

## COMPROMISE AND SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is made as of this 28th day of August, 2012, by and between the Hays Trinity Groundwater Conservation District (the "District") and Dripping Springs Water Supply Corporation ("DSWSC"), referred to herein collectively as the "Parties."

Whereas, on June 21, 2012, the District sent DSWSC a Notice of Violation alleging violations of the District's Rules and sought the imposition of penalties for those alleged violations;

Whereas, the Parties jointly investigated the alleged violations and entered into negotiations with the goal of addressing the alleged violations; and

Whereas, the Parties have agreed that it is in the best interest of the District, DSWSC and the people of Hays County to settle this dispute in lieu of litigation.

Now, therefore, for and in consideration of the mutual promises set forth below and the acts and deeds to be performed pursuant to this Agreement, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. In consideration for the District's agreement to settle in lieu of further litigation, fines or civil penalties with respect to any of the alleged violations set out in the June 21, 2012 Notice of Violation, DSWSC agrees to pay the District the sum of \$42,500.00 (FORTY-TWO THOUSAND, FIVE HUNDRED AND 00/100 DOLLARS) for connection fees, which sum shall be paid within ten calendar days of the execution of this Agreement. This payment is to be made by check payable to the "Hays Trinity Groundwater Conservation District."

2. Subject to the terms of this Agreement, the District releases, discharges and acquits DSWSC from any and all claims, disputes or causes of action the District may now have, or may have had against DSWSC on account of the alleged violations.

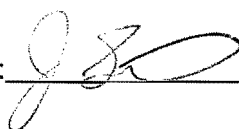
3. The Parties have read this Agreement, understand its terms, and have voluntarily entered into this Agreement after consultation with legal counsel of their choice.

4. The laws of Texas will govern the construction, application, and enforceability of this Agreement. If any provision of this Agreement is found to be unenforceable, that finding shall not affect the enforceability of any other provision herein.

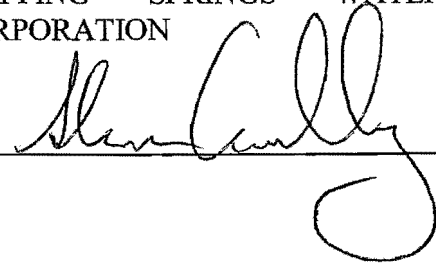
5. This document constitutes the full, final, and complete statement of the agreement between the Parties as to all terms, conditions, and understandings relating to this Agreement. This Agreement can only be changed, modified, or superseded in writing, signed by all parties hereto. No oral understandings, statements, promises, or inducements contrary to the terms of this Agreement exist as of the date of execution, and no oral alteration or termination of this Agreement shall be effective.

6. This Agreement may be executed in multiple counterparts, each of which shall constitute an original and shall be binding upon each party who signs the same. The original signature page and acknowledgement from each counterpart may be removed and integrated to form one or more original instruments reflecting the signatures and acknowledgements of all Parties.

HAYS TRINITY GROUNDWATER  
CONSERVATION DISTRICT

By:  \_\_\_\_\_

DRIPPING SPRINGS WATER SUPPLY  
CORPORATION

By:  \_\_\_\_\_

THE STATE OF TEXAS     §  
  §  
COUNTY OF HARRIS     §

BEFORE ME, the undersigned authority, on this day personally appeared Shawn Connolly, who after first being by me duly sworn upon oath stated that he is the Vice-President of and the authorized agent for Dripping Springs Water Supply Corporation and he is the person whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

SUBSCRIBED AND SWORN TO before me, by the said Vice Pres. <sup>of DSWSC</sup>, this 7 day of September, 2012, to certify which witness my hand and seal of office.



Jennifer Riechers  
Notary Public in and for  
The State of Texas



7. Other incidental related services as may be necessary to effectuate the election.
8. Remit to the District a detailed listing of expenses incurred to conduct the election for payment.

