Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 20, 2013

Ms. Bridget Bohac
Chief Clerk
Office of the Chief Clerk
Texas Commission on Environmental Quality
P.O. Box 13087, MC-105
Austin, Texas 78711-3087

Re: TCEQ Docket No. 2013-1083-UCR; Consideration of a request for a Commission order approving a contract designating service areas between B H P WSC and the City of Royse City. Application No. 37509-C.

Dear Ms. Bohac:

Enclosed for filing with the Texas Commission on Environmental Quality ("Commission") is the original plus seven copies of the following items to be filed as backup materials for the October 9, 2013 Commission agenda regarding the request for an order approving a contract designating water service areas between the B H P WSC ("BHP") and the City of Royse City:

1. Proposed Order;
2. Agenda Executive Summary;
3. Caption;
4. Staff memo detailing financial, managerial, and technical capabilities of BHP and the City of Royse City to provide continuous and adequate service to the affected areas;
5. Request for Commission order approving a Texas Water Code section 13.248 agreement filed by BHP WSC and the City of Royse City on January 4, 2013, and declared administratively complete on March 12, 2013;
6. Texas Water Code section 13.248 agreement between BHP and the City of Royse City executed on April 5, 2011;
7. BHP Certificate of Convenience and Necessity No. 10064;
8. City of Royse City Certificate of Convenience and Necessity No. 12827;
9. Proposed map of the service area subject to the section 13.248 agreement;
10. Consent forms signed by representatives for both BHP and the City of Royse City giving approval to the Executive Directory for the attached final maps; and
11. Notice of Agenda setting letters to BHP and the City of Royse City.

Please do not hesitate to contact me at (512) 239-0627 if you have any questions regarding this material. Thank you for your attention to this matter.

Respectfully submitted,

Jessica Rogers
Staff Attorney
Environmental Law Division

Enclosure

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

TCEQ DOCKET NO. 2013-1083-UCR
APPLICATION NO. 37509-C

IN THE MATTER OF	§	BEFORE THE TEXAS
THE REQUEST FOR AN	§	
ORDER APPROVING	§	
THE AGREEMENT	§	
DESIGNATING SERVICE	§	COMMISSION ON
AREAS BETWEEN B H P WSC	§	
AND THE CITY OF	§	
ROYSE CITY IN	§	
COLLIN COUNTY, TEXAS	§	ENVIRONMENTAL QUALITY

ORDER

A request for a Commission order approving an agreement designating service areas between B H P WSC ("BHP"), water Certificate of Convenience and Necessity ("CCN") No. 10064, and the City of Royse City, water CCN No. 12827, in Collin County, Texas, was presented to the Texas Commission on Environmental Quality ("TCEQ" or "Commission") for approval pursuant to Section 13.248 of the Texas Water Code, and Title 30 of the Texas Administrative Code, Sections 291.117 and 291.120.

On April 5, 2011, BHP and the City of Royse City entered into a Contract Service Agreement ("Agreement") regarding their respective water service areas pursuant to Section 13.248 of the Texas Water Code. Under the Agreement, BHP will transfer an 11.77-acre portion of CCN No. 10064 to the City of Royse City and the City of Royse City will be dually certified with the City of Josephine as to this portion. Also under the Agreement, BHP will release a 76.23-acre portion of CCN No. 10064 to the City of Royse

City and the City of Royse City will be solely certificated to this portion. Approximately 88 total acres of BHP's CCN No. 10064 will be transferred to the City of Royse City. There are no customers in this area. There will be no transfer of facilities under the Agreement. The Agreement is attached to this order. This order effects changes in the CCN service areas as designated by BHP and the City of Royse City in the Agreement regarding the Initial CCN Acquisition Area. This order does not address the parties' Subsequent CCN Acquisition Area.

Contracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity. TEXAS WATER CODE, §13.248.

The Commission held a hearing on the request at the October 9, 2013 agenda and found the request had merit.

The City of Royse City is capable of rendering continuous and adequate water service to every customer in the CCN area to be transferred as described by the Agreement. The CCN transfer, which results in the City of Royse City being dually certified with the City of Josephine as to the 11.77-acre tract and being the sole retail water provider for the 76.23-acre tract, is necessary for the service, accommodation, convenience, or safety of the public.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY that:

The contract transferring a portion and releasing a portion of BHP's water CCN No. 10064 and designating that retail water service shall be provided by the City of Royse City, water CCN No. 12827, in those areas, is hereby approved.

CCN No. 10064 in Collin County, held by BHP, is hereby amended in accordance with the contract.

CCN No. 12827 in Collin County, held by the City of Royse City, is hereby amended in accordance with the contract.

The Executive Director is directed to redraw the maps of the respective CCNs as provided in the contract and as set forth on the map attached to this order, and to amend the Commission's official water service area map for Collin County, Texas.

The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this order to the parties.

