Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Melissa Chao
Office of the Chief Clerk

Date: July 1, 2009

Thru: Doug Holcomb, P.E., Manager, Utilities and Districts Section
Alex A. (Skip) Ferris, P.E., Leader, Districts Review Team

From: Ruben Soto, Jr.
Districts Review Team

Subject: Docket No. 2008-1743-DIS; Comal County Water Control & Improvement District No. 1; Petition for Conversion to a Municipal Utility District; Acquisition of Road Powers; and a Name Change. Pursuant to Texas Water Code Chapters 49 and 54.
TCEQ Internal Control No. 07222008-D06
CN: 603184193 RN: 105217061

Backup for Agenda Item.

Docket No.: 2008-1743-DIS

Commission Agenda Date: August 12, 2009

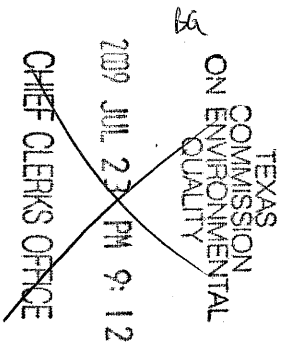
Original + 7 copies of Backup for Agenda Item:

Executive Summary
Commission Order
Staff Memorandum
Resolutions (Exhibit "A")
District Site Map)Exhibit "B")
Notice of District Hearing
Mailing List
Publishers Affidavit

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
2009 JUL 23 PM 9:12
CHIEF CLERKS OFFICE
BG
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
2009 JUL 24 PM 1:19
CHIEF CLERKS OFFICE

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM



To: Texas Commission on Environmental Quality **Date:** July 1, 2009

Thru: Doug Holcomb, P.E., Manager, Utilities and Districts Section
Alex A. (Skip) Ferris, P.E., Leader, Districts Review Team

From: Ruben Soto, Jr.
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Subject: Docket No. 2008-1743-DIS; Comal County Water Control & Improvement District No. 1; Petition for Conversion to a Municipal Utility District; Acquisition of Road Powers; and a Name Change. Pursuant to Texas Water Code Chapters 49 and 54 and 30 Texas Administrative Code Chapter 293.
TCEQ Internal Control No. 07222008-D06
CN: 603184193 RN: 105217061

DESCRIPTION OF APPLICATION

Petitioner: Comal County Water Control & Improvement District No. 1 (District)
Request: Conversion to Municipal Utility District, Acquisition of Road Powers, and a Name Change
Type: Conversion
Authority: Texas Water Code, Chapters 49 and 54; 30 Texas Administrative Code Chapter 293.

STAFF RECOMMENDATIONS

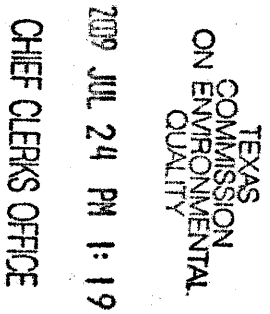
Grant the District's request to be converted into a Municipal Utility District, Acquisition of Road Powers, and a Name Change to Johnson Ranch Municipal Utility District.

TECHNICAL INFORMATION

General: The District was created on February 20, 2007 as a water control and improvement district by the Comal County Commissioner's Court with an area of approximately 767.32 acres of land. The District is within Comal County, the Bulverde Independent School District, and the extraterritorial jurisdiction of the City of Bulverde.

ANTICIPATED RESPONSE

Agreement with staff recommendations.



CONTACT

Ruben Soto, Jr., Technical Manager, Districts Review Team - 239-4571.

Prepared by: Ruben Soto, Jr. Date: July 1, 2009
Districts Review Team

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AN ORDER GRANTING THE CONVERSION OF COMAL COUNTY WATER CONTROL AND IMPROVMENT DISRICT NO. 1 INTO A MUNICIPAL UTILITY DISTRICT; THE ACQUSITION OF ROAD POWERS; AND TO CHANGE THE NAME OF THE DISTRICT

DOCKET NO. 2008-1743-DIS

On August 12, 2009, the Texas Commission on Environmental Quality (Commission) met in regular session at its offices in Austin, Texas, to consider the application of Comal County Water Control & Improvement District No. 1 (District) for conversion into a municipal utility district pursuant to TEX. WATER CODE ANN. §§ 54.030 - 54.036 and 30 TEX. ADMIN. CODE § 293.15; the acquisition of road powers pursuant to TEX. WATER CODE § 54.234 and 30 Tex. Admin. Code §§ 293.201 and 293.202; and to change the name of the District pursuant to TEX. WATER CODE § 49.071 and 30 TEX. ADMIN. CODE § 293.102.

The Commission has jurisdiction to consider this matter and the following Findings of Fact and Conclusions of Law are appropriate after examining the application and supporting documentation:

FINDINGS OF FACT

1. On July 22, 2008, an application (including the District's Resolution) requesting the conversion of the District into a municipal utility district; the acquisition of road powers; and to change the name of the District was filed with the Commission pursuant to TEX. WATER CODE Chapters 49 and 54 and 30 TEX. ADMIN. CODE chapter 293.