**NOTHING IN THIS AGREEMENT IS INTENDED TO LIMIT THE DISCRETION OF THE OFFICER IN THE EXECUTION OF HER DUTIES. IT IS FOR THE OFFICER, IN THE EXERCISE OF REASONABLE DISCRETION, TO DETERMINE HOW THE EFFORTS OF HER OFFICE SHOULD BE ALLOCATED THROUGHOUT THE COUNTY.**

**Article 2. DISTRICT DUTIES AND SERVICES.** The District agrees to perform the following duties:

1. Prepare and adopt all orders and resolutions necessary to conduct the election.
2. Prepare and publish all required election notices.
3. Deliver to the Officer as soon as possible, but not later than legally required before the election, the issues that are to be printed on the ballot with the exact form, wording and spelling that is to be used.
4. Provide the services necessary to translate any election documents into Spanish.
5. Pay any additional costs incurred by the Officer if a recount for said election is required, or the election is contested in any manner.
6. Provide technical assistance requested by the Officer.

**Article 3. ADMINISTRATION.** The Officer will be responsible for administering this Agreement and providing supervisory control and command over all agents, officers, and other personnel performing services pursuant to this Agreement. The contact person and representative for the Elections Office is the Officer, or her designee, and the contact person and representative for the District is Mr. John Anderson, Co-Manager.

**Article 4. COST OF SERVICES.** The District shall reimburse the Officer for all expenses incurred for any election conducted by the Officer and, in addition, the District shall pay an administrative fee of **10%** of the total cost of that election. Attached hereto and incorporated for all purposes as **Attachment "A"** is an itemized list of all estimated expenses. In the event the services are provided for a joint election, the cost shall be equally prorated between the participating entities. A runoff election shall be treated as a separate election. Within 20 days of the completion of the election, the Officer shall submit a statement to the District listing all of the expenses and the administrative fee. The District shall pay the total amount within 45 days of the election.

**Article 5. LIABILITY.** The District agrees to pay for any damage to election equipment not covered by the maintenance agreement contract between HART Intercivic and Hays County.

**Article 6. GENERAL CONDITIONS.** The following general conditions shall apply:

1. Nothing contained in this contract shall authorize or permit a change in the office with whom or the place at which any document or record relating to the election is to be filed, or place at which any function of the canvass of the election returns is to be performed, or the officer to serve as custodian of voted ballots or other election records.
2. The Officer may assign deputies to perform any of the contracted services.
3. The Officer may contract with third persons for election services and supplies.
4. This contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hays County, Texas.
5. In case any one or more of the provisions contained in this contract shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision thereof, and this contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
6. No amendment, modification, or alteration of the terms hereof shall be binding unless the same is in writing, dated subsequent to the date hereof and duly executed by the parties hereof.

**Article 7. MISCELLANEOUS.** Nothing in this Agreement shall be deemed to waive, modify or amend any legal defenses available at law or in equity to the County, the District or the Officer, or to create any legal rights or claim on behalf of any third party. Neither the County, the District nor the Officer waives any defenses whatsoever, including, but not limited to, governmental immunity.

**Article 8. NOTICE.** Any notice provided for under this Agreement shall be forwarded to the following addresses:

Hays County  
Hays County Elections Administrator  
712 S. Stagecoach Trail, Suite 1045  
San Marcos, TX 78666

**SIGNED AND AGREED UPON THIS THE \_\_\_\_ DAY OF \_\_\_\_\_, 2012.**

**Hays County Elections Administrator**

**Hays Trinity Groundwater Conservation District**

\_\_\_\_\_  
**JOYCE A. COWAN**

**BY:** \_\_\_\_\_  
**JIMMY SKIPTON, PRESIDENT**

ATTEST: \_\_\_\_\_

Secretary

APPROVE: \_\_\_\_\_

William D. Dugat, III  
Attorney for BSEACD



**AGREEMENT BY  
HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT  
AND HAYS COUNTY  
TO HOLD A JOINT ELECTION IN CERTAIN VOTING PRECINCTS  
ON NOVEMBER, 6, 2012**

**WHEREAS**, the Hays Trinity Groundwater Conservation District (DISTRICT) also will hold a general election on November 6, 2012, for Electing Board of Directors in District 1, District 3; and District 5.

