

STATE OF TEXAS
Plaintiff,

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IN THE DISTRICT COURT OF

v.

SWWC UTILITIES INC.,
DOING BUSINESS AS HORNSBY BEND
UTILITY COMPANY
Defendant.

TRAVIS COUNTY, TEXAS

53rd JUDICIAL DISTRICT

Filed in the District Court
of Travis County, Texas

JUN 07 2011

At _____ M.
Amalia Rodriguez-Mendoza, Clerk

AGREED FINAL JUDGMENT AND PERMANENT INJUNCTION

On this date, came for hearing the above-entitled and numbered cause in which Plaintiff, is the STATE OF TEXAS, (hereinafter "State") acting by and through Attorney General GREG ABBOTT, and Defendant is SWWC UTILITIES INC., doing business as Hornsby Bend Utility Company (hereinafter SWWC-Hornsby Bend). The parties, appearing by and through their attorneys of record, wish to make the following stipulations and agree to the entry of this Agreed Final Judgment and Permanent Injunction (hereinafter AFJPI).

The Court has read the pleadings and stipulations of the parties, and it appears to the Court that the parties agree to the entry of this AFPI:

I. DEFINITIONS

The parties agree for purposes of this AFJPI the following definitions shall apply:

- A. "Consumer" means the user or purchaser of SWWC-Hornsby Bend's goods and services, whether an individual or entity, and includes a person purchasing water and wastewater services pursuant to a wholesale contract.
- B. "DTPA" means the Texas Deceptive Trade Practices-Consumer Protection Act, Texas Business and Commerce Code, Sections 17.41 - 17.904, inclusively.
- C. "Effective Date" means the date that this AFJPI is signed by the Court.
- D. "First Rate Application" means the first water and wastewater retail rate application filed by SWWC-Hornsby Bend after January 1, 2011.



- E. **“KRWSC” or “Kennedy Ridge”** means Kennedy Ridge Water Supply Corporation, a non-profit corporation providing retail water and wastewater services to customers in eastern Travis County, Texas, and purchasing water and wastewater services from SWWC-Hornsby Bend pursuant to a wholesale contract.
- F. **“Regulatory Assessment”** means the 1% assessment on retail bills authorized by Texas Water Code section 5.701(n) and section 291.76, volume 30 of the Texas Administrative Code.
- G. **“Restitution”** means the refund to a Consumer as set out in Section VI of this AFJPI.
- H. **“SWWC-Hornsby Bend”** means SWWC Utilities Inc., doing business as Hornsby Bend Utility Company, as well as its officers, directors, representatives, employees, agents, successors, and assigns.
- I. **“TCEQ”** means the Texas Commission on Environmental Quality.

II. STIPULATIONS

At the parties' request, the Court **FINDS** that:

- A. It has jurisdiction over the subject matter of this action.
- B. It has jurisdiction over SWWC-Hornsby Bend, the Defendant.
- C. Venue is proper in Travis County, Texas.
- D. The activities of SWWC-Hornsby Bend constitute trade and/or commerce.
- E. Entry of this AFJPI is in the public interest.
- F. This AFJPI is non-appealable.

- G. Nothing in this AFJPI in any way affects an individual's cause of action under the DTPA, or any other laws or regulations of this State.
- H. The Parties acknowledge that this AFJPI is a compromise of a disputed claim and that SWWC-Hornsby Bend is agreeing to this AFJPI without admitting any violation of the law and SWWC-Hornsby Bend specifically denies that it engaged in unfair and deceptive acts or practices.
- I. SWWC-Hornsby Bend acknowledges notice of this AFJPI and acceptance of same, therefore no writ need be issued.
- J. The parties acknowledge that SWWC-Hornsby Bend and KRWSC have entered into an amended wholesale contract for water and wastewater services a copy of which is attached hereto, and services will be provided pursuant to this newly amended contract and under the rates agreed to in this newly amended contract until the contract is terminated or amended further. The parties further acknowledge that SWWC-Hornsby Bend agrees that it will not initially increase its water and wastewater rates to KRWSC **until the latter** of (1) the date of issuance of the TCEQ order in response to the First Rate Application or (2) the date three-hundred and sixty-five days after SWWC-Hornsby Bend files the First Rate Application.
- K. Penalties, attorney's fees, and costs assessed in this matter are not dischargeable in bankruptcy.
- L. This AFJPI finally and fully resolves all liabilities and claims that were raised or could have been raised by the State of Texas based on the facts alleged in Plaintiff's Original Petition against Defendant SWWC-Hornsby Bend, including



any statements by Defendant SWWC-Hornsby Bend, its officers, directors, agents, servants, employees, and representatives regarding water and wastewater services to the Kennedy Ridge community, prior to the Effective Date of this AFJPI.

