

EXHIBIT
"A"

AGREEMENT TO SHARE COSTS

This Agreement to Share Costs ("Agreement") is made and entered into pursuant to Section 49.213 of the Texas Water Code and Section 552.001 of the Texas Local Government Code, on this the ____ day of _____, 2013 (the "Effective Date") by and between the Brazos River Authority ("BRA"), a river authority of the State of Texas, and the City of Round Rock ("Round Rock"), a Texas home rule city (collectively the "Parties").

Recitals

WHEREAS, Round Rock has water under contract with the BRA made available pursuant to §8503.029 of the Texas Special District Local Laws Code, which water is physically located in Lake Travis, Colorado River basin; and

WHEREAS, the BRA has contracted for such water and pays all cost associated with such water to the Lower Colorado River Authority and

WHEREAS, Round Rock has expressed interest in working with the BRA to evaluate the options for meeting the 'No Net Loss' terms associated with §8503.029 (a)(3)(B), and previously entered into an agreement with BRA to conduct a study of such terms ("Study"); and

WHEREAS, Phase I of the Study is complete and Round Rock and the BRA have agreed to proceed with Phase II of the Study; and

WHEREAS, both Parties have agreed to equally share in the Phase II Study costs.

NOW, THEREFORE, in consideration of the mutual promises contained herein, the Parties agree as follows:

Section I. Agreement

- 1.1 BRA shall hire K. Friese and Associates to complete the scope of work for Phase II of the Study set forth in Exhibit "A", attached hereto and incorporated by reference herein for all purposes, at a cost not to exceed \$120,000.00.
- 1.2 BRA will work with Round Rock to ensure that the work identified in Exhibit "A" is completed in a timely fashion.
- 1.3 Round Rock agrees to pay to the BRA, upon receipt of an appropriate invoice, the sum of money which represents 50 percent of the costs associated with the work to be performed as described in Section 1, above.

Section II. Miscellaneous

2.1 Entire Agreement: The terms and provisions of this Agreement contain the entire agreement between BRA and Round Rock with respect to the matters addressed above.

2.2 Severability: The provisions of this Agreement are severable, and if for any reason any one or more of the provisions contained in this Agreement shall be deemed to be invalid, illegal, or unenforceable in any respect, the invalidity, illegality, or unenforceability shall not affect any other provisions of this Agreement and this Agreement shall remain in effect and be construed as if the invalid, illegal, or unenforceable provision had never been contained in the Agreement.

2.3 Amendments: No modification, addition, deletion, revision, or other change to this Agreement shall be effective unless such change is reduced to writing and executed by both BRA and Round Rock.

2.4 Assignability: This Agreement shall bind the Parties and their legal successors, but shall otherwise not be assignable by the Parties without prior written consent of the other Party, which consent shall not be unreasonably withheld. All of the respective obligations of each of the Parties shall bind that Party and shall apply to and bind any successors or assigns of that Party.

2.5 Governing Law: This Agreement shall be governed by the Constitution and laws of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America.

2.6 Venue: Venue for any action arising hereunder shall be in Williamson County, Texas.

2.7 Third Party Beneficiaries: Except as expressly provided herein, nothing in this Agreement, express or implied, is intended to confer upon any person, other than the Parties, any rights, benefits, or remedies under or by reason of this Agreement.

2.8 Relationship of Parties: This Agreement is based upon the active participation of the Parties. Neither the execution nor the delivery of this Agreement shall create or constitute a partnership, joint venture, or any other form of business organization or arrangement between the Parties, except for the contractual arrangements specifically set forth in this Agreement. Except as is expressly agreed to in writing in this Agreement, no Party (or any of its agents, officers, or employees) has any power to assume or create any obligation on behalf of the other Party.

2.9 Notices: All notices, communications, invoices, bills, and reports required under the Agreement shall be personally delivered or mailed to the respective parties by certified mail, return receipt requested at the addresses shown below, unless and until

either party is otherwise notified in writing by the other party of a change in address. Mailed notices shall be deemed communicated as of five (5) days after mailing regular mail.

If intended for BRA, to:

P.O. Box 7555
4600 Cobbs Drive
Waco, Texas 76714

If intended for Round Rock, to:

City Manager
221 E. Main Street
Round Rock, Texas 78664

2.10 Term: This Agreement shall commence on the Effective Date and continue until the completion of the work described in Exhibit "A".

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed, intending to be bound thereby.

BRAZOS RIVER AUTHORITY

By: _____

PHILLIP FORD

Title: **GENERAL MANAGER/CEO**

Date: _____

CITY OF ROUND ROCK

By: _____

ALAN MCGRAW, MAYOR

Date: _____

Exhibit A
Scope of Work

Exhibit A-1 Scope of Work

Section I. Phase 2 Scope of Services. The following outlines the Scope of Services for Phase 2 of the HB 1437/No Net Loss Project:

1.1 Strategies selected from the Preferred Replacement Strategies list from the Phase I report will be developed to a greater level of detail so that the strategies can be ranked according to evaluation criteria.

