPECIAL PROVISIONS:

Special provisions applicable to this Contract are attached hereto and styled Exhibits B, C, D, E and E-1. These exhibits are incorporated herein, as if copied word for word. Exhibit B delineates the delivery facilities. Exhibit C contains provisions peculiarly applicable to the contract with Customer and supplements provisions of this standard Contract. Exhibit D contains provisions of the Reciprocal Water and/or Wastewater Service Agreement. Exhibit E contains provisions of interim construction water service and interim wastewater service for the project referred to as “CYPRESS WATERS” located within the boundaries of **DALLAS**. Exhibit E-1 provides a depiction of the **First Phase** of “CYPRESS WATERS”.

2. All other terms, provisions, conditions, and obligations of the Contract between **DALLAS** and **COPPELL** shall remain in full force and effect, and said Contract, as same may have previously been amended, and this Supplemental Agreement No. 3 shall be construed together as a single contractual agreement.

Executed this \_\_\_\_\_ day of \_\_\_\_\_, 2012, by **DALLAS**, acting through its City Manager, duly authorized to execute this agreement by Council Resolution No. 12-0952, approved on March 28., 2012, and by **COPPELL**, acting through its duly authorized officials.

APPROVED AS TO FORM:  
THOMAS P. PERKINS,  
City Attorney

CITY OF DALLAS  
MARY K. SUHM,  
City Manager

BY \_\_\_\_\_  
Assistant City Attorney

BY \_\_\_\_\_  
Assistant City Manager

APPROVED AS TO FORM

CITY OF COPPELL

BY: \_\_\_\_\_  
City Attorney

BY: \_\_\_\_\_  
City Manager

## **EXHIBIT E**

### **INTERIM WATER SERVICES**

**COPPELL** currently has an existing 12” water line located in Belt Line Road between IH-635 (LBJ Freeway) and Wrangler Drive, which is generally along the western boundary of the Cypress Waters proposed development. This line connects to a **COPPELL** 16” water line located in Dividend Drive at Belt Line Road. An analysis of that water network, prepared for **COPPELL** by Freese and Nichols, Inc, and documented in a report dated December 31, 2008, with addendum dated February 13, 2009 and April 5, 2011, states that **COPPELL** currently has the ability to provide at least 0.75 MGD peak hour flow to Cypress Waters for elevations of up to 550 feet while maintaining pressures of 40 psi and fire flows up to 1,560 gpm. Therefore, it is agreed that:

**DALLAS** may make a connection to the existing 12” or 16” water line (the “**Line**”) as a source for interim construction water and fire protection during the **First Phase** construction on the Cypress Waters property, more particularly described on Exhibit E-1 attached hereto, subject to the following conditions:

- 1) Detailed construction plans for any connections to the **COPPELL** water network shall be provided and approved by **COPPELL**.
- 2) All work within **COPPELL** shall comply with **COPPELL** construction standards.
- 3) All permitting and fee requirements of **COPPELL** shall be followed by **DALLAS**.
- 4) Appropriate metering facilities for the connection of the interim service shall be provided. The metering facilities shall be conveyed to **COPPELL**.
- 5) The water provided under this Supplemental Agreement shall be considered **DALLAS** water and the volumes measured through the meter will be

deducted from the amounts of **DALLAS** water sold to **COPPELL**. The billings to **COPPELL** for treated water will be commensurately reduced.

To compensate **COPPELL** for the use of their mains and for pumpage to convey the water to this area of **DALLAS**, **DALLAS** agrees to pay **COPPELL** a wheeling charge. The current wheeling charge is \$0.152 per one thousand gallons. Such charge shall be subject to review every 5 years and adjusted per the consumer price index ("CPI"). The term "CPI" as referenced herein shall mean the annual average Consumer Price Index issued by the Bureau of Labor Statistics covering all Urban Consumers for the Dallas, Fort Worth, Texas region, or if this index ceases to be published, then a comparable index.

- 6) The construction water service provided in this Agreement is initially to be provided during the construction of the **First Phase** only. Prior to a Certificate of Occupancy (CO) being issued by **DALLAS** for any dwelling unit within the Cypress Waters Development, an on-site **DALLAS** water supply, separate from **COPPELL**, must be provided by **DALLAS**. The addition of an operational on-site **DALLAS** water supply relieves **COPPELL** of the responsibility to continue to provide water service during construction of the **First Phase**. Except as provided in Paragraph (7) below, Coppel will not be obligated to supply water to any occupied structure or to any uncompleted portions of the **First Phase** after issuance of the first CO for any dwelling unit in the **First Phase**. It is the express intent of the Parties that the issuance of a CO for a construction trailer or pump station shall not release **COPPELL** of the responsibility to continue to provide interim construction water service until such time as a CO is issued for the first dwelling unit in the **First Phase**.
- 7) Upon issuance of a CO for a dwelling unit in the **First Phase** or completion of construction of the **First Phase**, whichever occurs first, the water main connection from the Cypress Waters project to the **Line** shall remain as an inter-local connection between **COPPELL** and **DALLAS** for emergency use. For purposes of this Supplemental Agreement, emergency use means a catastrophic failure of the **DALLAS** or **COPPELL** water systems where the