M. This Court has continuing jurisdiction to enforce this judgment.

III. PERMANENT INJUNCTION

IT IS ORDERED that Defendant SWWC-Hornsby Bend, its agents, employees, and all persons in active concert with them who receive actual notice of the injunction shall be permanently enjoined, restrained, and prohibited from engaging in the following conduct:

- A. Representing that its **retail** water and wastewater rate increase will not affect consumers in a community to which SWWC-Hornsby Bend provides water and wastewater services only under a wholesale contract.
- B. Representing that its water and/or wastewater rates to its wholesale customers will not increase during a certain period, and then increasing those rates during the specified period.
- C. Representing that it may charge a Regulatory Assessment to a wholesale customer when such Regulatory Assessment may only be collected from retail customers.
- D. Charging a Regulatory Assessment to a wholesale customer when such Regulatory Assessment may only be collected from retail customers.

IV. NOTICE

The parties acknowledge that the newly amended wholesale contract for water and wastewater services between SWWC-Hornsby Bend and KRWSC, attached hereto, cross-references the SWWC-Hornsby Bend retail tariff.



IT IS THUS ORDERED that at the time that SWWC-Hornsby Bend files a retail rate application that will affect the terms and/or rates pursuant to a wholesale contract for water and/or wastewater services, SWWC-Hornsby Bend will provide to the wholesale Consumer(s) whose terms or rates will be affected, by registered or overnight delivery to the address provided in the contract, a copy of the notice that the TCEQ requires SWWC-Hornsby Bend to prepare and provide to its retail customers. Such notice shall at a minimum, as required under title 30 of the Texas Administrative Code section 291.22 (a), specify:

1. the utility name and address;
2. current retail service rates;
3. the proposed retail service rates;
4. a billing comparison showing the existing retail rate and the new computed retail water rate using 10,000 gallons of water and 30,000 gallons of water;
5. a billing comparison showing the existing retail wastewater rate and the new retail wastewater rate for the use of 10,000 gallons (unless the utility proposes a flat rate for wastewater service);
6. the effective date of the proposed rate change for retail customers;
7. information on how to protest the rate change;
8. the required number of protests to ensure a hearing;
9. the address of the TCEQ; and
10. the time frame for protests.

V. COMPLIANCE

IT IS ORDERED that the State of Texas is authorized to monitor compliance with this Agreed Final Judgment and Permanent Injunction by any lawful method.



VI. RESTITUTION

IT IS ORDERED that Defendant SWWC-Hornsby Bend provide Restitution as set forth below:

- A. Refund to KRWSC \$65,487.06, which is the amount of the 2008 rate increase back-billed for twelve months.
- B. Refund all monies collected from KRWSC for the Regulatory Assessment collected on wholesale services, which is \$4,624.33.
- C. Refund all monies collected from KRWSC for late penalties which were assessed incorrectly and which total \$6,678.01.

Refunds not already made will be accomplished through a credit on the bill of KRWSC within 30 days after the effective date of this judgment. The parties agree, and the State of Texas acknowledges that SWWC-Hornsby Bend has already made refunds or credits totaling \$11,302.34 to KRWSC.

VII. RELEASE

Upon payment of attorney's fees in accordance with Paragraph IX and crediting of Restitution by Defendant in accordance with Paragraph VI, Plaintiff, the State of Texas, will release Defendant and its officers, directors, representatives, employees, agents, successors, and assigns from any further claims arising from allegations made or that could have been made in Plaintiff's petition.

This Release does not relieve Defendant and its officers, directors, representatives, employees, agents, successors, and assigns from the requirement of complying with this AFJPI.

VIII. NOTICE OF AFJPI



IT IS ORDERED that SWWC-Hornsby Bend provide the following statement immediately under the "Hornsby Bend Utility Company" banner (above "Billing and Service") at <http://southwestwater.com/hornsby-bend/>:

SWWC Utilities, Inc. (d/b/a Hornsby Bend Utility Company) is pleased to announce it has entered into an agreement with the Attorney General of the State of Texas resolving alleged deceptive trade practices involving the Kennedy Ridge community. Hornsby Bend Utility Company did not and does not admit to any violation of the law, including the Deceptive Trade Practice Act, Hornsby Bend Utility Company specifically denies that it engaged in unfair and deceptive acts or practices, and believes it acted properly at all times. The agreement can be viewed at the Texas Office of the Attorney General's website using the following link: www.TexasAttorneyGeneral.gov.