2. The Resolution adopted by the governing body of the District on May 27, 2008, declared that in the judgment of the governing body, conversion of the District into a municipal utility district, acquiring road powers, and changing the name of the District would serve the best interests of the District and would be of benefit to the land and property within its boundaries, and the governing body requested that the Commission hold a hearing on the question of the conversion of the District pursuant to TEX. WATER CODE § 54.030, acquisition of road powers pursuant to TEX. WATER CODE § 54.234, and the name change of the District pursuant to TEX. WATER CODE § 49.071.

3. The Executive Director reviewed the application and found that conversion to a municipal utility district, acquisition of road powers, and changing the name of the District would serve the best interests of the District and would be a benefit to the land within the District's boundaries. The Executive Director recommended approving the District's application.

4. Proper notice of the application was given by publication on July 12, 2009, and July 22, 2009, in the Herald-Zeitung newspaper regularly published and generally circulated in Comal County, where the District is located, pursuant to TEX. WATER CODE ANN. § 54.032 and 30 TEX. ADMIN. CODE §293.15.

5. The appropriate and necessary deposits and fees associated with the filing of the application have been paid to the Commission.

CONCLUSIONS OF LAW

1. The Commission has jurisdiction to consider the application and is authorized to make and enter its Findings of Fact, Conclusions of Law, and Orders with respect to the request for conversion of the District into a municipal utility district.

2. The application of the District conforms in all respects to TEX. WATER CODE §§ 54.030 and 49.071 and 30 Tex. Admin. Code §§ 293.102, 293.15, 293.201 and 293.202; is in proper and legal form; and the purposes thereof are lawful.

3. All statutory and regulatory requirements for conversion of the District into a municipal utility district; acquisition of road powers; and to change the name of the District have been fulfilled pursuant to TEX. WATER CODE §§ 54.030 - 54.036 and 49.071 and 30 TEX. ADMIN. CODE §§ 293.102, 293.15, 293.201, and 293.202.

NOW THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that the Utilities and District's Section's memorandum dated July 1, 2009, is hereby attached as Exhibit "A" and incorporated as part of this order. The District's request for conversion of the District from a water control and improvement district operating under TEX. WATER CODE Chapters 49 and 51 to a municipal utility district (MUD) operating under TEX. WATER CODE Chapters 49 and 54 is hereby approved. The District's request for the acquisition of road powers in accordance with TEX. WATER CODE § 54.234 and 30 TEX. ADMIN. CODE §§ 293.201 and 293.202 is hereby approved subject to the requirements imposed by the Commission and general laws of the State of Texas relating to the exercise of such powers. The District's request to change the name of the District in accordance with TEX. WATER CODE § 49.071 and 30 TEX. ADMIN. CODE § 293.102 from Comal County Water Control and Improvement District No. 1 to "Johnson Ranch Municipal Utility District" is hereby granted.

The District shall file a copy of this Commission Order in the deed records of Comal County, Texas.

The Chief Clerk of the Commission shall forward a copy of this Order to all affected persons.

If any provision, sentence, clause or phrase of this Order is, for any reason, held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date:

_____

For the Commission

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Texas Commission on Environmental Quality **Date:** July 1, 2009

Thru: Doug Holcomb, P.E., Manager, Utilities and Districts Section
Alex A. (Skip) Ferris, P.E., Leader, Districts Review Team

From: Districts Review Team

Subject: Docket No. 2008-1743-DIS; Comal County Water Control & Improvement District No. 1; Petition for Conversion to a Municipal Utility District; Acquisition of Road Powers; and To change the Name of the District. Pursuant to Texas Water Code Chapters 49 and 54 and 30 Texas Administrative Code Chapter 293.
TCEQ Internal Control No. 07222008-D06 (TC)
CN: 603184193 RN: 105217061

A. GENERAL INFORMATION

On July 22, 2008, the Texas Commission on Environmental Quality (Commission) received the above reference application from Comal County Water Control & Improvement District No. 1 (District). The application, as submitted, requests Commission approval to convert from a Water Control & Improvement District (WCID) to a Municipal Utility District (MUD), acquire road powers, and to change the name of the District to Johnson Ranch MUD.

History

The District was created on February 20, 2007, as a WCID by the Comal County Commissioner's Court under Article XVI, Section 59 of the Texas Constitution. The District was created with the power to provide water service to its residents.

Location

The District is located in Comal County approximately 0.5 miles east of the City of Bulverde and six miles north of the City of San Antonio. The District's northern boundary is approximately 1.5 miles south of the intersection of State Highway 46 and United States Highway (US) 281, the District's eastern boundary is along Stahl Lane, the western boundary is along US 281, and the southern boundary is along Farm-to-Market Road (FM) 1863. US 281, FM 1863, and Stahl Lane provide access to the District. The District is located entirely within Comal County, the Bulverde Independent School District, and the City of Bulverde's extraterritorial jurisdiction.