1.2 ENGINEER shall conduct a Kick-Off Meeting with the BRA and customers to review the scope of services and discuss roles of the BRA, customers, and ENGINEER. The meeting location for all BRA and customer meetings shall be in Georgetown or Round Rock, unless agreed otherwise between the Parties. We will define deliverables and discuss the project schedule. Phase 1 draft evaluation factors to be used in preparation of the draft project feasibility summaries shall also be discussed and refined at the Kick-Off Meeting. Currently the factors that ENGINEER shall research and include in each project feasibility summary include:

- i. Projected volume/yield analysis including a 3-year moving average;
- ii. Implementation analysis including permitting requirements and durations, contracting requirements and a project implementation schedule;
- iii. Cost analysis including capital and annual operating and maintenance costs;
- iv. Review of environmental issues including evaluation of impacts to environmental flows, review of impacts to endangered or protected species habitat and a review to identify regulatory issues;
- v. Evaluate financial, political and technical risks;
 - a. Financial risks include cost uncertainty in capital costs or long term maintenance costs,
 - b. Political risks include uncertainties regarding stakeholder groups, contracting or partnerships,
 - c. Technical risks include uncertainties in volume yield, schedule implementation, and permitting.

1.3 ENGINEER shall coordinate with the BRA and customers to develop a water demand projection timetable for when the BRA will use Colorado Basin water and when

the replacement strategies must be available for the transfer back to the Colorado Basin.

1.4 ENGINEER shall develop a project feasibility summary of the Short Term Strategy – HB1437 Agricultural Conservation Water. ENGINEER shall:

- i. Review reports for the agricultural conservation work completed with HB1437 funds and grants to evaluate the water available for credit;
- ii. Evaluate the duration that the existing agricultural conservation water is available and projections for future conservation; and
- iii. Perform an evaluation of the financial, political and technical risks upon finalization of the evaluation metrics and criteria.

ENGINEER shall not review project costs or preparation of cost analysis as this strategy is funded by the HB1437 water surcharge fees. Neither shall Engineer review of environmental impacts or regulatory issues as this strategy is a credit program managed by the LCRA.

1.5 ENGINEER shall develop a project feasibility summary of the Short Term Strategy - Unused City of Corpus Christi (COCC) Garwood Water Right. This includes one meeting with the COCC in Corpus Christi. ENGINEER shall:

- i. Coordinate with the COCC to discuss and evaluate what the potential project volume/yield will be;
- ii. Discuss with the COCC their plans to finalize the permit for the Garwood Water Right diversion point as well as the schedule for when the COCC plans to use the Garwood Right. Discuss and evaluate the potential contracting terms and conditions such as durations and rates;
- iii. Use the contract terms and water rates provided by the COCC in developing the cost analysis for this strategy;
- iv. Perform a review of the potential impacts to environmental flows and report on other regulatory issues identified;
- v. Perform an evaluation of the financial, political and technical risks upon finalization of the evaluation metrics and criteria.

1.6 ENGINEER shall develop a project feasibility summary of the Long Term Strategy - Brushy Creek Wastewater System Effluent. ENGINEER shall develop summaries for two options for the point of return flow: (1) discharge transferred directly from the Brushy Creek Regional Wastewater Treatment Plant ("BCRWWTP") to Wilbarger Creek, and (2) discharge transferred via bed and banks of Brushy Creek to an intake downstream and subsequently to Cottonwood Creek. This Task includes two meetings with the TCEQ and four meetings with BCRWW system entities.

i. ENGINEER shall evaluate the origin and quantity of water available for transfer from the BCRWWTP for participating entities: City of Austin, Brushy Creek MUD, Fern Bluff MUD, City of Leander, City of Cedar Park, and City of Round Rock. ENGINEER shall coordinate with BRA to determine the amount of Brazos Basin water available for transfer out of the basin. The evaluation of yield for the Wilbarger Creek and Cottonwood Creek options will include two scenarios for losses: (1) project yield will consider losses from the source to delivery at the Colorado River tributary (2) project yield will include estimates of losses from the source to the Colorado River.