IT IS FURTHER ORDERED that this notice and link be maintained for ninety (90) days, after which it may be moved to the Press Room (<http://www.southwestwater.com/press-room/>) but shall remain posted for a minimum of nine (9) months thereafter.

IX. PENALTIES, ATTORNEY'S FEES, AND COURT COSTS

IT IS ORDERED that SWWC-Hornsby Bend pay civil penalties of FIFTY THOUSAND DOLLARS AND NO CENTS (\$50,000.00) for the benefit of Plaintiff, the State of Texas, a governmental unit, which is not compensation for any actual or pecuniary loss. However, collection of such payment will be abated unless and until SWWC-Hornsby Bend is found by a Court to violate a provision of this AFJPI. This amount is in addition to any fine or penalty the Court may assess for such violation.

IT IS FURTHER ORDERED that SWWC-Hornsby Bend pay attorney's fees, costs and investigative fees to the State of Texas in the sum of Fifty Thousand Dollars (\$50,000.00) within 14 days of the effective date of this AFJPI and which were incurred on behalf of the Plaintiff and do not constitute an antecedent debt with respect to this litigation. This payment will be made by cashier's check or certified money order, bearing the Attorney General case number



103220448 on its face. This payment will be delivered to the attention of Paul Carmona, Chief, Consumer Protection and Public Health Division, Office of the Attorney General, P.O. Box 12548, Austin, Texas 78711-2548 or at the physical address, 300 West 15th Street, WPC Building, 9th Floor, Austin, Texas 78701.

X. MISCELLANEOUS

IT IS ORDERED that, for purposes of this AFJPI, Defendant will send all written communications to Plaintiff to the attorney of record for Plaintiff in this matter, unless noted otherwise in this AFJPI.

IT IS FURTHER ORDERED that, for purposes of this AFJPI, and after the entry of this AFJPI, Plaintiff, the State of Texas, will, unless otherwise directed by Defendant, send all written notifications to Defendant at:

SWWC Utilities, Inc. d/b/a Hornsby Bend Utility Co., Inc.
12535 Reed Road
Sugar Land, Texas 77478
Attention: Charles W. Profflet, Jr.
Executive Vice-President
Tel: (281) 207-5931

And

SouthWest Water Company
1211 E. Center Court Drive
Covina, California 91724
Attention: Ken Dix
Vice President, General Counsel and Secretary
Tel: (626) 543-2558

IT IS ORDERED that if in the future any definition or provision in this AFJPI is determined to be inconsistent with the laws of the State of Texas or any rules or regulations promulgated thereunder, then such laws, rules or regulations will prevail over the terms of this AFJPI, and the AFJPI will be deemed modified to conform with those laws, rules or regulations. In that event, the remaining terms of the AFJPI shall remain in full force and effect as written.

SIGNED this 7th day of June, 2011.



JUDGE PRESIDING

AGREED AND ENTRY REQUESTED:

GREG ABBOTT
Attorney General for the State of Texas

DANIEL T. HODGE
First Assistant Attorney General

BILL COBB
Deputy Attorney General for Civil Litigation

PAUL D. CARMONA,
Chief, Consumer Protection & Public Health Division

MARY T. HENDERSON,
Deputy Chief, Consumer Protection & Public Health Division



GLORIA SALINAS
Assistant Attorney General
State Bar No. 17534300
Office of the Attorney General
Consumer Protection Division
P.O. Box 12548
Austin, TX 78711-2548
(512) 463-2185 Telephone
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ATTORNEYS FOR THE STATE OF TEXAS



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ATTORNEY FOR DEFENDANT SWWC UTILITIES INC.

Charles W. Profilet Jr.

Charles W. Profilet Jr.

Executive Vice-President

SWWC Utilities d/b/a Hornsby Bend Utility Co.