B. ENGINEERING ANALYSIS

1. Status of Development

The District is projected to include 1,500 equivalent single family connections (ESFCs) at build-out including 1,025 single family homes and 475 ESFCs for multi use development. The total assessed

valuation is projected to be $582,500,000. Information on file indicates that the District is currently inactive.

2. Water Supply

Water supply for the District is provided through an interconnection with the Western Canyon Regional Treated Water Supply Project owned and operated by the Guadalupe Blanco River Authority (GBRA). Water will be provided by a proposed interconnection to the 30 inch diameter GBRA water line along Stahl Road on the east side of the District. The District's water distribution system is to include a network of main lines and secondary feeder lines which consist of 8 inch - 16 inch diameter water lines.

3. Wastewater Treatment

The District will construct facilities which will be operated by GBRA or other approved and licensed operators for the District. The wastewater collection system is to include collection lines ranging in size from 8 to 15 inches in diameter, and one lift station.

4. Storm Drainage

Storm water run-off within the District is currently conveyed by natural channels to Cibolo Creek. Developed flows are to be conveyed through an underground storm sewer system to one large in-channel detention facility proposed for the northern portion of the development, or man made or natural channels in the southern portion.

C. SUMMARY OF COSTS

Utilities Construction Costs	Total Cost	District's Share [1]
A. Developer Contribution Items		
1. Water	$4,580,000	$3,206,000
2. Wastewater	5,511,800	3,858,260
3. Drainage	6,237,500	4,366,250
4. Contingencies (20% of items 1-3)	3,265,860	2,286,102
5. Engineering (17% of items 1-4)	3,277,291	2,294,104
Total Developer Contribution Items	$22,872,451	$16,010,716
B. District Items		
1. Water Supply Facilities		$2,510,000
2. Wastewater Treatment Plant Facilities		9,450,000
3. Contingencies (20% of items 1-2)		2,392,000
4. Engineering (17% of items 1-3)		2,400,372
5. Wastewater Treatment Plant & Disposal Land Costs		630,000
6. Detention Pond Land Costs		24,000
Total District Items		$17,406,372
TOTAL CONSTRUCTION COSTS (69.7% of BIR)		$33,417,088

Non Construction Costs	
A. Legal Fees (2%)	$959,400
B. Fiscal Agent Fees (2%)	959,400
C. Interest Costs	
1. Capitalized Interest (2 years @ 6.5%)	6,236,100
2. Developer Interest (2 years @ 6.5%)	4,344,221
D. Bond Discount (3%)	1,439,100
E. Creation Costs	220,000
F. Bond Application Report	132,000
G. Bond Issuance Expenses	94,796
H. Attorney General Fee (0.10%)	47,970
I. TCEQ Bond Issuance Fee (0.25%)	119,925
TOTAL NONCONSTRUCTION COSTS	$14,552,912
TOTAL BOND ISSUE REQUIREMENT	**$47,970,000**

Note: (1) Represents 70% funding.

Eligibility of costs and 30% developer contribution requirement will be determined in accordance with Commission rules in effect at the time bond applications are received. It is noted that box culverts under developer roads over natural waterways are not reimbursable items.

Roads Construction Costs	Total Cost	District's Share [1]
A. Developer Contribution Items		
1. Collector Road Costs	$5,586,000	$3,910,200
2. Contingencies (10% of item 1)	558,600	391,020
3. Engineering (10% of item 1)	558,600	391,020
Total Developer Contribution Items	$6,703,200	$4,692,240
B. District Items – None		
TOTAL CONSTRUCTION COSTS (69.7% of BIR)		$4,692,240
Non Construction Costs		
A. Legal Fees (2%)		$134,900
B. Fiscal Agent Fees (2%)		134,900
C. Interest Costs		
1. Capitalized Interest (2 years @ 6.5%)		876,850
2. Developer Interest (2 years @ 6.5%)		609,991
D. Bond Discount (3%)		202,350
E. Creation Costs		30,000
F. Bond Application Report		18,000
G. Bond Issuance Expenses		22,161
H. Attorney General Fee (0.10%)		6,745
I. TCEQ Bond Issuance Fee (0.25%)		16,863
TOTAL NONCONSTRUCTION COSTS		$2,052,760
TOTAL BOND ISSUE REQUIREMENT		**$6,745,000**

D. PROJECT FEASIBILITY

1. Project Financing

The estimated total assessed valuation of the proposed District at completion is as follows:

Land Use	Number of Units Planned	Average Unit Value	Total Value at Build-out
Single-Family Residential	1,025 ESFCs	$350,000	$358,750,000
Town Homes	150 ESFCs	$200,000	$30,000,000
Multi-Family	300 ESFCs	$75,000	$22,500,000
Retail/Office	25 ESFCs	$6,850,000	$171,250,000
		Total Assessed Valuation	$582,500,000