**WHEREAS**, the Hays County (“COUNTY”) will hold a General election for electing Members of Congress, Members of the Legislature, ad state, district, county and precinct officers within the boundaries of the COUNTY on November 6, 2012; and,

**WHEREAS**, Texas Election Code, Chapter 271, authorizes political subdivisions of the State of Texas to hold elections jointly in voting precincts if it will be of benefit to the citizens and voters thereof to be served by common polling places and elections are ordered by the authorities of two or more political subdivisions to be held on the same day in all or part of the same territory; and,

**WHEREAS**, Texas Government Code, Chapter 791, authorizes local governments to contract with one another and with agencies of the state for various governmental functions including those in which the contracting parties are mutually interested.

**NOW, THEREFORE**, pursuant to Chapter 31 of the Texas Election Code, Chapter 791 of the Texas Government Code and Sections 271.002 and 271.003 of the Texas Election Code, the Joint Election Agreement set forth below is entered into by and between the Entities acting by and through their respective governing bodies, agree as follows:

1. HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT and the COUNTY will share **polling places** during an election on November 6, 2012.
2. HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT and the COUNTY will appoint the same election officials to preside over the election precinct in which a common election is held.
3. HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT and the COUNTY will use a HAVA compliant voting system (DREs) in each election precinct in which a common election is held.
4. The expenses of the joint election will be divided equally between the entities having a common election. Expenses will be determined and divided based on each precinct. By way of example, where the entities hold a common election in a precinct, the expenses will be apportioned one-half each. Each entity will jointly bear all expenses for equipment and supplies utilized in its election.
5. It is agreed that both entities will contract with Hays County Elections Administrator to provide all election services needed for these elections.

6. Early voting for HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT and the COUNTY shall be conducted jointly per the election services contract with Hays County Elections Administrator in accordance with Title 7 of the Texas Election Code.
7. If either entity cancels their election for any lawful reason, the other entity accepts 100% of the cost of conducting the election alone.

**DATED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**HAYS TRINITY GROUNDWATER CONSERVATION DISTRICT**

**BY:** \_\_\_\_\_

**ATTEST:** \_\_\_\_\_

**DATED** this the \_\_\_\_\_ day of \_\_\_\_\_, 2012.

**HAYS COUNTY**

**BY:** \_\_\_\_\_

**ATTEST:** \_\_\_\_\_

**APPROVE:** \_\_\_\_\_

Proposed 2013 Budget

	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>FIXED ASSET</b>					
Automobile	\$0.00	\$0.00	\$6,000.00	\$2,501.20	\$0.00
	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>INCOME</b>					
Hays County Awards	\$125,000.00	\$125,000.00	\$125,000.00	\$93,750.00	\$125,000.00
Grant -Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Exempt Wells	\$15,000.00	\$31,140.00	\$20,000.00	\$23,760.00	\$22,000.00
PWS Connections	\$15,000.00	\$18,000.00	\$15,000.00	\$11,300.00	\$17,000.00
Non-Exempt Wells	\$0.00	\$0.00	\$600.00	\$600.00	\$600.00
Interest	\$20.00	\$474.33	\$125.00	\$0.00	\$200.00
Donations	\$1,500.00	\$0.00	\$0.00	\$0.00	\$0.00
Penalties	\$0.00	\$12,709.53	\$0.00	\$81.00	\$0.00
Public Info Requests	\$15.00	\$45.50	\$60.00	\$18.00	\$60.00
Other Income	\$0.00	\$198.79	\$0.00	\$43,271.07	\$0.00
<b>Total Income</b>	<b>\$156,535.00</b>	<b>\$187,568.15</b>	<b>\$160,785.00</b>	<b>\$172,780.07</b>	<b>\$164,860.00</b>
	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>EXPENSES</b>					
<b>Field Operation</b>					
Aquifer Sampling	\$0.00	\$0.00	\$1,000.00	\$318.00	\$1,500.00
Monitoring Equipment	\$1,250.00	\$2,781.24	\$2,400.00	\$5,610.05	\$8,500.00
Reports, Maps, Doc's	\$1,000.00	\$96.91	\$500.00	\$385.00	\$500.00
Tools / Field Supplies	\$500.00	\$55.57	\$1,000.00	\$0.00	\$500.00
Age Dating Trinity	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Drilling Samples	\$0.00	\$235.00	\$500.00	\$0.00	\$500.00
Equipment Rentals	\$500.00	\$0.00	\$500.00	\$0.00	\$500.00
GIS Tech Support / Data	\$500.00	\$0.00	\$500.00	\$0.00	\$500.00
Well Logs	\$2,000.00	\$975.00	\$1,000.00	\$0.00	\$2,000.00
	\$5,750.00	\$4,143.72	\$7,400.00	\$6,313.05	\$14,500.00