12535 Reed Road

Sugar Land, Texas 77478



**SECOND AMENDMENT
TO THE FIRST AMENDED AND RESTATED
WHOLESALE WATER AND WASTEWATER SERVICE
CONTRACT**

This second amendment (this "Second Amendment") is executed as of June 6, 2011, between SWWC Utilities, Inc. d/b/a Hornsby Bend Utility Co., Inc. ("HBUC" or "Supplier") and Kennedy Ridge Water Supply Corporation ("Kennedy Ridge" or "Customer") (each a "Party" and, collectively, the "Parties"), for the purpose of amending the First Amended and Restated Wholesale Water and Wastewater Service Contract Between HBUC and Kennedy Ridge, dated June 29, 2004 (the "Agreement"). Capitalized terms used in this Second Amendment without definition shall have the meanings assigned to those terms in the Agreement.

RECITALS

HBUC and Kennedy Ridge have historically relied on various concepts embodied in the Texas Water Code and rules and regulations adopted by the Texas Commission on Environmental Quality ("TCEQ") in construing and implementing the Agreement. HBUC and Kennedy Ridge have historically construed and implemented the Agreement based on a mutual interpretation of its terms. HBUC and Kennedy Ridge desire to amend the Agreement to directly incorporate into the Agreement various of the Texas Water Code statutory and regulatory concepts and mutual interpretation of terms previously relied upon by the Parties.

HBUC and Kennedy Ridge previously interpreted the Agreement to allow certain backbilling for HBUC's failure to invoice Kennedy Ridge for services and failure to timely apply amended water and wastewater service rates. The Parties desire to reverse the most recent backbill and to amend the Agreement to specify backbilling procedures applicable under the Agreement. HBUC and Kennedy Ridge previously interpreted the Agreement to apply amended water and wastewater service rates immediately upon a filing by HBUC of an application to amend applicable water and wastewater service rates. The parties desire to confirm that HBUC's current tariff is applicable to Kennedy Ridge and to specify when new water and wastewater service rates will be applied under the Agreement.

HBUC applied certain late fees and regulatory charges to Kennedy Ridge in the past. All such fees and charges which have been determined to be inappropriate have been credited to Kennedy Ridge. HBUC and Kennedy Ridge desire to amend the Agreement to directly incorporate into the Agreement a specific requirement for application of late fees and regulatory charges.

HBUC has historically charged Kennedy Ridge based on rates applicable for a two inch meter, rather than the three inch meter which is actually in service at Kennedy Ridge. HBUC has not sought or collected from Kennedy Ridge any additional charges associated with the rates associated with a three inch meter. The Parties desire to confirm that no such backbilled amounts are owed and that all invoices submitted hereafter under the Agreement properly reflect the meter in place at Kennedy Ridge.



Kennedy Ridge's retail customers may have unlawfully tampered with Kennedy Ridge facilities to avoid the addition of single family connections, causing Kennedy Ridge to fail to pay HBUC for new single family connections as required by the Agreement. HBUC has not yet pursued these credible allegations or sought available remedies. The Parties desire to confirm that no backbilled amounts are owed for any such connections.

Kennedy Ridge frequently makes late payments to HBUC; Kennedy Ridge's retail customers also have erroneously paid HBUC directly for water and wastewater services. HBUC agrees to amend the Agreement to reduce the wholesale services rate to facilitate Kennedy Ridge's improved operations and management by supporting Kennedy Ridge's ability to hire an entity with experience in the field of water and wastewater services.

Without any admission of liability or wrong doing by either Party and in full settlement of any claims that may exist between them for damages and liabilities associated with the Agreement, and in consideration of the waiver, release and settlement of any and all claims arising under the Agreement prior to the date of execution of the Second Amendment, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, HBUC and Kennedy Ridge enter into this Second Amendment and agree as follows:

1. Kennedy Ridge and HBUC acknowledge and agree that HBUC and the former President of the Board of Directors of Kennedy Ridge previously agreed that the "2007 Backbill" (applied to Kennedy Ridge account May 2007; payments completed May 2009) and the "2010 Backbill" (applied to Kennedy Ridge account February 2010) were properly issued by HBUC, agreed to and due and payable under the terms of the Agreement. Kennedy Ridge confirms that Supplier's tariff as filed on August 22, 2008 and approved by TCEQ on August 21, 2009 has been and is currently incorporated by reference into the Agreement and this Second Amendment.
2. Within fifteen (15) days of the execution of this Agreement, HBUC will reverse the 2010 Backbill by applying a credit to the Kennedy Ridge account in the amount of \$65,487.06. HBUC and Kennedy Ridge hereby waive any and all claims based on or related to the 2007 and 2010 Backbills.
3. Kennedy Ridge acknowledges that HBUC has already applied credits to the Kennedy Ridge account totaling \$4,624.33, which represents a full refund of the 1% TCEQ "regulatory assessment" described in Tex. Water Code § 5.701(n) and 30 Tex. Admin. Code § 291.76 (the "Regulatory Assessment") inappropriately collected by HBUC from Kennedy Ridge from August 1998 through October 2010. No further credits are due for the Regulatory Assessment. Kennedy Ridge acknowledges that as of November 2010 HBUC no longer applied the Regulatory Assessment to the Kennedy Ridge account.
4. Kennedy Ridge acknowledges that HBUC has already applied credits to the Kennedy Ridge account totaling \$6,678.01, which represents a full refund of the overcharged late fees collected from Kennedy Ridge from August 1998 through October 2010. No further credits are due for late fee charges from this period.



