

**TEXAS WATER CODE SECTION 13.248 and
16 TEXAS ADMINISTRATIVE CODE SECTION 24.253 AGREEMENT
REGARDING
RETAIL WATER CERTIFICATE OF CONVENIENCE AND NECESSITY SERVICE
AREA TRANSFER**

This TEXAS WATER CODE SECTION 13.248 AND 16 TEXAS ADMINISTRATIVE CODE SECTION 24.253 AGREEMENT REGARDING RETAIL WATER CERTIFICATE OF CONVENIENCE AND NECESSITY SERVICE AREA TRANSFER (this “**Agreement**”) is made to be effective on the latest date accompanying the signature lines below (the “**Effective Date**”), and is by and between CITY OF GEORGETOWN, TEXAS (“**Georgetown**”), a home rule municipality organized and existing under the laws of the State of Texas, and CITY OF KILLEEN, TEXAS (“**Killeen**”), a home rule municipality existing under the laws of the State of Texas (individually a “**Party**,” collectively, the “**Parties**”), in connection with the boundary lines of the Certificates of Convenience and Necessity (“**CCNs**”) held by Georgetown and Killeen for the provision of retail water services to users pursuant to the Texas Water Code.

RECITALS

WHEREAS, Georgetown is a municipal “retail public utility” and is the holder of retail water Certificate of Convenience and Necessity Number 12369 (“**Georgetown CCN**”), authorizing Georgetown to provide retail water service to certain areas in Williamson, Burnet, and Bell Counties; and

WHEREAS, Killeen is a municipal “retail public utility” and is the holder of retail water CCN Number 10041 (“**Killeen CCN**”), authorizing Killeen to provide retail water service to certain areas in Bell County; and

WHEREAS, Killeen desires to become the sole retail water service provider to the property within the approximately 8,669-acre area shown on the maps attached as **Exhibit A** and incorporated herein by this reference (the “**Transfer Area**”); and

WHEREAS, as of the Effective Date, Georgetown has no retail water customers in the Transfer Area, nor does Georgetown have any retail water infrastructure facilities in or near the Transfer Area; and

WHEREAS, because there are no customers in the Transfer Area as of the Effective Date, there will be no rate change associated with this Agreement; and

WHEREAS, the Georgetown City Council and the Killeen City Council each considered and approved this Agreement at meetings conducted in compliance with the Texas Open Meetings Act; and

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and confessed, the Parties hereto agree as follows:

AGREEMENT

1. **Recitals.** The recitals herein set forth above are incorporated into the Agreement for all purposes and are found to be true and correct.
2. **Exclusive Agreement.** This Agreement is an exclusive, one-time Agreement between Georgetown and Killeen and the intent of the Agreement is to commence the regulatory process to transfer a portion of the Georgetown CCN to the Killeen CCN for Killeen to provide retail water service to customers in the Transfer Area for the Consideration.
3. **Transfer of the Transfer Area.** In accordance with Section 13.248 of the Texas Water Code (“TWC”) and with 16 Texas Administrative Code (“TAC”) Section 24.253, but at all times subject to the terms and conditions of this Agreement and approval of the Public Utility Commission of Texas (the “PUC”), Georgetown hereby agrees to the reduction and modification of the boundaries of the Georgetown CCN to transfer or cancel the Transfer Area portion of the Georgetown CCN shown in **Exhibit A**. In accordance with TWC § 13.248 and 16 TAC § 13.253, but at all times subject to the terms and conditions of this Agreement and the approval of the PUC, Killeen hereby agrees to the expansion and modification of the boundaries of the Killeen CCN to include the Transfer Area shown in **Exhibit A**. Other than the transfer of the Transfer Area from the Georgetown CCN to the Killeen CCN, no other changes to the Georgetown CCN or the Killeen CCN shall result from this Agreement.
4. **Sale, Transfer, Merger Application or Petition.** Killeen and Georgetown agree to take all necessary steps to prepare, file, and advance an application or petition at the PUC to sell, transfer and merge the Transfer Area from the Georgetown CCN to the Killeen CCN (the “**Joint STM Application/Petition**”) prepared in compliance with Texas Water Code §§ 13.242(a), 13.301 and 16 Tex. Admin Code §§ 24.225(a), 24.239, 24.253, and any other applicable laws, rules or policies and obtain all other necessary regulatory approvals, if any. Killeen shall take the lead on preparing, filing, and advancing the Joint STM Application/Petition, which must be approved by Georgetown prior to filing. Georgetown will cooperate with Killeen regarding the preparation and filing of the Joint STM Application/Petition, subject to Killeen’s obligation to reimburse Georgetown when and as required by **Section 1.05** of this Agreement. Within thirty (30) days after the Effective Date of this Agreement, Killeen shall file the Joint STM Application/Petition with the PUC. If the Joint STM Application/Petition is contested, then: (a) if Killeen and Georgetown mutually agree to pursue approval of the Joint STM Application/Petition by participating in the administrative hearing process, Killeen shall take the lead in the litigation and Georgetown will cooperate with Killeen in pursuing approval of the Joint STM Application/Petition and Killeen expressly agrees to pay all litigation costs and expenses, including all reasonable litigation costs and expenses incurred by Georgetown, but neither Party is authorized to enter into any settlement agreement or agreed order, amend the Joint STM Application/Petition, or alter the Transfer Area without the written consent of the other Party; or (b) if one Party provides Notice to the other Party of its desire to withdraw the Joint STM Application/Petition (the “**Termination Notice**”) rather than participate in the administrative hearing process, this Agreement will be deemed terminated effective on the date that the Termination Notice was received, except that Killeen’s obligation to pay Georgetown as and when required by **Section 5** of this Agreement shall survive termination. If on its own motion or after a contested case hearing the PUC does not issue an order approving the Joint STM Application/Petition,

Killeen may, at its sole option, cost and expense, appeal the PUC determination or terminate this Agreement. Notwithstanding anything in this Section to the contrary, Killeen's obligation to reimburse Georgetown for fees, costs and expenses associated with the Joint STM Application/Petition shall survive termination.

5. **Reimbursement of Georgetown's Direct Costs.** Killeen agrees that Georgetown shall not be required to incur any costs associated with efforts to transfer the Transfer Area from the Georgetown CCN to the Killeen CCN. As partial compensation for Georgetown's consent to transfer the Transfer Area from Georgetown's CCN to Killeen's CCN, Killeen agrees to reimburse Georgetown for all fees, costs and expenses incurred by Georgetown related to negotiating and drafting of this Agreement, the Joint STM Application/Petition, and any other related or required submittals and obtaining PUC approval of same including, without limitation, staff time billed at the rate of \$40.00 per hour, reasonable attorney's fees, mapping services, and any other reasonable professional, administrative, or technical fees, costs and expenses related to same ("**Georgetown's Direct Costs**"). On or before the close of business on the day that is 45 calendar days after receipt by Killeen of a statement or invoice for Georgetown's Direct Costs (the "**Cost Reimbursement Due Date**") Killeen shall pay Georgetown the amount invoiced in readily available funds received via bank wire. Killeen shall contact Georgetown to obtain bank wiring instructions at least seven (7) business days before the Cost Reimbursement Due Date. Invoices or statements for Georgetown's Direct Costs will be sent by Georgetown to Killeen on a monthly or other semi-regular basis as work progresses and continue until the transaction contemplated by this Agreement are completed.
6. **Statutory Compensation Analysis.** The Parties acknowledge receipt of a compensation analysis dated February 4, 2026 prepared by NewGen Strategies & Solutions, 275 W. Campbell Road, Suite 440, Richardson, TX 75080, relating to the value of the Transfer Area calculated using the factors set forth in TWC § 13.254(g) and finding that no additional consideration is due for the decertification of the Transfer Area other than payment by Killeen of Georgetown's Direct Costs: \$5,804.67.
7. **Killeen's Obligation to Serve.** Upon PUC approval of the transfer of the Transfer Area to the Killeen CCN, Killeen shall be responsible for providing retail water service to the Transfer Area under such terms and conditions as are allowed under the Killeen CCN and any applicable governmental statutes and regulations.
8. **No Georgetown Obligation to Serve.** Upon PUC approval of the revisions to its CCN boundary removing the Transfer Area from the Georgetown CCN, Georgetown shall have no obligation to provide retail water service to the Transfer Area.
9. **Notice.** The Parties contemplate that they will engage in informal communications with respect to the subject matter of this Agreement. However, any formal notices or other communications ("**Notice**") required to be given by one Party to another by this Agreement shall be given in writing, specifically refer to this Agreement, be addressed to the Party to be notified at the addresses set forth below for such Party, and be delivered by both email and one of the following three non-electronic forms of delivery:: (i) delivering the Notice in person, (ii) depositing the Notice in the United States Mail, certified or registered, return receipt requested, postage prepaid, addressed to the Party to be notified, or (iii) depositing the Notice with FedEx or another nationally recognized courier service guaranteeing "next day delivery," addressed to the Party to be notified. Notice delivered by email shall be deemed received when sent, unless