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:

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

_____

For the Commission

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
INTEROFFICE MEMORANDUM

TO: Texas Commission on Environmental Quality **DATE:** September 20, 2013

THRU: Bridget Bohac, Chief Clerk

FROM: Jessica Rogers, Staff Attorney, Environmental Law Division

SUBJECT: TCEQ Docket No. 2013-1083-UCR. Consideration of a request for a Commission order approving a contract designating service areas between B H P WSC and the City of Royse City. Application No. 37509-C.

DESCRIPTION OF APPLICATION

Applicant:	B H P WSC and the City of Royse City
Regulated Activity:	Retail water utility service
Type of Application:	Request for a Commission order approving a contract
Commission Action:	Hearing regarding approval of the contract
Authority:	Texas Water Code § 13.248 and 30 Texas Administrative Code § 291.117

FACTUAL BACKGROUND

B H P WSC ("BHP"), water Certificate of Convenience and Necessity ("CCN") No. 10064, and the City of Royse City, water CCN No. 12827, provide retail water service in Collin County, Texas. On April 5, 2011, BHP and the City of Royse City entered into a Contract Service Agreement ("Agreement") regarding their respective water service areas pursuant to Section 13.248 of the Texas Water Code. BHP and the City of Royse City submitted the current application in order to clarify the parties' intent regarding two water CCN areas designated in the Agreement.

Currently, BHP and the City of Josephine hold dual certifications to an area of land consisting of approximately 11.77 acres. Under the Agreement, BHP will transfer its certification to the 11.77-acre area to the City of Royse City, making that area dually certified to the City of Royse City and the City of Josephine. Additionally, BHP and the City of Royse City hold dual certifications to an area of land consisting of approximately 76.23 acres. Under the Agreement, BHP will release its certification to the 76.23-acre area, making that area singly certified to the City of Royse City.

Staff sent the City of Josephine a copy of the application acceptance letter sent to the City of Royse City on March 12, 2013. There are no customers or facilities in the areas being transferred. The parties were provided with a copy of the map that will be attached to the order. The parties have consented that the maps are accurate with regards to the proposed areas.

LEGAL AUTHORITY

The Texas Water Code prohibits a utility, a utility operated by an affected county, or a water supply corporation from rendering retail water or sewer utility service directly or indirectly to the public without first obtaining a CCN.[1] Conversely, a municipality is not required to obtain a CCN to provide retail water or sewer service.[2] However, a municipality may not provide service to areas that are outside of its corporate boundaries but within the CCN of another retail public utility without first obtaining written consent from that retail public utility.[3]

The Texas Water Code and TCEQ rules allow retail public utilities to enter into service area agreements and have the Commission affirm the agreements by amending the entities' respective CCNs.[4] A transfer of a water or sewer system that also includes the transfer of customers and/or facilities may, in some cases, also require separate Commission approval for the transfer of customers and/or facilities.[5]

The request to approve a 13.248 agreement is not subject to the notice provisions of Section 291.106, Title 30 of the Texas Administrative Code, which apply to applications for new and amended CCNs. The Commission may approve the service area agreement pursuant to section 13.248 of the Texas Water Code with the appropriate notice under the Open Meetings Act. The Executive Director will mail notice of the hearing upon the setting of an Agenda date.

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[1] TEX. WATER CODE ANN. § 13.242(a).
[2] A municipality is a "retail public utility" under section 13.002(19) of the Texas Water Code but is not a "utility" under section 13.002(23). Therefore, the section 13.242(a) requirement that a "utility" must obtain a CCN before providing retail water or sewer utility service does not apply to a municipality.
[3] TEX. WATER CODE ANN. § 13.242(b).
[4] *Id.*; TEX. WATER CODE ANN. § 13.248; 30 TEX. ADMIN. CODE § 291.117 (West 2005)(Tex. Comm'n on Envtl. Quality, Contracts Valid and Enforceable). Section 13.248 states "[c]ontracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity."
[5] TEX. WATER CODE ANN. § 13.301. The section requires that some applicants also demonstrate "adequate financial, managerial, and technical capability for providing continuous and adequate service to the service area being acquired and to any areas currently certificated to the person" for the separate transaction relating to the transfer of facilities and/or customers.

BASIS FOR STAFF RECOMMENDATION

The following items were considered in developing the staff's recommendation:

1. Request for a Commission order approving the Texas Water Code Section 13.248 Agreement filed by the City of Royse City on January 4, 2013 and declared administratively complete on March 12, 2013 (Application No. 37509-C);

2. Agreement between BHP and the City of Royse City, executed on April 5, 2011;

3. Financial, Managerial, and Technical analysis of the City of Royse City's ability to operate in the affected areas;

4. Proposed order;

5. Final proposed maps of the water service areas subject to the 13.248 Agreement; and

6. Consent forms signed by representatives for both BHP and the City of Royse City which give approval to the ED for the above final maps.