The District's water, wastewater and drainage facilities will require an estimated bond issuance of $47,970,000. The District's road facilities will require an estimated bond issuance of $6,745,000. The total bond issuance would be $54,715,000. Considering an estimated bond issue requirement of $54,715,000 (assuming 70% financing), a coupon bond interest rate of 6.5%, and a 25-year bond life, the annual debt service requirement would be approximately $4,485,617. Assuming a 90% collection rate and an ultimate assessed valuation of $582,500,000, tax rate of $0.86 per $100 assessed valuation would be necessary to meet the annual debt service requirements.

The total year 2007 overlapping tax rates on land within the proposed District are shown in the following table:

Taxing Jurisdiction	Tax per $100 Valuation
Comal County WCID No. 1	$1.00 (1)
Comal County	$0.32
Bulverde ISD	$1.31
Total tax per $100 valuation	**$2.63**

Note: (1) Includes $0.86 estimated for debt service and $0.14 for a maintenance tax to equal the $1.00 total indicated.

Based on the proposed District's combined projected tax rate of $2.63 and the year 2007 overlapping tax rates on land within the proposed District, the project is considered economically feasible.

2. Water and Wastewater Rates

Based on the District's rate information provided with the application, the costs for 10,000 gallons of water and wastewater service for a single family residence is $63.60 ($33.60 for water and $30.00 for wastewater) per month. The cost for 10,000 gallons of wastewater service for commercial use is $30.00.

E. SPECIAL CONSIDERATIONS

1. Board Resolution

A resolution signed by two members of the District's board requesting conversion was originally submitted. However, 30 Texas Administrative Code Sections 293.15(b)(1) and 293.202(a)(2) require a certificate of resolution be provided showing action by a board majority. On March 17, 2009, a certified copy of the resolution was provided showing the resolution was adopted by three of five members of the District's Board.

2. Acquisition of Road Powers

The request to fund roads, with respect to having road powers, is due to the lack of appropriate road facilities, including thoroughfares, arterials and collector roads, in the area of the District. The resolution states that the area in which the District is located will experience substantial and sustained residential and commercial growth within the immediate future and it would benefit the health, safety, and welfare of the future inhabitants of the District, and to the land and property included in the District to have road powers. Evidence that the City of Bulverde received a copy of the District's request for road powers (30 Texas Administrative Code Section 293.202(4)) and a preliminary layout of collector roads have been provided. The proposed roads include one connecting U.S. 281 to Stahl Road, a loop road connecting to U.S. 281, and a road from the loop road to Farm-to-Market Road 1863.

3. District Name Change

The District has requested to change the name of the District, pursuant to Texas Water Code Section 49.071, and 30 Texas Administrative Code Section 293.102 from Comal County Water Control & Improvement District No. 1 to Johnson Ranch Municipal Utility District.

4. Projected Values

Application material indicates a projected value of $582,500,000. Information supporting this proposed value was provided on March 17, 2009. The District will primarily be residential with some commercial/retail and office development.

5. Boundary Description

A complete boundary description delineating the area of the District was provided on March 17, 2009. The District includes a 767.25 acre tract, save and except 3 tracts totaling 19.08 acres, for a net of 748.17 acres.

F. CONCLUSIONS

1. Based on a review of application material, and the combined projected tax rate of $1.00 per $100 assessed valuation, the conversion to a MUD meets the requirements of the economic feasibility rules of 30 Texas Administrative Code Section 293.59.

2. The conversion to a MUD would be a benefit to the land and serve the best interest of the District.

3. The request for road powers is feasible and the proposed roads appear to be a benefit to the land in the District.

4. The recommendations are made under authority delegated by the Executive Director of the Texas Commission on Environment Quality.

G. RECOMMENDATIONS

1. Grant the request for conversion from a water control and improvement district operating under Chapters 49 and 51 of the Texas Water Code to a municipal utility district operating under Chapters 49 and 54 of the Texas Water Code.

2. Grant the request for the acquisition of road powers in accordance with Texas Water Code Section 54.234 and 30 Texas Administrative Code Sections 293.201 and 293.202, subject to the requirements imposed by the Commission and general laws of the State of Texas relating to the exercise of such powers.

3. Grant the request to change the name of the District to "Johnson Ranch Municipal Utility District" in accordance with 30 Texas Water Code Section 49.071 and Texas Administrative Code Section 293.102.