ii. ENGINEER shall coordinate with each of the BCRWWTP entities to discuss their interest of contracting with the BRA and to evaluate the potential contracting terms and conditions such as durations and rates;

iii. ENGINEER shall prepare two project sizing and cost scenarios: (1) project facilities sized for the BRA HB1437 replacement water (2) upsizing of the project to include LCRA participation to transfer the City of Leander effluent to the Colorado Basin. ENGINEER shall use the contract terms and water rates provided by the BCRWWTP entities in developing the cost analysis for this strategy;

iv. ENGINEER shall evaluate the applicability and impacts of the potential inter-basin transfer, bed and banks, discharge and water quality permits with the TCEQ; review proposed project infrastructure locations for potential impacts to threatened and endangered species habitats; review other potential environmental issues; and evaluate the proposed BBASC environmental flow criteria for base flows on the available supply from the project for the scenarios that discharge to Brushy Creek. This analysis assumes that pulse flow e-flow criteria do not apply. (Note: e-flow criteria have not been adopted for the Brazos basin to date. Criteria adopted for other basins exclude pulse flow criteria for smaller projects. Also, it is unclear whether reuse projects would be required to meet pulse criteria.); and

v. ENGINEER shall perform an evaluation of the financial, political and technical risks upon finalization of the evaluation metrics and criteria.

1.7 ENGINEER shall develop the project feasibility summary of the Long Term Strategy - BRA Supply from Wallis to Lakeside Irrigation District. There are two scenarios for the replacement strategy from the Brazos River at Wallis. One is the transfer of water to the Lakeside Irrigation District to satisfy peak season irrigation demands. The second is the transfer of available water to the Colorado River throughout the year. The difference in these two scenarios will be water availability and infrastructure sizing.

i. ENGINEER shall coordinate with the BRA to determine the amount of water available for transfer. The BRA will provide criteria for Brazos River water availability at Wallis for both the peak irrigation and the year-round scenarios. ENGINEER modeling of Brazos water availability is included in the fee as an additional service;

ii. ENGINEER shall gather available data for the Lakeside irrigation district to develop project delivery and demand assumptions. ENGINEER shall also investigate operations and contracting for the two scenarios;

iii. ENGINEER shall develop costs for both scenarios;

iv. ENGINEER shall review the implications of the inter-basin transfer; review proposed project infrastructure locations for potential impacts to threatened and endangered species habitats; review other potential environmental issues; evaluate the impacts of the recommended Brazos BBASC e-flow criteria on the two project scenarios. This analysis will consider impacts of the base flow criteria and high pulse flow criteria (if applicable) on project supply and availability; and

v. ENGINEER shall perform an evaluation of the financial, political and technical risks upon finalization of the evaluation metrics and criteria.

1.8 Following the preliminary draft of the project feasibility summaries, ENGINEER shall meet with the BRA and customers to review and finalize the evaluation metrics and criteria from Item 1. This Task includes one meeting.

1.9 ENGINEER shall prepare a report documenting Phase 2 of the Project for review and comment including a discussion of the evaluation criteria from Item 7 for each replacement strategy. This Task includes one meeting.

1.10 After incorporating comments, ENGINEER shall prepare a Final Report including a Scope of Services for Phase 3 This Task includes one final meeting.

ATTACHMENT B-1

HB 1437 / No Net Loss Phase 2
 Brazos River Authority
 Total Manpower / Budget Estimate

Task	Project Principal hrs	Project Manager hrs	Project Engineer hrs	CAD Tech hrs	Admin hrs	Total hrs	KFA Labor Cost \$	Expenses Cost \$	FNI Cost \$	Total Cost \$
1 Kick-off Meeting	4	5	5		1	15	\$2,361	\$50	\$1,176	\$3,587
2 Replacement Schedule		4	12			16	\$2,122		\$0	\$2,122
3 Short Term Strategy - Ag Conservation		4	12			16	\$2,122		\$1,568	\$3,690
4 Short Term Strategy - Unused Corpus Garwood	8	16	24	4		52	\$7,617	\$200	\$12,010	\$19,827
5 Long Term Strategy - BCRWWTP Effluent		24	48	4		76	\$10,261	\$50	\$7,774	\$18,085
6 Long Term Strategy - BRA at Wallis		48	24	4		76	\$11,902	\$50	\$9,242	\$21,194
7 Finalize Evaluation Criteria	4	8	16		2	30	\$4,248	\$50	\$1,568	\$5,866
8 Draft Report and Meeting	4	12	32	16	4	68	\$8,171	\$50	\$11,030	\$19,251
8 Final Report and Meeting	4	12	32	8	4	60	\$7,565	\$50	\$6,389	\$14,004
9 Project Management	8	24	16		8	56	\$8,375		\$3,425	\$11,800
Project Totals	32	157	221	36	19	465	\$64,744	\$500	\$54,182	\$119,426
Additional Services										
6b Long Term Strategy - BRA at Wallis - Modeling			40			40	\$4,621	\$0	\$4,621	\$9,242
Project Totals	32	157	261	36	19	505	\$69,365	\$500	\$58,802	\$128,668