STAFF RECOMMENDATION

Staff has confirmed that both parties are retail public utilities with active water CCNs. Staff has confirmed that the 11.77-acre area the parties seek to transfer from BHP to the City of Royse City to be dually certified to the City of Royse City and the City of Josephine is dually certified to both BHP and the City of Josephine. Staff has confirmed that the 76.23-acre area the parties seek to be released by BHP to be singly certified to the City of Royse City is dually certified to both parties. There are no customers or facilities in the areas being transferred. Further, staff is satisfied that the City of Royse City possesses the adequate financial, managerial, and technical capability to provide continuous and adequate service to both areas of land under dual and single certification, respectively. Finally, the parties have reviewed the ED's proposed final maps and have signed consent forms showing approval for the proposed maps. Therefore, based on the facts stated in the application and the supporting documentation submitted by BHP and the City of Royse City, Staff supports the request for a Commission order approving an Agreement respectively transferring one portion and releasing one portion of BHP's water service area to the City of Royse City.

STAFF CONTACTS

Jessica Rogers, Environmental Law Division (239-0627)
John Lock, Water Supply Division (239-4710)

CAPTION
B H P WSC and City of Royse City
Application No. 37509-C

TCEQ Docket No. 2013-1083-UCR. Consideration of a request for a Commission order approving a contract designating service areas between B H P WSC ("BHP"), water Certificate of Convenience and Necessity ("CCN") No. 10064, and the City of Royse City, water CCN No. 12827, in Collin County, Texas pursuant to section 13.248 of the Texas Water Code. Currently, BHP and the City of Josephine hold dual certifications to an area of land consisting of approximately 11.77 acres. Under the Agreement, BHP will transfer its certification to the 11.77-acre area to the City of Royse City, making that area dually certified to the City of Royse City and the City of Josephine. Additionally, BHP and the City of Royse City hold dual certifications to an area of land consisting of approximately 76.23 acres. Under the Agreement, BHP will release its certification to the 76.23-acre area, making that area singly certified to the City of Royse City. No customers or facilities are proposed to be transferred. (Jessica Rogers, John Lock)

TCEQ Interoffice Memorandum

To: Environmental Law Division

Thru: John Lock, PE
Lisa Fuentes, Team Leader

From: Debi Loockerman CPA

Date: April 10, 2013

Subject: Contract Service Agreement Pursuant to Texas Water Code Section 13.248, between the City of Royse City, Certificate of Convenience and Necessity (CCN) No. 12827, to Transfer a Portion of CCN No. 10064 from BHP Water Supply Corporation (WSC); in Collin County; Application No. ~~37130-C~~ 37509-C

CN: 600656524; RN: 101213817 (City of Royse City)
CN: 600660807; RN: 101218964 (BHP WSC)

In my opinion, the City of Royse City, CCN No. 12827, and BHP WSC, CCN No. 10064 have demonstrated adequate financial and managerial capability to provide service to the areas contracted for release and transfer. These conclusions are based on information provided by the applicants prior to this date and may not reflect any changes in the applicants' status subsequent to this date.

Background

This application proposes to conform CCN mapping areas along FM 1777 to the agreement reached and memorialized in the §13.248 agreement approved in Application No. 37130-C which was final ordered on August 27, 2012, and the agreement reached in TCEQ Docket No. 2012-0873-UCR. This application pertains to only 11.77 acres, and no connections, which is not material to either Royse City's or BHP WSC's operations or service area.

City of Royse City provides service to more than 1,300 connections according to the TCEQ Water Utilities Database (WUD). BHP WSC serves 1,471 water customers according to the WUD database. This application requires no additional infrastructure or capital investment to provide service. Therefore, the ratios normally reviewed to determine financial managerial capability are unnecessary. Furthermore, both Royse City and BHP WSC were determined to have financial and managerial capability for the contract as a whole in Application No. 37120-C.

Final ordered Aug 27, 2012

TCEQ Interoffice Memorandum

To: Environmental Law Division

Thru: Heidi Graham/Lisa Fuentes

From: Debi Loockerman C.P.A.

Date: May 8, 2012

Subject: Contract Service Agreement Pursuant to Texas Water Code Section 13.248, between the City of Royse City, Certificate of Convenience and Necessity (CCN) No. 12827, to Transfer a Portion of CCN No. 10064 from BHP Water Supply Corporation (WSC); and transfer a Portion of CCN No. 10064 to CCN No. ~~12827 in Collin~~, Hunt and Rockwall Counties; Application No. 37130-C

CN: 600656524; RN: 101213817 (City of Royse City)
CN: 600660807; RN: 101218964 (BHP WSC)

In my opinion, the City of Royse City, CCN No. 12827, and BHP WSC, CCN No. 10064 have demonstrated adequate financial and managerial capability to provide service to the areas contracted for release and transfer. The contract proposes various transfers and amendments over a period of time, which may not ever fully be realized, depending on future circumstances. My analysis included the full potential effect of the contract and also the situation in which only a percentage of the potential effect is realized. These conclusions are based on information provided by the applicants prior to this date and may not reflect any changes in the applicants' status subsequent to this date.