H. ADDITIONAL INFORMATION

The District's consultants are listed as follows:

Mr. Scott R. Rhodes – McGinnis, Lochridge & Kilgore – 600 Congress Avenue, Suite 2100 – Austin, Texas 78701
Mr. Thomas E. Caponi – Bury and Partners Public Works, Inc. – 221 West Sixth Street, Suite 600 Austin, Texas 78701

Ruben Soto, Jr.
Districts Review Team

EXHIBIT A

RESOLUTION NO. 09-0618-1

RESOLUTION OF THE BOARD OF DIRECTORS OF COMAL COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1 CORRECTING RESOLUTION 08-0527-1 REGARDING CONVERSION FROM A WATER CONTROL & IMPROVEMENT DISTRICT TO A MUNICIPAL UTILITY DISTRICT; THE ACQUISITION OF ROAD POWERS OPERATING UNDER ARTICLE XVI, SECTION 59 OF THE TEXAS CONSTITUTION AND CHAPTER 54 OF THE TEXAS WATER CODE, AS AMENDED; AND TO CHANGE THE NAME OF THE DISTRICT

WHEREAS, the Board of Directors of Comal County Water Control & Improvement District No. 1 (the "District") approved Resolution 08-0527-1 on May 27, 2008, regarding the conversion from a Water Control & Improvement District to a Municipal Utility District, the acquisition of road powers, and the change of the District's name;

WHEREAS, the first paragraph of Resolution 08-0527-1 mistakenly identified the District's creation date as the date on which the creation order was stamped "Received", February 22, 2007, instead of the date the District's creation order was signed, February 20, 2007;

WHEREAS, the District's Board of Directors now desires to correct the creation date stated in Resolution 08-0527-1;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COMAL COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1:

Section 1. The matters and facts recited in the preamble to this Resolution are hereby found to be true and correct.

Section 2. The District's Board of Directors hereby corrects and amends the first paragraph of Resolution 08-0527-1, attached hereto, to read as follows:

> WHEREAS, Comal County Water Control & Improvement District No. 1 (the "District") was duly created by Order of the Commissioners' Court of Comal County on February 20, 2007.

Section 3. The District's Board of Directors finds all other facts, findings, declarations, authorizations and other actions taken by Resolution 08-0527-1 to be true, accurate, duly authorized and effective for all purposes, and the District's Board of Directors hereby ratifies Resolution 08-0527-1, subject to the correction adopted by Section 2 above.

Section 4. The District's legal counsel and engineer are hereby authorized to submit this Resolution and any other information that may be required in connection herewith to the Texas Commission on Environmental Quality and any other entity as may be required.

[Remainder of page intentionally left blank]

APPROVED this 16th day of JUNE, 2009.

President, Board of Directors
Comal County Water Control &
Improvement District No. 1
Brian Baize

ATTEST:

Secretary, Board of Directors
Comal County Water Control &
Improvement District No. 1
Thomas Northington

[SEAL]

EXECUTION PAGE FOR RESOLUTION NO. 09-0618-1

STATE OF TEXAS §
§
COUNTY OF COMAL §

BEFORE ME, the undersigned authority, on this day personally appeared Brian Baize and Thomas Northington, President and Secretary, respectively, of the Corral County Water Control & Improvement District No. 1, each who has executed the above and foregoing Resolution for the purposes and consideration therein expressed and with full authority to so act.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 18th day of June, 2009.

Brooke E. Haley
Notary Public in and for the State of Texas

BROOKE E. HALEY
Notary Public, State of Texas
My Commission Expires
August 05, 2009

RESOLUTION NO. 08-0527-1

RESOLUTION OF THE BOARD OF DIRECTORS OF COMAL COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1 (THE "DISTRICT") REGARDING CONVERSION FROM A WATER CONTROL & IMPROVEMENT DISTRICT TO A MUNICIPAL UTILITY DISTRICT; THE ACQUISITION OF ROAD POWERS OPERATING UNDER ARTICLE XVI, SECTION 59 OF THE TEXAS CONSTITUTION AND CHAPTER 54 OF THE TEXAS WATER CODE, AS AMENDED; AND TO CHANGE THE NAME OF THE DISTRICT

WHEREAS, Comal County Water Control & Improvement District No. 1 (the "District") was duly created by Order of the Commissioners' Court of Comal County on February 22, 2007;

WHEREAS, the Board of Directors of the District has determined that conversion into a municipal utility district operating under Chapter 54 of the Texas Water Code and Article XVI, Section 59 of the Texas Constitution would serve the best interest of the District and would be a benefit to the land and property included in the District;

WHEREAS, the Board of Directors has further determined that, upon approval of the District's request for conversion to a municipal utility district, it would serve the best interest of the District to acquire the powers set forth under Section 54.234, Texas Water Code with respect to roads because of the lack of appropriate road facilities, including, thoroughfares, arterials and collector roads, in the area of the District, and the area in which the District is located will experience a substantial and sustained residential and commercial growth within the immediate future and such powers would benefit the health, safety and welfare of the future inhabitants of the District and to the land and property included in the District;