5. ARTICLE I of the Agreement shall be modified to add

1.7 Supplier's tariff - The schedule of HBUC containing all rates, tolls, and charges stated separately by type or kind of service and the customer class, and the rules and regulations of the HBUC stated separately by type or kind of service and the customer class.

6. ARTICLE V of the Agreement shall be deleted in its entirety and replaced with the following:

ARTICLE V

Section 5.1 Rates.

(a) Customer agrees to pay the Supplier for all water and wastewater service provided to Customer at (i) the monthly minimum rate (base rate) established in Supplier's tariff, plus (ii) a gallonage charge of 85 percent of the gallonage charge per 1,000 gallons at the rate established in Supplier's tariff (the "KR Wholesale Rate").

(b) The rates in Supplier's tariff may change from time to time and are understood to go into effect 60 days from the date Supplier files an application to change the rates in Supplier's tariff with the TCEQ (or successor agency). The KR Wholesale Rate shall be recalculated accordingly (the "Updated Rate"). Customer agrees that the Updated Rate shall become effective sixty (60) days from the date Supplier files an application to change the rates in Supplier's tariff with the TCEQ, except that for the first such retail rate application filed by Supplier after January 1, 2011 (the "First Rate Application"), the Updated Rate shall become effective the latter of (i) the effective date of the TCEQ's final order in response to the First Rate Application and (ii) the date three-hundred and sixty-five (365) days after Supplier files the First Rate Application. If TCEQ issues a final order establishing a retail rate lower than requested in Supplier's rate application, the Updated Rate shall be adjusted in accordance with the TCEQ's final order ("Approved Updated Rate") and applied prospectively as of the effective date of the TCEQ's final order. Credit will be due to Customer in an amount equal to the difference between the amount paid by Customer under the Updated Rate and the amount that would have been paid under the Approved Updated Rate (without interest) for the period between the effective date of the Updated Rate and the effective date of the TCEQ's final order.

(c) Supplier shall provide Notice (as hereafter defined) to Customer of each application to amend Supplier's tariff at the time the Supplier files an application to change the rates in Supplier's tariff with the TCEQ by providing a copy of the notice it sends to retail customers. Without admission of Customer's standing, Supplier agrees not to object to a request by Customer to participate in any contested case hearing regarding an application to amend Supplier's tariff and/or the water rate charged Customer by HBUC.

Section 5.2 Billing.



- (a) Supplier shall read the master meters and render bills to Customer at least once per month in accordance with Supplier's tariff.
- (b) If the Customer in good faith disputes the amount of any bill, the Customer shall follow the procedures therefore established by the Supplier's tariff.
- (c) If Supplier identifies a billing error, Supplier shall within thirty (30) days of such identification, notify Customer in writing and shall calculate a billing adjustment.
 - (i) If Customer was undercharged, Supplier may backbill Customer for the amount that was underbilled. The backbilling may not exceed twelve (12) months prior to the date that the Supplier notified the Customer of the billing error unless the undercharge is the result of metering tampering, bypass or diversion by Customer. Supplier will offer a payment arrangement for a period of time at least as long as the period of the error unless such undercharge is the result of metering tampering, bypass or diversion by Customer.
 - (ii) If Customer is due a refund, an adjustment will be made for the entire period of the overcharges. Supplier will credit Customer's account in the billing cycle that follows the date that the supplier notified the Customer of the billing error.

Section 5.3 Effect of Nonpayment.