Background

City of Royse City and BHP WSC entered an agreement as of April 5, 2011 to decertify approximately 8,588 acres from BHP WSC's CCN inside the corporate limits and extra-territorial jurisdiction of the City. City of Royse City also requests dual certification in the future with BHP for approximately 4,331 acres of land within BHP's CCN, and BHP desires to purchase 1.83 acres from the City to use as a water take-point site. The contract within the application indicates that the City will pay BHP $1.1 million in compensation for the 8,588 acres conveyed, and BHP will pay $150 for the 1.83 acres transferred. The area will be transferred over a period of time based on improvements and future development, and, therefore, funding will be spread over the future years. BHP has requested financial assistance from the United States Department of Agriculture-Rural Development for $3.8

million to finance improvements to BHP's water system. There are other minor considerations listed in the contract.

City of Royse City provides service to more than 1,300 connections according to the TCEQ Water Utilities Database (WUD). I have reviewed an unqualified auditor's opinion and attached financial statements for Royse City for the fiscal year ended September 30, 2010.

The statement of net assets showed total assets of $29,087,038, long-term debt of $21,660,838 and net assets (equity) of $5,450,293, for a ratio of debt to equity of 3.9:1. A ratio of less than 1:1 is preferred as a standard for determining financial/managerial capability. In this case, the standard is not met; however, the city's financial advisor provided a letter indicating the ability to access the bond market at a 3.62 % interest rate on January 12, 2012. Total funding capacity through the bond market was listed is at least $2.9 million, according to First Southwest Company. This amount is sufficient, in my opinion, to make any improvements required to provide service to the area being transferred.

The statement of revenues, expenditures and changes in fund balances for governmental funds showed a net operating income before depreciation, capital outlays, debt service, and transfers of $1,012,676. Debt service for the year is $1,409,279. Debt service coverage ratio is 0.72:1.00, which is also less than the TCEQ preferred ratio of greater than 1.25:1.00. The letter from First Southwest Company indicating ability to issue bonds covers the lack of a sufficient debt service coverage ratio.

Upon request, BHP WSC provided audited financial statements dated December 31, 2010 containing an unqualified auditor's report issued by Rutherford, Taylor & Company, P.C., Certified Public Accountants. The balance sheet indicates total assets of $1,071,136, long term liabilities of $83,149 and equity of $1,308,117. Therefore, the debt to equity ratio is .06:1.00. The statement of income reflects net income before depreciation and interest of $55,620. Although the total debt service requirements are $315,767 in 2011, this number drops to $24,981 in 2012 due to finalization of debt payments in 2011. For 2012, debt service coverage ratio is $55,620 to $24,981, or 2.22:1.00.

This information supports a finding of adequate financial and managerial capability to provide service to the area contracted for transfer.

Lloyd Gosselink
ATTORNEYS AT LAW

816 Congress Avenue, Suite 1900
Austin, Texas 78701
Telephone: (512) 322-5800
Facsimile: (512) 472-0532
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Ms. Crump's Direct Line: (512) 322-5832
Email: gcrump@lglawfirm.com

January 4, 2013

TCEQ Docket No. 2013-1083-UCR
App. No. 37509-C

VIA HAND DELIVERY

Tammy Benter
Manager, Utilities and Districts Section
Water Supply Division, MC-153
Texas Commission on Environmental Quality
12100 Park 35 Circle, Building F
Austin, Texas 78753

Re: *Application under Texas Water Code § 13.248 for Approval of Contract Designating Areas to be Served by BHP Water Supply Corporation and the City of Royse City, Texas, under Water CCNs Nos. 10064 and 12827*

Dear Ms. Benter:

This Application is intended to take the place of Application No. 37474-C, which has been withdrawn by the parties by letter of even date herewith.

The City of Royse City ("Royse City") and BHP Water Supply Corporation ("BHP") recently received the approval by the Commission of a Settlement Agreement between the two entities that resulted in revised water CCNs for each entity (TCEQ Docket No. 2012-0873-UCR). When the TCEQ also recently approved an STM Application for the City of Josephine, Texas (Application No. 37201-S), it became apparent to Royse City and BHP that the TCEQ's maps did not fully reflect the intent of Royse City and BHP with regard to certain areas located along Highway 1777 in Collin County. We appreciate the efforts of the Commission Staff in helping us identify the source of the problems with the official maps, and offer this Application under Texas Water Code § 13.248 to clarify the parties' intent and resolve the mapping issues associated with prior filings.

When Royse City and BHP entered into the Settlement Agreement in April 2011 (which agreement was approved by the Commission in 2012), it was the intent of the parties that BHP would retain no CCN area along Highway 1777 in Collin County. Specifically:

(1) Royse City and BHP intended that the areas along Highway 1777 in Collin County currently shown as being dually certificated to the City of Josephine and BHP would thereafter be dually certificated to the City of Josephine and Royse City. This area is labeled as **Tract A** on the map accompanying this Application.

By this Application, Royse City and BHP request that their CCN areas be amended to remove the area labeled as Track A from BHP's CCN, and that the

TCEQ's official CCN map be revised to indicate that this area is dually certificated to the City of Josephine and Royse City.