the sender receives a machine-generated message that delivery has failed. If the sender does receive a machine-generated message that delivery has failed, the sender must telephone the intended recipient at the phone number given below, obtain the correct email address, and re-send the Notice to the correct address. Notice deposited in the United States mail in the manner herein above described shall be deemed effective from and after the date reflected on the return receipt. Notice given in any other manner shall be effective only if and when received by the Party to be notified as reflected by a written receipt or confirmation. For the purposes of notice, the addresses of the Parties, until changed as provided in **Section 2.02** of this Agreement, shall be as follows:

Georgetown:

City of Georgetown
808 Martin Luther King, Jr. St.
Georgetown, Texas 78626
Attention: City Manager
ms@georgetowntexas.gov
Phone:

With required copy to:

City of Georgetown
809 Martin Luther King, Jr. St.
Georgetown, Texas 78626
Attention: City Attorney
legalgroup@georgetowntexas.gov
Phone:

Killeen:

City of Killeen
101 N. College Street
Killeen, TX 76541
Attention: City Manager
kcagle@killeentexas.gov
Phone:

With required copy to:

City of Killeen
101 N. College Street
Killeen, TX 76541
Attention: City Attorney
hclements@killeentexas.gov
Phone:

10. Change of Address for Notice. A Party may change its address for Notice by giving Notice of such change to the other Party in the same manner as described in **Section 9** of this Agreement.

11. **Governing Law.** This Agreement shall be governed, construed, and interpreted in accordance with the laws of the State of Texas. All acts required or permitted to be performed hereunder are performable in Williamson County, Texas, and it is agreed that any civil action brought to enforce or construe the terms or provisions hereof or to enjoin or require the performance of any act in connection herewith, shall be brought in a court of competent jurisdiction sitting in Williamson County, Texas. It is agreed that any administrative law action brought to enforce or construe the terms or provisions hereof or to enjoin or require the performance of any act in connection herewith, shall be brought at the PUC or its successor agency.
12. **Severability.** In the event one or more of the provisions contained in this Agreement 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 hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
13. **Unintended Omission.** If any punctuation, word, clause, sentence, or provision necessary to give meaning, validity, or effect to any other word, clause, sentence, or provision in this Agreement is omitted, then it is hereby declared that such omission was unintentional and that the omitted punctuation, word, clause, sentence, or provision shall be supplied by inference.
14. **Limitation of Liability.** In no event shall either Party or any of its respective officers, directors, members, partners, shareholders, employees, agents or affiliates be liable for any special, indirect, non-compensatory, consequential, incidental, punitive or exemplary damages of any type, including lost profits, loss of business opportunity or business interruptions irrespective of whether such damages are reasonably foreseeable or whether such claims arise in contract, tort (including negligence, whether sole, joint, or concurrent or strict liability) or otherwise, arising out of this Agreement.
15. **Effect of State and Federal Laws.** Notwithstanding any other provision of this Agreement, the Parties shall comply with all applicable statutes or regulations of the PUC, the United States, and the State of Texas, and any rules implementing such statutes or regulations.
16. **Amendment.** This Agreement shall not be amended except by written instrument signed by all Parties to this Agreement.
17. **Time.** Time is of the essence in all things pertaining to the performance of this Agreement.
18. **Authority for Execution.** Georgetown hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the laws, regulations, and ordinances applicable to the city. Killeen hereby certifies, represents, and warrants that the execution of this Agreement is duly authorized and adopted in conformity with the laws, regulations, and ordinances applicable to the city. Information pertaining to public notice per 16 TAC§ 24.253(c)(2) and (3) is attached hereto under **Exhibit B**, incorporated herein by this reference, consisting of a copy of the meeting agendas and minutes for the meetings during which this Agreement was discussed and affidavits attesting to the date of those meetings.
19. **Foreign Terrorist Organizations.** Georgetown represents and certifies that, at the time of execution of this Agreement neither Georgetown, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas

Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term “foreign terrorist organization” in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code. Killeen represents and certifies that, at the time of execution of this Agreement neither Killeen, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term “foreign terrorist organization” in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

20. **Prohibition Against Boycotting Israel.** As required by Chapter 2270, Texas Government Code, Killeen hereby verifies that Killeen does not boycott Israel and will not boycott Israel through the term of this Agreement, and Georgetown hereby verifies that Georgetown does not boycott Israel and will not boycott Israel through the terms of this Agreement. For purposes of this verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes.
21. **Entire Agreement.** This Agreement and the attached Exhibits, which are incorporated into this Agreement by reference, reflects the entire agreement among the Parties pertaining to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings of the Parties in the connection herewith.
22. **Multiple Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, and which may be transmitted electronically, and all of which together shall be construed as one and the same instrument.
23. **Assignment.** This Agreement may not be assigned by any Party, except by the prior written consent of the other Party.

IN WITNESS WHEREOF, the Parties approved and executed this Agreement to be effective on the Effective Date.

CITY OF GEORGETOWN, TEXAS
a Texas Home Rule Municipal Corporation

By: _____
Josh Schroeder, Mayor

ATTEST:

Robyn Densmore, City Secretary

APPROVED AS TO FORM:

Skye Masson, City Attorney

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

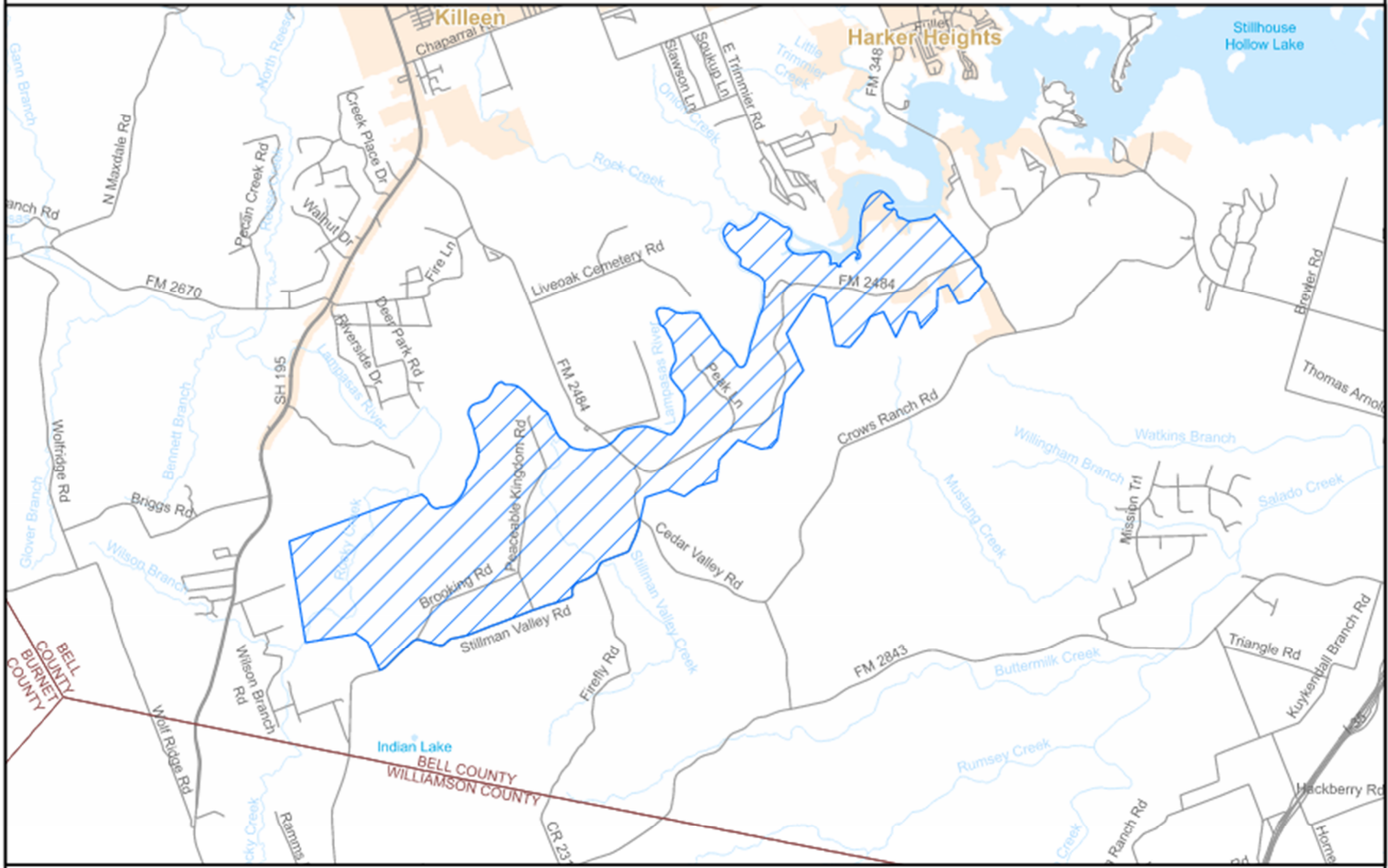
This instrument was acknowledged before me on the _____ day of _____, 2026
by Josh Schroeder, Mayor of the City of Georgetown, Texas, a home-rule city, on behalf of the
City of Georgetown, Texas.