WHEREAS, upon approval of the conversion of the District to a municipal utility district, the District will provide certification that the District is authorized to operate under Chapter 54 of the Texas Water Code (Sections 54.011, 54.030, 54.034) and has the power to levy taxes under Sections 54.601 and 54.602;

WHEREAS, at the time of the District's creation, the Comal County Commissioners' Court requested that the District consider changing the District's name and remove the words "Comal County." The Board of Directors desires to comply with County's request and change its name to "Johnson Ranch Municipal Utility District" pursuant to Section 49.071 of the Texas Water Code;

WHEREAS, if the Texas Commission on Environmental Quality denies the District's request to be converted to a municipal utility district, then the District requests that its name be changed to "Johnson Ranch Water Control & Improvement District;"

WHEREAS, the Board of Directors of the District desires to request approval of the Texas Commission on Environmental Quality for conversion to a municipal utility district pursuant to Section 54.030, Texas Water Code, as amended; the acquisition of road powers pursuant to Section 54.234, Texas Water Code and to change the name of the District to

"Johnson Ranch Municipal Utility District" or, if the conversion is denied, "Johnson Ranch Water Control & Improvement District;"

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF COMAL COUNTY WATER CONTROL & IMPROVEMENT DISTRICT NO. 1:

Section 1. The matters and facts recited in the preamble to this Resolution are hereby found to be true and correct.

Request for Conversion to Municipal Utility District

Section 2. The Board of Directors of Comal County Water Control & Improvement District No. 1 hereby declares that conversion to a municipal utility district would serve the best interest of the District and would be a benefit to the land and property included in the District.

Section 3. Pursuant to Section 54.030 of the Texas Water Code and 30 Texas Administrative Code Section 293.15(b), the Board of Directors hereby requests that the Texas Commission on Environmental Quality hold a hearing on the question of conversion and directs its legal counsel to submit the following along with the request for conversion:

(a) An original copy of this Resolution;

(b) $700 application fee;

(c) All plans or drawings in paper or digital format showing the location of any existing facilities, including highways, roads, and other improvements together with the location of proposed utility mains and sizing, general drainage patterns, principal drainage ditches, and structures, utility plant sites, recreational areas, commercial and school sites, areas within the 100-year flood plain, and other information pertinent to the projects;

(d) A preliminary engineering report as required by 30 Texas Administrative Code Section 293.15;

(e) Any and all other information required by Section 54.030 of the Texas Water Code, as amended, and 30 Texas Administrative Code Section 293.15.

Section 4. The District shall file a copy of this Resolution with the secretary or clerk of any city in whose corporate limits or extraterritorial jurisdiction any part of the District is located pursuant to 30 Texas Administrative Code Section 293.15(c)(2).

Section 5. A notice of the hearing on the question of conversion in the form provided by the Texas Commission on Environmental Quality shall be published in a newspaper of general circulation within the county as required and for the time required by Section 54.032, Texas Water Code, as amended, and 30 Texas Administrative Code 293.15(c)(1).

Request and Petition for Road Powers

Section 6. The Board of the Directors of the District hereby declares that because of the lack of appropriate road facilities, including, thoroughfares, arterials and collector roads, in the area of the District, and the area in which the District is located will experience a substantial and sustained residential and commercial growth within the immediate future and it would benefit the health, safety and welfare of the future inhabitants of the District and to the land and property

included in the District to acquire the powers set forth under Section 54.234, Texas Water Code with respect to roads.

Section 7. The District's legal counsel and engineer are authorized to submit to the Commission the following:

(a) An original copy of this Resolution;

(b) Filing fee of $100;

(c) Financial reports, if necessary;

(d) Preliminary plans and specifications;

(e) Cost analysis and detailed cost estimates for the road facilities with any amount of bonds necessary to finance the facilities;

(f) Any statements analyzing the effects of the road facilities upon the District's financial condition and economic feasibility; and

(g) And all other information required by Section 54.234 of the Texas Water Code, as amended, and 30 Texas Administrative Code Section 293.202.

Upon approval of the District's request for conversion to a municipal utility district, the District will provide certification to the Commission that it is authorized to operate as a district under Chapter 54 of the Texas Water Code.

Section 8. The District shall also file an original copy of this Resolution with the secretary or clerk of any city in whose corporate limits or extraterritorial jurisdiction any part of the District is located pursuant to 30 Texas Administrative Code Section 293.202.

Section 9. The District's engineer is hereby authorized to submit plans and specifications for the road facilities to evidence that the road or roads subject to this request will meet the criteria of either Comal County, Texas or the City of Bulverde, Texas for such roads and that either Comal County, Texas or City of Bulverde, Texas shall operate and maintain such roads as required by Section 54.234 of the Texas Water Code.

Request and Petition for Name Change

Section 10. As stated in the Preamble to this Resolution, reasonable grounds exist for a name change of the District. With the submission of this Resolution to the Commission and a filing fee of $100, the District hereby requests approval of its name change pursuant to Section 49.071 of the Texas Water Code.