	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>Field &amp; Research Prof. Svcs</b>					
Aquifer Research	\$1,000.00	\$0.00	\$1,000.00	\$690.00	\$1,000.00
Aquifer Modeling	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GIS Consultant	\$0.00	\$0.00	\$500.00	\$0.00	\$500.00
Science & Engin. Consult.	\$2,500.00	\$0.00	\$2,500.00	\$0.00	\$2,500.00
GMA9-DFC	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00
	<b>\$3,500.00</b>	<b>\$0.00</b>	<b>\$4,000.00</b>	<b>\$690.00</b>	<b>\$7,000.00</b>

	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>General Operation</b>					
Bank Service Charges	\$130.00	\$5.00	\$20.00	\$0.00	\$20.00
Bond Expense-Waldrup	\$500.00	\$210.00	\$500.00	\$245.00	\$500.00
Contributions	\$0.00	\$100.00	\$0.00	\$0.00	\$100.00
Dues & Subcriptions	\$550.00	\$1,070.81	\$965.00	\$416.00	\$965.00
Election Expense	\$5,000.00	\$6,374.92	\$8,500.00	\$120.00	\$6,400.00
Appreciation Awards	\$0.00	\$0.00	\$700.00	\$0.00	\$700.00
Insurance /WrkCmp - TML	\$1,500.00	\$889.05	\$1,500.00	\$1,463.25	\$1,500.00
Professional Development	\$750.00	\$150.00	\$750.00	\$700.00	\$750.00
Public Notices	\$1,120.00	\$270.89	\$500.00	\$256.64	\$500.00
Software	\$500.00	\$249.95	\$500.00	\$0.00	\$500.00
Travel: Meals-Mileage	\$3,800.00	\$4,298.29	\$1,000.00	\$625.40	\$1,000.00
Education & Outreach	\$25,000.00	\$5,021.88	\$5,000.00	\$449.20	\$3,000.00
Miscellaneous Expense	\$200.00	\$288.29	\$500.00	\$125.29	\$250.00
Vehicle Insurance-TML	\$0.00	\$0.00	\$570.00	\$258.02	\$570.00
Vehicle Maintenane & Gas	\$0.00	\$0.00	\$2,500.00	\$1,568.19	\$2,500.00
	<b>\$39,050.00</b>	<b>\$18,929.08</b>	<b>\$23,505.00</b>	<b>\$6,226.99</b>	<b>\$19,255.00</b>

	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>Office</b>					
Computer Equipment	\$0.00	\$0.00	\$2,000.00	\$1,289.96	\$2,500.00
Internet Access	\$750.00	\$748.80	\$750.00	\$564.03	\$750.00
Office Rent	\$8,700.00	\$9,050.00	\$9,540.00	\$6,360.00	\$9,540.00
Office Supplies & Equip	\$2,500.00	\$2,312.02	\$2,500.00	\$624.76	\$2,500.00
Postage & Delivery	\$1,000.00	\$218.67	\$500.00	\$269.79	\$500.00
Printing & Reproduction	\$500.00	\$238.17	\$500.00	\$0.00	\$500.00
Telephone & Fax Line	\$2,150.00	\$1,100.79	\$1,500.00	\$767.21	\$1,500.00
Website Hosting & Main.	\$310.00	\$0.00	\$250.00	\$0.00	\$250.00
Meeting Room Rental	\$0.00	\$50.00	\$50.00	\$0.00	\$100.00
	<b>\$15,910.00</b>	<b>\$13,718.45</b>	<b>\$17,590.00</b>	<b>\$9,875.75</b>	<b>\$18,140.00</b>