(seal)

Notary Public State of Texas


**EXHIBIT A
TRANSFER AREA MAP**

13.248 Petition to Amend City of Georgetown (CCN No. 12369) and City of Killeen (CCN No. 10041) in Bell County



General Location Map

Legend

 Requested Area to Transfer CCN No. 12369 to CCN No. 10041



Created by: Suzanne Burt
Date Created: October 16, 2025

EXHIBIT B
PROOF OF NOTICES

Index:

1. Affidavit, and Certified Agenda and Minutes of City Council Meeting, City of Georgetown
2. Affidavit, and Certified Agenda and Minutes of City Council Meeting, City of Killeen

of the matter set forth in them, or to incorporate those documents into the City of Georgetown's records. It is the regular practice of the City of Georgetown to make, keep or incorporate these types of records in the course of regularly conducted business activity.

7. There are no retail water customers within the CCN Transfer Area.”

By: _____
Chelsea Solomon

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was sworn to and acknowledged before me on _____,
2026 by Chelsea Solomon, Director of Water Utilities, City of Georgetown, Texas.

(seal)

Notary Public State of Texas

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

I, Robyn Densmore, City Secretary for the City of Georgetown, Texas, am the legal custodian of the City's files and records. I hereby certify that the attached are true, accurate and complete copies of the City of Georgetown, Texas' instruments and records as those instruments and records are filed in the official records of the City of Georgetown, Texas, specifically consisting of the certified agenda for the City of Georgetown, Texas City Council meeting held on _____, 2026 beginning at 6:00 P.M. and the signed and approved minutes of that meeting.

By: _____
Robyn Densmore, City Secretary
City of Georgetown, Texas

STATE OF TEXAS §

COUNTY OF WILLIAMSON §

This instrument was sworn to and acknowledged before me on _____, 2026 by Robyn Densmore, City Secretary, City of Georgetown, Texas.