Section 11. If the name change is approved by the Commission as described in the Preamble, not later than the 30th day after the date of issuance of the Commission's order authorizing the name change, the District shall publish notice of the name change in a newspaper of general circulation in Comal County, Texas, and the District shall also give notice to such all other persons as required by Section 49.071 of the Texas Water Code.

Further Authorization

Section 12. The District's legal counsel and engineer are hereby authorized to submit all required documents and any other information that may be required in connection with these requests for conversion, acquisition of road powers, and change of the District's name.

[Remainder of page intentionally left blank]

APPROVED this 27th day of May, 2008.

President, Board of Directors
Comal County Water Control &
Improvement District No. 1
Brian Baize

ATTEST:

Secretary, Board of Directors
Comal County Water Control &
Improvement District No. 1
Thomas Northington
xxxxxx
[SEAL]

EXECUTION PAGE FOR RESOLUTION NO. 08-0527 - 1

STATE OF TEXAS §
§
COUNTY OF COMAL §

BEFORE ME, the undersigned authority, on this day personally appeared Brian Baize and Thomas Northington, President and Secretary, respectively, of the Comal County Water Control & Improvement District No. 1, each who has executed the above and foregoing Resolution for the purposes and consideration therein expressed and with full authority to so act.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this 27 day of MAY, 2008.

JENNIFER WAITS
NOTARY PUBLIC
State of Texas
Comm. Exp. 12-27-2010

Notary Public in and for the State of Texas

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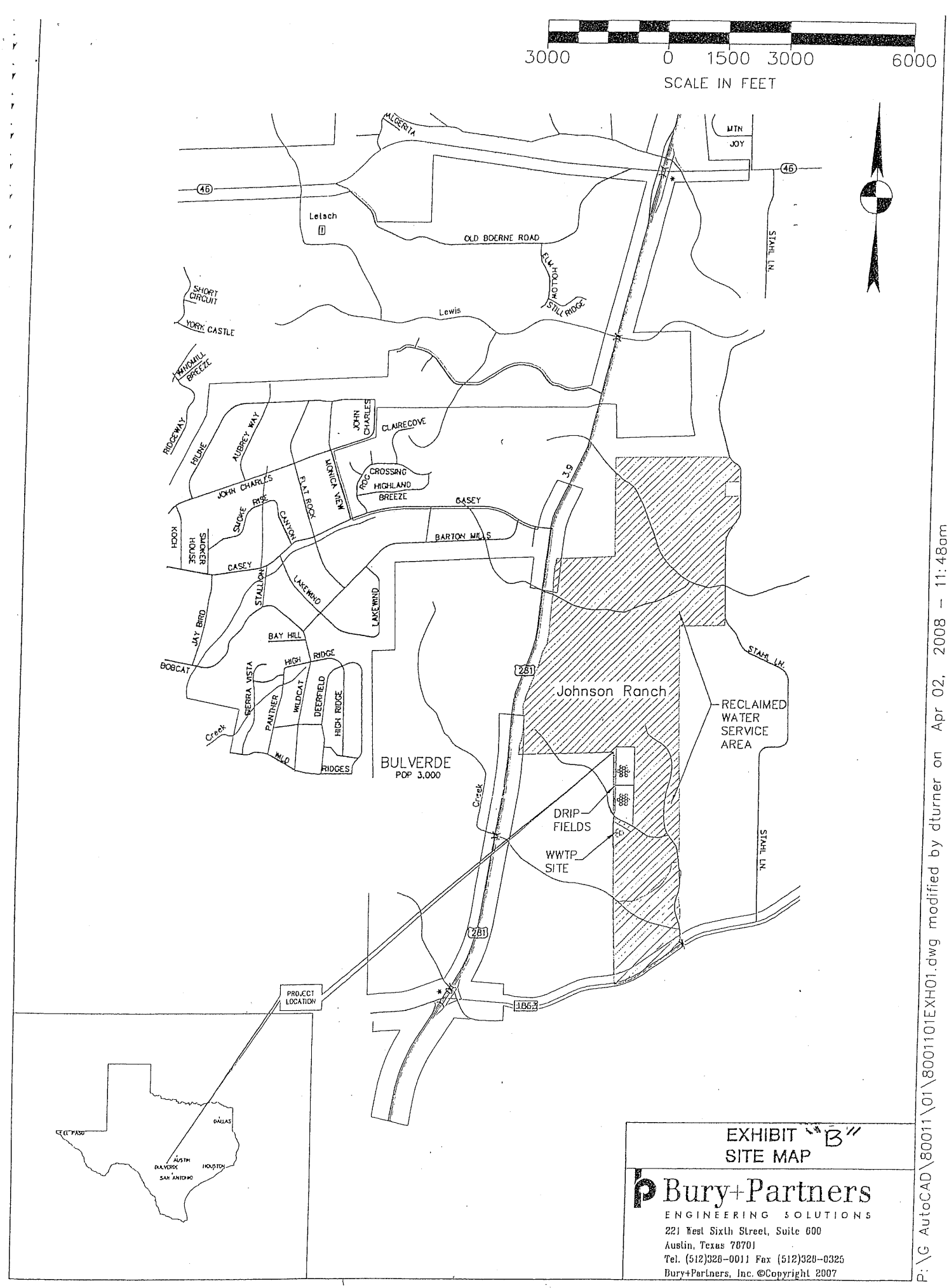