impact could be minimized by “opening the valve” to allow water to flow between the two cities. At all other times, the valve will be closed such that no water can flow between the two cities. Catastrophic failure does not mean the required water line to be provided by **DALLAS** to serve the property is incomplete at the time the first CO for a dwelling unit is issued for any completed portion of the **First Phase**. In the event that prior to issuance of a CO by **DALLAS** for a dwelling unit within the **First Phase COPPELL** reasonably determines that the available capacity in the **Line** is required for one or more new major commercial developments within **COPPELL**, then **COPPELL** shall have the right, upon not less than six months prior written notice to **DALLAS**, to require **DALLAS** to cease using the **Line** for interim construction water and to obtain such construction water from other sources.

- 8) Notwithstanding the foregoing, **COPPELL** agrees to keep **DALLAS** reasonably apprised of any such potential new major commercial developments which may require such capacity and to provide **DALLAS** with as much advance notice thereof as is reasonably possible (but in no event less than six (6) months prior written notice as aforesaid). **COPPELL** will cooperate reasonably with **DALLAS** regarding any future interlocal emergency connections that may be needed north of the lake following completion of additional project infrastructure design.

## **INTERIM WASTEWATER SERVICES**

As documented by Freese and Nichols, Inc. in the above referenced report and addendums, **COPPELL** currently has a 15” wastewater line in Belt Line Road at Lakeshore Drive, which flows north to connect to a 30” wastewater line in Denton Tap Road north of the Cotton Belt Railroad. That 30” wastewater line flows east to a connection to the Trinity River Authority (TRA) system along Belt Line Road east of MacArthur Drive. The 15” wastewater line in Belt Line Road at Lakeshore Drive currently has an available peak wet weather capacity of 1.8 MGD, and the 30” wastewater line has an available peak wet weather capacity of 2.5 MGD. The priority use for both of these lines is to accommodate growth and development in **COPPELL**, however, the current available capacity may be used by **DALLAS**, on an interim basis, to accommodate wastewater flows from initial phases of Cypress Waters development, subject to the following conditions:

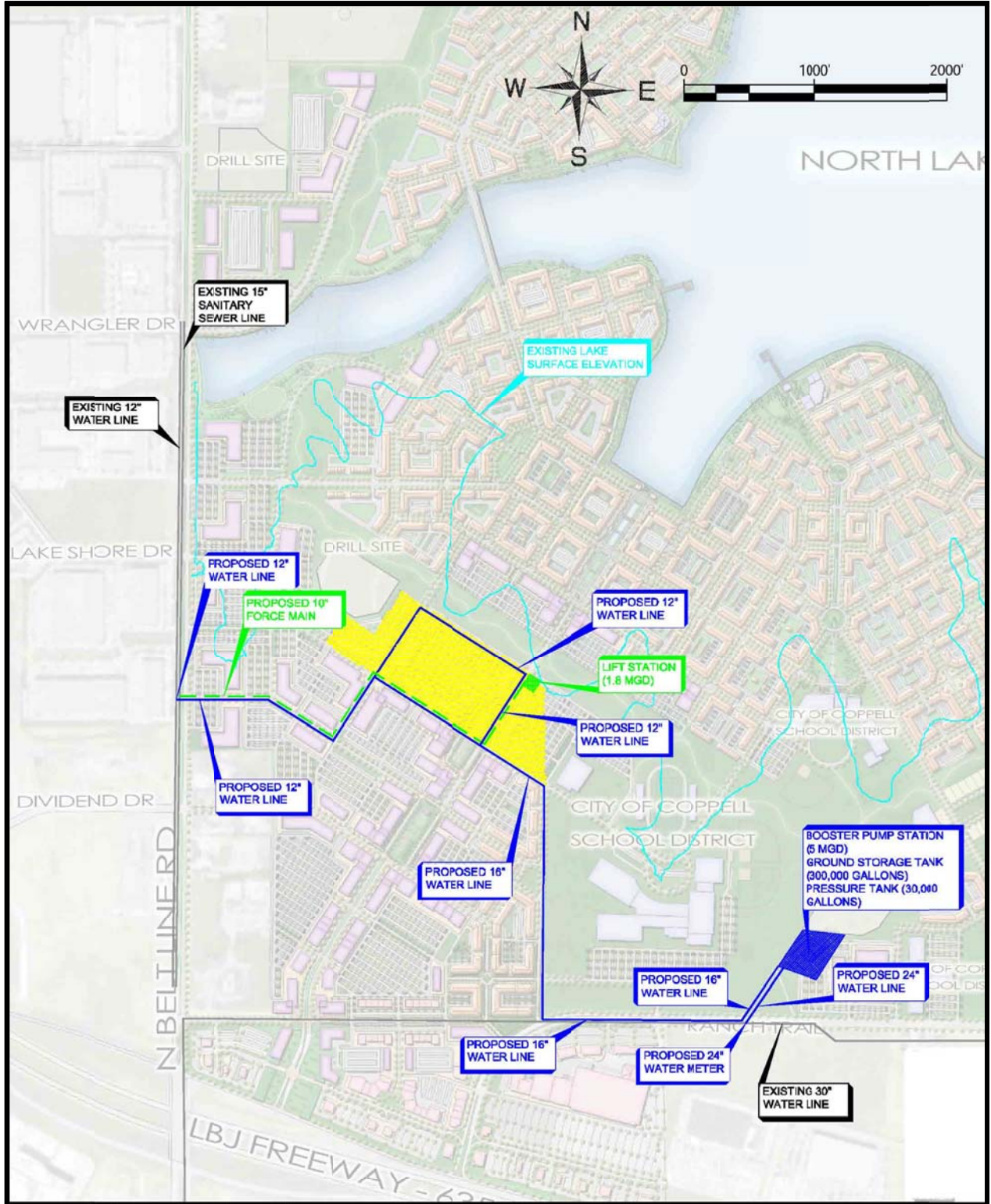
- 1) Detailed construction plans for any connections to the **COPPELL** wastewater system must be provided to and approved by **COPPELL**.
- 2) All work within **COPPELL** shall comply with **COPPELL** construction standards.
- 3) All permitting and fee requirements of **COPPELL** shall be followed by **DALLAS**.
- 4) Appropriate metering facilities shall be provided by **DALLAS**. The metering facilities shall remain the property of **DALLAS**.
- 5) **COPPELL** shall charge **DALLAS** the same wastewater rate and associated charges as charged customers whose property lies within its own areas and boundaries and who are in the same category of service.
- 6) When the peak wet weather wastewater flow into the **COPPELL** wastewater system from Cypress Waters equals or exceeds 1.35 MGD, or when notified by **COPPELL**, **DALLAS** will begin planning and design for a permanent **DALLAS** wastewater system which will connect on-site lift station(s) and