(2) Royse City and BHP intended that the areas along Highway 1777 in Collin County currently shown as being dually certificated to Royse City and BHP would thereafter be singly certificated to Royse City. This area is labeled as **Tract B** on the map accompanying this Application.

By this Application, Royse City and BHP request that their CCN areas be amended to remove the area labeled as Tract B from BHP's CCN, and that the TCEQ's official CCN map be revised to indicate that this area is singly-certificated to Royse City.

The purpose of this Application is to carry out the intent of Royse City and BHP, and to ensure that the TCEQ's CCN records reflect the parties' intent. Mr. Eddy Daniel, the engineer for BHP, has worked closely with me in the preparation of this Application and the accompanying maps. A CD containing the AutoCAD map is provided for your convenience.

BHP and Royse City are both "retail public utilities" as defined by Texas Water Code § 13.002(19) and 30 Tex. Admin. Code § 291.3(40), and may thus utilize the process described in Texas Water Code § 13.248 and 30 Tex. Admin. Code § 291.117 for this purpose.

Enclosed with this letter is a copy of the Settlement Agreement between Royse City and BHP, wherein the parties agreed in part to transfer these CCN areas along Highway 1777, as described herein. Because there are no customers or facilities to be transferred by this Application, Royse City believes that no notice is required, and hereby requests that this Application proceed without requiring notice to be provided.

Thank you for your time and attention to this matter. Please contact me (512-322-5832) if you need any additional information or have any questions.