	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>Personnel</b>					
Medical Insurance-TML	\$0.00	\$0.00	\$8,400.00	\$6,918.36	\$8,400.00
401 Retirement	\$0.00	\$0.00	\$0.00	\$0.00	\$4,404.40
Payroll Hydrogeologist	\$11,250.00	\$0.00	\$0.00	\$0.00	\$0.00
Payroll Monitoring Run	\$4,320.00	\$3,543.75	\$0.00	\$0.00	\$0.00
Payroll Manager	\$51,500.00	\$51,211.66	\$53,500.00	\$36,961.50	\$55,105.00
Payroll Admin Assistant	\$15,600.00	\$23,871.75	\$31,200.00	\$21,450.00	\$33,000.00
Overtime	\$0.00	\$202.50	\$0.00	\$0.00	\$0.00
Payroll Taxes	\$6,708.00	\$6,129.85	\$6,500.00	\$4,552.48	\$6,500.00
State Taxes - TWC	\$1,000.00	\$297.87	\$1,000.00	\$522.00	\$1,000.00
Staff Incentives	\$0.00	\$0.00	\$0.00	\$0.00	\$800.00
	<b>\$90,378.00</b>	<b>\$85,257.38</b>	<b>\$100,600.00</b>	<b>\$70,404.34</b>	<b>\$109,209.40</b>

	2011 Budget	2011 Actual	2012 Budget	2012 To Date	2013 Proposed
<b>Professional Services</b>					
Mgmt Plan Consultant	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Accounting	\$2,400.00	\$1,621.25	\$2,100.00	\$1,462.50	\$2,100.00
Auditor	\$2,000.00	\$2,100.00	\$2,100.00	\$0.00	\$2,100.00
IT Consultant / Repair Ken	\$500.00	\$0.00	\$500.00	\$0.00	\$500.00
Legal Fees - Greg Ellis	\$6,000.00	\$18,688.24	\$17,000.00	\$15,971.30	\$17,000.00
Legal Fees - Bill Davis	\$0.00	\$0.00	\$0.00	\$0.00	\$3,000.00
Redistricting Map	\$0.00	\$99.00	\$0.00	\$0.00	\$0.00
Legal Advocacy	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Website Design & Main RG	\$2,500.00	\$2,295.88	\$2,500.00	\$2,205.03	\$3,000.00
	<b>\$13,400.00</b>	<b>\$24,804.37</b>	<b>\$24,200.00</b>	<b>\$19,638.83</b>	<b>\$27,700.00</b>

<b>Total Fixed Asset</b>	\$0.00	\$0.00	\$6,000.00	\$2,501.20	\$0.00
<b>Total Expenses</b>	167,980.00	146,853.00	\$177,295.00	\$113,148.96	\$195,804.40
<b>Total Income</b>	156,535.00	187,568.15	\$160,785.00	\$172,780.07	\$164,860.00
<b>Net</b>	<b>11,445.00</b>	40,715.15	<b>\$22,510.00</b>	\$57,129.91	<b>\$30,944.40</b>
<b>2012 Year-End Cash</b>					\$57,535.75
<b>2013 Year-End Cash</b>					\$26,591.35

<b>Current Savings</b>	\$126,699.00
<b>Possible Payoff - Truck</b>	<b>\$15,165.25</b>
<b>Projected Year-End Costs</b>	<b>\$60,000.00</b>
<b>Projected Q4 Income</b>	\$6,000.00
<b>2012 Year-End Cash</b>	<b>\$57,535.75</b>