(seal)

Notary Public, State of Texas

[INSERT GEORGETOWN CITY COUNCIL AGENDA AND MINUTES]

**AFFIDAVIT OF STEVE KANA, P.E.
ASSISTANT CITY ENGINEER
(City of Killeen, Texas)**

STATE OF TEXAS §

COUNTY OF BELL §

On this day, Steve Kana, P.E. appeared before me, the undersigned notary public, and after I administered an oath to him, upon his oath, he said:

1. "My name is Steve Kana, P.E. I am the Assistant City Engineer for the City of Killeen, Texas. I am more than 21 years of age and capable of making this affidavit ("Affidavit"). I have personal knowledge of the facts stated herein, which are true and correct.
2. I am employed as the Assistant City Engineer for the City of Killeen and coordinate on water utility issues directly with my colleagues at the City of Killeen who prepare and post notices of City Council Agendas at least 3 business days prior to City Council meetings in accordance with the Texas Open Meetings Act.
3. I have prepared this affidavit to address Public Utility Commission Rule 24.253(c)(3) in support of the City of Killeen's joint petition with City of Georgetown filed under Section 13.248 of the Texas Water Code requesting approval of the Parties' Texas Water Code Section 13.248 Retail Water Certificate of Convenience and Necessity Service Area Transfer Agreement (CCN Transfer Agreement), which became effective on _____, 2026.
4. I am aware of Public Utility Commission Rule 24.253(c)(3) which requires that '[i]f notice was provided in accordance with paragraph (1) or (2) of this subsection, both parties to the contract under this section shall ensure that the following are filed with the commission: an affidavit attesting to the date that notice was provided and copies of the notice that was sent.' Both Parties are complying with paragraph (2) of Rule 24.253(c) by submitting with our petition their respective meeting agendas and meeting minutes, which reflect our respective notices to the public and action taken regarding our above- referenced CCN Transfer Agreement.
5. By this affidavit, I am attesting to the date that the City of Killeen notice was provided and am attaching a copy of that notice-specifically, the City of Killeen City Council's publicly noticed agenda for its meeting held on _____, 2026, beginning at 3:00 PM as well as the minutes of that meeting showing the action taken to Approve the CCN Transfer Agreement. I am personally aware that this notice was timely posted at least 72 hours in advance of the meeting.
6. This affidavit is also filed in accordance with Texas Rules of Evidence 803(6) and 902(10) to ensure this attached notice/agenda and minutes are helpful to the Administrative Law Judge and admissible. These attachments are an exact duplicate of the original records, and are true and correct copies of the notice/agenda and minutes. It is the regular practice of the City of Killeen to make and/or maintain these types of records, or to incorporate into City of Killeen's records, at or near the time of each act, event, condition, or opinion set forth in the records, or

reasonably sooner thereafter. It is the regular practice of the City of Killeen for these types of records to be made by, or from information transmitted by, persons with knowledge of the matter set forth in them, or to incorporate those documents into the City of Killeen's records. It is the regular practice of the City of Killeen to make, keep or incorporate these types of records in the course of regularly conducted business activity.

7. There are no retail water customers within the CCN Transfer Area.”

By: _____
Steve Kana, P.E.
Assistant City Engineer

STATE OF TEXAS §

COUNTY OF BELL §

This instrument was sworn to and acknowledged before me on _____, 2026 by Steve Kana, P.E., Assistant City Engineer for the City of Killeen, Texas.

(seal)

Notary Public, State of Texas

STATE OF TEXAS §

COUNTY OF BELL §

I, Laura Calcote, City Secretary for the City of Killeen, Texas, am the legal custodian of the City's files and records. I hereby certify that the attached are true, accurate and complete copies of the City of Killeen, Texas' instruments and records as those instruments and records are filed in the official records of the City of Killeen, Texas, specifically consisting of the certified agenda for the City of Killeen, Texas City Council meeting held on _____, 2026 beginning at _____ P.M. and the signed and approved minutes of that meeting.

By: _____
Laura J. Calcote, City Secretary
City of Killeen, Texas

STATE OF TEXAS §

COUNTY OF BELL §

This instrument was sworn to and acknowledged before me on _____, 2026 by Laura J. Calcote, City Secretary, City of Killeen, Texas.

(seal)

Notary Public, State of Texas

[INSERT KILLEEN CITY COUNCIL AGENDA AND MINUTES]