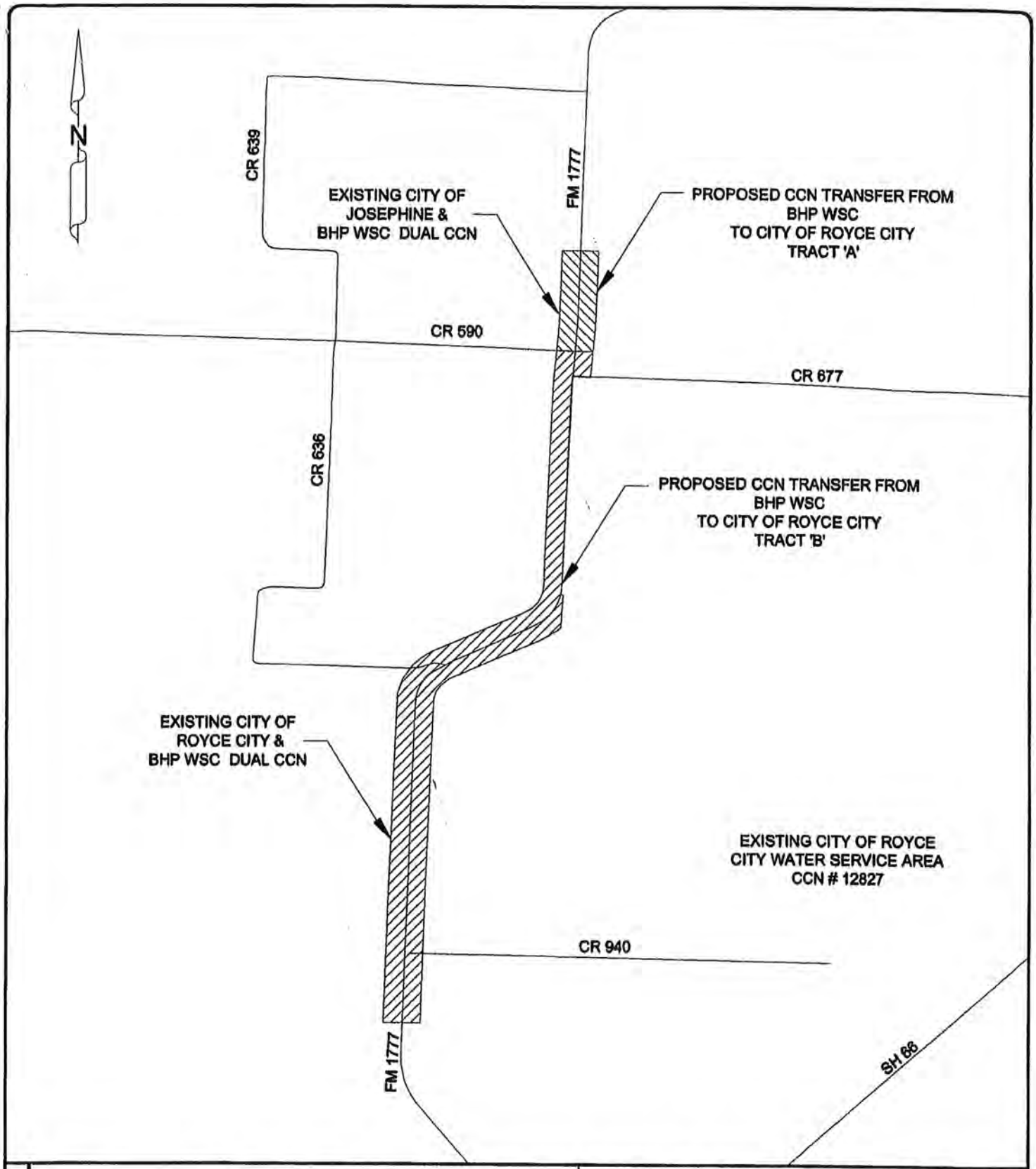
Sincerely,

Georgia N. Crump

GNC:jmc
1344\03\3315110.1

Enclosures

cc: w/encl.
Jason Day, City Attorney
Eddy Daniel
John Lock, TCEQ



SHEET 1 OF 1

PROPOSED CCN TRANSFER
FROM
BHP WSC
TO
CITY OF ROYCE CITY
COLLIN COUNTY, TEXAS

CCN PLAN

DBI DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS
118 McKinney St.
P.O. Box 606
Farmersville, Texas 75442
Phone 972-784-7777
Fax 972-782-7721
www.DBIConsultants.com

DESIGNED: E.W.D. | DATE: 12/20/12 | REGISTRATION NO.: F-002225
DRAWN: M.K.W. | REVISION: N/C
FILE: N:\Royse City City of\CCN TRANSFER\SITE

SETTLEMENT AGREEMENT

This SETTLEMENT AGREEMENT (the "**Agreement**") is made and entered into by and between the City of Royse City (the "**City**"), a Texas home rule city, and B H P Water Supply Corporation ("**BHP**"), a Texas non-profit water supply corporation in good standing (the City and BHP are collectively referred to as the "Parties"), each acting by and through its undersigned, duly authorized representative.

RECITALS

WHEREAS, the City is the holder of water certificate of convenience and necessity ("**CCN**") No. 12827, issued by the Texas Commission on Environmental Quality ("**TCEQ**"), and BHP is the holder of water CCN No. 10064;

WHEREAS, a portion of BHP's water CCN area is contained within the corporate limits and extra-territorial jurisdiction of the City;

WHEREAS, the City desires to (i) decertify approximately 8,588 acres of land within BHP's water CCN boundary (the "**Initial CCN Acquisition Area**"), as more particularly shown on Exhibit A, attached hereto and incorporated herein for all purposes, and (ii) include such land within the City's water CCN area, pursuant to the terms of this Agreement;

WHEREAS, the City also desires to be dually certificated with BHP for the approximately 4,331 acres of land within BHP's water CCN boundary (the "**Subsequent CCN Acquisition Area**"), as more particularly shown on Exhibit A, in order to provide retail water service to that area as provided in this Agreement;

WHEREAS, BHP desires to remove the Initial CCN Acquisition Area from its water CCN, as provided in this Agreement, and to be dually certificated with the City in the Subsequent CCN Acquisition Area, as provided in this Agreement;

WHEREAS, BHP has requested financial assistance from the United States Department of Agriculture - Rural Development ("**USDA-RD**") in the approximate amount of three million eight hundred thousand dollars ($3,800,000.00) (the "**Loan**") to finance certain improvements to BHP's water system and operations;

WHEREAS, while the City does not oppose BHP's efforts to secure the Loan to finance such improvements and operation enhancements, the City has expressed to BHP and North Central Texas Council of Governments ("**NCTCOG**") its concerns regarding USDA-RD's general requirement that a debtor provide a security interest in all of its assets, including its CCN, as collateral for loans issued by the USDA-RD;

WHEREAS, BHP desires to purchase a certain approximately 1.83 acre tract from the City to use as a water take-point site, which is more specifically described in Exhibit B, attached hereto and incorporated herein for all purposes (the "**Take-point Tract**"); and

WHEREAS, the City and BHP have conducted negotiations, and they desire to enter into this Agreement to resolve all outstanding issues regarding water CCN service areas, BHP's Loan application with USDA-RD, and the conveyance of the Take-point Tract from the City to BHP.

NOW THEREFORE, in consideration of the mutual promises, covenants, obligations, and benefits set forth herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties hereto, the City and BHP contract, covenant and agree as follows:

AGREEMENT

1. BHP's Loan Application.

(a) So long as BHP fulfills its obligations under this Agreement, the City will not attempt to enjoin USDA-RD from entering into a Loan agreement with BHP.

(b) Prior to entering into any Loan agreement with USDA-RD, BHP shall request and recommend to USDA-RD that BHP should not be required to grant a security interest to USDA-RD in the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area as collateral for the Loan. BHP shall support the condition that USDA-RD exclude the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area of BHP's water CCN from the collateral for the Loan. BHP recognizes that its agreement to make such request and recommendation and to offer such support provides the City with significant inducement to enter into this Agreement.

(c) Within seven (7) days after the Effective Date of this Agreement, BHP shall amend its Loan application by (i) removing the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area from the assets of BHP and (ii) submitting an executed copy of this Agreement. Regardless of any other provision herein to the contrary, if BHP grants USDA-RD a security interest in the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area as collateral for any Loan, then the City shall have the right, but not the obligation, to terminate this Agreement, effective immediately. If the City terminates the Agreement under this provision, then all amounts placed into the Escrow Account shall be refunded to the City.