- (a) Failure of Customer to make a payment in accordance with the deadlines and procedures in the Supplier's tariff will, at the option of the Supplier, terminate all obligations of the Supplier under this Second Amendment, subject to the Customer's right to continuity of service during a good faith appeal of a disputed bill as provided by the Supplier's tariff.
- (b) A one percent (1%) late charge shall be applied to any unpaid balance, in lieu of the late charge established in Supplier's tariff.

7. ARTICLE VI, Section 6.1 shall be deleted and replaced with the following:

Section 6.1 Master Metering Required. Water consumed by the Customer shall be measured by a master meter(s) of suitable size installed at the point(s) of delivery. The Parties acknowledge that at present the meter is a 3 inch meter (with a 6 inch backup meter) and that the 3 inch water and sewer rate in Supplier's tariff is currently applicable to Customer's account. Customer shall notify Supplier of a change, alteration or modification of the master meter(s).

8. ARTICLE XIV, Section 14.1 shall be deleted in its entirety and replaced with the following:

Section 14.1. Notice. All notices issued or required under this Second Amendment ("Notice") shall be in writing and delivered by messenger or courier service, or by a nationally recognized overnight delivery service, or mailed by registered or certified mail (return receipt requested), at the addresses as noted below:

SWWC Utilities, Inc. d/b/a Hornsby Bend Utility Co., Inc.



9511 Ranch Road 620 North
Austin, Texas 78726
Attention: Gary Rose,
Texas Utilities West Director of Operations
Tel: (512) 531-6266

With copies to:

SWWC Utilities, Inc. d/b/a Hornsby Bend Utility Co., Inc.
12535 Reed Road
Sugar Land, Texas 77478
Attention: Charles W. Profflet, Jr
Executive Vice President
Tel: (281) 207-5931

SouthWest Water Company
1211 E. Center Court Drive
Covina, California 91724
Attention: Ken Dix
Vice President, General Counsel & Secretary
Tel: (626) 543-2558

Kennedy Ridge Water Supply Corporation
P.O. Box 1081
Del Valle, TX 78617
Attention: Board President

With copies to:

Philip Haag
McGinnis, Lochridge & Kilgore L.L.P.
600 Congress Avenue, Suite 2100
Austin, TX 78701
Tel: (512) 495-6008

Commissioner Ron Davis
Travis County
PO Box 1748
Austin, TX 78767

Each such Notice shall be deemed delivered (i) on the date delivered if by personal delivery; (ii) upon receipt or rejection if by overnight delivery service; or (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.



The Parties shall have the right at any time to change their respective addresses by giving written Notice of same to the other Party.

9. HBUC hereby waives any past charge for the differential cost of Kennedy Ridge's three inch meter, compared to the two inch meter, accruing through the effective date of this Second Amendment. HBUC will reflect the existing three inch meter on the Kennedy Ridge account beginning on the next billing statement following the effective date of this Second Amendment.
10. HBUC hereby waives any claim and all claims for connection fees, interest or damages that may have accrued to date against Kennedy Ridge arising from present tampering with the Kennedy Ridge facilities to serve more than one residence from a single family connection in the Kennedy Ridge community. HBUC does not waive the fee per single family connection due under the Section 2.1(a) of the Agreement for connections discovered or made after the effective date of this Second Amendment.
11. Kennedy Ridge hereby waives any and all claims related to or arising from past rate applications filed by HBUC with the TCEQ and any backbillings and fees and charges applied to Kennedy Ridge to date and actions and representations associated therewith.
12. Agreement. The Agreement is hereby confirmed as being in full force and effect.
13. Representation of Authority. The signatories hereto represent that they have been appropriately authorized to enter into this Second Amendment on behalf of the Party for whom they sign.
14. Counterparts. This Second Amendment may be executed in one or more counterparts, each of which will be deemed an original, and all of which together will constitute one instrument.



Executed to be effective as of the date first set forth above.

SWWC Utilities, Inc. d/b/a Hornsby Bend
Utility Company

By: Charles W Proffitt
Name: Charles W. Proffitt, Jr., P.E.
Title: Executive Vice President

Kennedy Ridge Water Supply Corporation

By: Estella Rocha
Name: Estella Rocha
Title: President



I, AMALIA RODRIGUEZ-MENDOZA, District Clerk,
Travis County, Texas, do hereby certify that this is
a true and correct copy as same appears of
record in my office. Witness my hand and seal of
office on 6-27-11

AMALIA RODRIGUEZ-MENDOZA
DISTRICT CLERK

By Deputy:



Jonathan...