force main(s) to the above described 30" **COPPELL** wastewater line, at a mutually agreed upon location.

- 7) When the peak wet weather wastewater flow into the **COPPELL** wastewater system from Cypress Waters equals or exceeds 1.68 MGD, or when notified by **COPPELL, DALLAS** will begin construction of a permanent **DALLAS** wastewater system which will connect on-site lift station(s) and force main(s) to the above described 30" **COPPELL** wastewater line. Once construction of such connection to the above described 30" **COPPELL** wastewater line is complete, the wastewater connection to the above described 15" **COPPELL** wastewater line in Belt Line Road shall be removed by **DALLAS** in accordance with **COPPELL** Standard Construction Details.
- 8) When the peak wet weather measured flow in the above described 30" **COPPELL** wastewater line reaches 80% of its capacity, or when notified by **COPPELL, DALLAS** will begin planning and design of an extension of the **DALLAS** wastewater system of force mains and gravity lines, including the potential rehabilitation of an existing 33" line along Belt Line Road, to a point of delivery of **DALLAS** wastewater flows to a TRA point of delivery near Bush Turnpike and Belt Line Road. Construction of this line and/or improvement will be initiated so as to complete construction prior to the flow in the **COPPELL** 30" line reaching wet weather peak capacity.
- 9) Once the wastewater planning, design, and construction measures contemplated by Paragraphs 6 through 8 above have been completed and either (i) when the peak wet weather measured flow in the above described 30" **COPPELL** wastewater line reaches 100% of its capacity, or (ii) when notified by **COPPELL, DALLAS** shall: (a) not issue any new building permits for structures which require sanitary wastewater service through the **COPPELL** wastewater system; and (b) within six (6) months have alternate wastewater service for Cypress Waters and discontinue discharging into the **COPPELL** wastewater system.
- 10) One point of entry into the **COPPELL** wastewater system from **DALLAS** is authorized by this agreement. Any additional points of entry will require

approval by **COPPELL**, acting through its director of public works or other duly authorized representative.

# Exhibit E-1



SHEET <b>EXHIBIT E-1</b>	Scale: AS SHOWN	<b>PHASE 1                  WATER AND                  WASTEWATER</b>	CYPRESS WATERS DALLAS, TEXAS	 <b>Kimley-Horn                  and Associates, Inc.</b>
	Designed by: KHA			
	Drawn by: KHA			
	Checked by: KHA			
	Date: JUNE, 2011			
Project No: 063973002	12700 Park Central Drive, Suite 1800 Dallas, Texas 75251	Tel. No. (972) 770-1300 Fax No. (972) 236-3820		