(d) The term "Loan" shall have the meaning provided in the Recitals of this Agreement; and this term shall also mean any subsequent loan agreements entered into between BHP and USDA-RD where BHP is required to provide collateral.

2. Designating CCNs for the Initial and Subsequent CCN Acquisition Areas.

(ii) Initial CCN Acquisition Area. It is the Parties' intent that the City shall be singly certificated for the Initial CCN Acquisition Area; provided, however, that BHP shall maintain and be dually certificated with the City for the portion of its water CCN area within the Initial CCN Acquisition Area that overlaps with the locations of BHP's existing customers and existing water distribution lines and existing facilities, as of the Effective Date (defined herein) of this Agreement; and provided further, that BHP shall remain singly certificated to the land within the Initial CCN Acquisition Area designated as **"Excluded Area from CCN Acquisition"**, more specifically shown on Exhibit A. The City may file one or more applications with the TCEQ or any successor agencies that regulate and administer the water CCN program for the State, for approval to transfer and/or decertify the Initial CCN Acquisition Area from BHP's water CCN boundary and amend the City's water CCN boundary to include such area in accordance with this Agreement; and BHP shall not protest any of these applications. The City shall pay BHP ONE MILLION ONE HUNDRED THOUSAND DOLLARS AND NO CENTS ($1,100,000.00) (the **"Full Payment"**) for conveying the Initial CCN Acquisition Area to the City, according to the following requirements:

(I) No later than sixty (60) calendar days after the Effective Date of this Agreement, the City shall establish an escrow account (the **"Escrow Account"**) to hold the Initial Payment (defined herein) and Balance Payment (defined herein) in accordance with this Agreement. The Escrow Account shall be governed by an escrow agreement mutually agreeable to counsel for the City and BHP. The escrow agent shall be selected by the City, subject to approval by BHP; provided, however, that such approval shall not be unreasonably withheld or delayed.

(II) After reducing the amount of the Full Payment by the amount of the Take-point Tract Payment (defined herein) required under Section 4 of this Agreement, the City shall pay BHP NINE HUNDRED THOUSAND DOLLARS AND NO CENTS ($900,000.00) through the process provided below:

(A) No later than seven (7) calendar days after the Escrow Account has been created, the City shall deposit ONE HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS ($150,000.00) (the **"Initial Payment"**) into such Account.

(B) No later than six (6) months after the Escrow Account has been created, the City shall deposit the remaining SEVEN HUNDRED FIFTY THOUSAND DOLLARS AND NO CENTS ($750,000.00) into such Account (the **"Balance Payment"**); provided, however, that the City has the right, but not the obligation, to make this payment through one or more transactions, so long as the City has deposited the entire Balance Payment amount into the Escrow Account on or before the deadline established herein.

(III) In the event that the City fails to meet its escrow payment obligations under this Section, the City shall not be in breach of this Agreement; rather, the City shall (A) reduce the acreage of the Initial CCN Acquisition Area by an amount that

corresponds with the shortfall in the Escrow Account at the time when the Balance Payment is due, and (B) amend its pending CCN application to reflect the revised Initial CCN Acquisition Boundary. Such reduction in acreage shall be based upon the factor of ONE HUNDRED FIFTY DOLLARS AND NO CENTS ($150.00) per acre (for example, a shortfall of $150,000 would require the City to reduce the acreage of the Initial CCN Acquisition Area by 1,000 acres, because $150,000/$150 per acre = 1,000 acres). In the event that the City is required to make such a modification, it shall only be due to a lack of funding from a third party associated with the developments identified on Exhibit C, attached hereto and incorporated herein for all purposes, then the City shall remove such development and, to the extent necessary, area contiguous to that development that is outside the corporate limits of the City, from the pending CCN application. Accordingly, with such modification the USDA-RD shall not be required to release from collateral of the Loan the area removed from transfer of the CCN.

(iv) Funds shall be released from the Escrow Account to BHP only upon the later of (A) issuance of a final and non-appealable order from the TCEQ decertifying the Initial CCN Acquisition Area, as may be reduced under this Section, from BHP's water CCN boundary and including such area into the City's water CCN boundary, and (B) BHP's receipt of written consent from USDA-RD to the release of the Initial CCN Acquisition Area from the collateral of the Loan, if applicable. In the event that the TCEQ or USDA-RD issues a final and non-appealable order denying any CCN application or request for Lienholder Consent (as defined herein), respectively, all money deposited in the Escrow Account shall be refunded to the City, and the certificated service rights for the Initial CCN Acquisition Area shall remain with BHP.