EXHIBIT "B"
SITE MAP

Bury+Partners
ENGINEERING SOLUTIONS
221 West Sixth Street, Suite 600
Austin, Texas 78701
Tel. (512)328-0011 Fax (512)328-0325
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NOTICE OF DISTRICT HEARING
TCEQ Docket No. 2008-1743-DIS

APPLICATION. The Texas Commission on Environmental Quality (TCEQ) will conduct a hearing on an application for conversion of Comal County Water Control & Improvement District No. 1 (District) to a Municipal Utility District; the acquisition of road powers; and a name change (Application). The Application was filed with the TCEQ and included a certified copy of a resolution by the District's Board of Directors (Applicant). The TCEQ will conduct this hearing under the authority of Chapters 49 and 54 of the Texas Water Code, Title 30, Chapter 293 of the Texas Administrative Code and the procedural rules of the TCEQ. The TCEQ will conduct the hearing at:

9:30 a.m., Wednesday, August 12, 2009
Building E, Room 201S
12100 Park 35 Circle
Austin, Texas

The District contains approximately 767.32 acres of land within Comal County. The District's boundaries and properties currently excluded from the District are set forth in property descriptions available for public review upon request at either the District's office or at the TCEQ's office. A copy of the District's site map is available for public review upon request at either the District's office or at the TCEQ's office. The material filed with the Application states that conversion is desired to allow the District to provide wastewater services and to have drainage powers; to have road powers; and that the District desires to change its name because the name change is necessary. The District was created by the Comal County Commissioner's Court on February 20, 2007, as a water control and improvement district under Article XVI, Section 59 of the Texas Constitution with the authority to provide water service. The Applicant adopted and entered in its minutes a resolution in which the Applicant determined that conversion in a municipal utility district would serve the District's best interest and would be a benefit to land and property included in the District. The Board's Resolution Nos. 08-0527-1 and 09-0618-1 are attached collectively as Exhibit "A".

HEARING. As required by the Texas Water Code Chapter § 54.032 and Title 30 of the Texas Administrative Code Section § 293.15, the above hearing regarding this application will be held no earlier than 14 days after notice of this hearing is published in a newspaper with general circulation in the county or counties in which the District is located. The purpose of this hearing is to provide all interested persons the opportunity to appear and offer testimony for or against the proposal contained in the resolution.

At the hearing, pursuant to the Texas Water Code § 54.033 the Commission will determine if converting the current district into a municipal utility district; acquisition of road powers; and name change, that operates under Texas Water Code Chapter 54 would serve the best interest of the District and would be a benefit to the land and property included in the District, or, if there is any opposition to the proposed conversion, the Commission may refer the application to the State Office of Administrative Hearings for a contested case hearing on the application.

INFORMATION. For information regarding the date and time this application will be heard before the Commission, please submit written inquiries to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, TX 78711-3087, or by phone at 1-512-239-3300. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team at 1-512-239-4691. General information regarding TCEQ can be found at our web site at www.tceq.state.tx.us.

Si desea información en Español, puede llamar al 1-512-239-0200.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the hearing should call the TCEQ Office of Public Assistance at 1-800-687-4040 or 1-800-RELAY-TX (TDD), at least one week prior to the hearing.

Mailing List
Docket No. 2008-1743-DIS
Comal County WCID No. 1
TCEQ Internal Control No. 07222008-D06

Mr. Brian Baize, President
Comal County WCID No. 1
c/o Ms. Aisha Hagen
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Mr. Scott Rhodes
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Mr. Thomas E. Caponi, P.E.
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Mr. Richard Garcia, Regional Director
TCEQ Region 13
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Tiffany A. Littlepage, City Secretary
City of Bulverde
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Joy Streater, County Clerk
Comal County
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New Braunfels, Texas 78130

Gloria Arriaga, Executive Director
Alamo Area COG
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San Antonio, Texas 78217

Texas Commission on Environmental Quality
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Ruth Takeda, Environmental Law Division, MC-173
Ruben Soto, Jr., Utilities & Districts Section, Water Supply Division, MC-152
Skip Ferris, Utilities & Districts Section, Water Supply Division, MC-152
Komal Patel, Utilities & Districts Section, Water Supply Division, MC-153
Blas Coy, Office of the Public Interest Counsel, MC-103
Bridget Bohac, Office of Public Assistance, MC-108