(v) In the event that the City reduces the Initial CCN Acquisition Area as provided in Section 2(a)(iii) above, and subsequently files additional application(s) to transfer and/or decertify any remaining portion of the Initial CCN Acquisition Area (which includes any reductions to the Initial CCN Acquisition Area under subsection 2(a)(iii) above) from BHP's water CCN boundary and to amend the City's water CCN boundary to include such area, other than those areas located in a municipal utility district, the City shall deposit funds into the Escrow Account prior to filing any application, based upon the factor of ONE HUNDRED FIFTY DOLLARS AND NO CENTS ($150.00) per acre. Funds shall be released from the Escrow Account to BHP only upon the later of (A) issuance of a final and non-appealable order from the TCEQ decertifying the requested portion of the remaining Initial CCN Acquisition Area from BHP's water CCN boundary and including such area into the City's water CCN boundary, and (B) BHP's receipt of written consent from USDA-RD to the release of such additional area from the collateral of the Loan, if applicable.

(vi) BHP shall first utilize the Initial Payment and Balance Payment for the pay-off of BHP's existing debt, and BHP shall then utilize the remaining balance to off-set the USDA-RD Loan amount or to pay down the principal on the existing Loan balance.

(b) Subsequent CCN Acquisition Area. It is the Parties' intent that the City and BHP shall be dually certificated for the Subsequent CCN Acquisition Area; provided, however, that BHP shall remain singly certificated to the Excluded Area from CCN Acquisition within the Subsequent CCN Acquisition Area, more specifically shown on Exhibit A. Dual certification shall be sought by the City upon execution of this agreement. BHP acknowledges and agrees that the City will seek dual water certification to the Subsequent CCN Acquisition Area. BHP shall not protest such application. The City shall pay BHP ONE HUNDRED FIFTY DOLLARS AND NO CENTS ($150.00) (the "**Subsequent Payment**") for each acre within the Subsequent CCN Acquisition Area that the TCEQ grants the City dual water CCN certification with BHP that receives retail water utility service from the City as provided in Section 3(b) below. The City shall make each Subsequent Payment to BHP prior to construction of facilities and/or provision of service.

(c) To the extent necessary, BHP shall prepare, execute, submit, and prosecute any and all applicable USDA-RD forms, including, but not limited to, Form RD-465-1 (Application for Partial Release, Subordination, or Consent) (the "**Lienholder Consent**"), requesting USDA-RD to release the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area from BHP's collateral in the Loan. Specifically, BHP shall prepare, execute, and submit such forms with USDA-RD no later than thirty (30) calendar days after the TCEQ issues a final and non-appealable order granting any City CCN application filed in accordance with this Agreement.

(d) BHP shall cooperate with the City regarding any applications filed with the TCEQ in accordance with this Agreement. If (i) the TCEQ does not approve one or more of the Parties' filings hereunder or (ii) a third party protests any applications filed in accordance with this Agreement, then the Parties shall work together to determine and implement a solution that is consistent with the intent of this Agreement.

(e) Where applicable herein, this Agreement shall be a "contract" (i) designating areas and customers to be served by the Parties in accordance with Texas Water Code Section 13.248, (ii) demonstrating an agreement for dual certification in accordance with Chapter 13 of the Texas Water Code, and (iii), agreeing to single certification under Texas Water Code Section 13.255.

3. Provisions for New and Existing Customers.

(a) Generally. To the extent that the City and BHP are dually certificated in the Initial CCN Acquisition Area, BHP shall only provide retail water utility service to all of its existing customers as of the Effective Date of this Agreement. To the extent that the City and BHP are dually certificated in the Subsequent CCN Acquisition Area, BHP shall only provide retail water utility service to (i) all of its existing customers as of the Effective Date of this Agreement and (ii) each new single family residential development that is not considered a High Density Development (defined herein) or other new single request for residential water service that is not within a High Density Development. For the purposes of this Agreement, a "**High Density Development**" means a development with a proposed density of more than two (2) lots per acre or with more than a total of sixty-five (65) lots. The City shall serve all other customers in these dually certificated areas,

including, but not limited to, High Density Developments, institutional, commercial, and industrial customers; provided, however, that BHP shall serve such requests for water service if the City provides its prior written consent to BHP.

(b) Changes in Service by Existing BHP Customers. The Parties acknowledge that BHP currently serves customers within the Initial CCN Acquisition Area, the Subsequent CCN Acquisition Area, and the Excluded Area from CCN Acquisition (each customer being a "**BHP Existing Customer**"). A list of the BHP Existing Customers is attached hereto as Exhibit D, incorporated herein for all purposes. However, if (i) any single family residential development containing BHP Existing Customers converts into a High Density Development, or (ii) any BHP Existing Customer converts into an institutional, commercial, or industrial customer, then the City shall thereafter render retail water service to such BHP Existing Customers unless the City provides prior written notice to BHP stating that the City does not desire to extend retail water service to those customers. BHP and the City shall work together in good faith to effectuate the transfer of such BHP Existing Customers to the City.

(c) Additional Compensation for Transfer of Customers.

(i) If the converted BHP Existing Customer is located within the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area which shall be certificated to the City under this Agreement, then BHP shall not be entitled to any compensation from the City for the transfer of such BHP Existing Customer or property identified herein, other than the compensation identified in Section 2 of this Agreement.

(ii) If the converted BHP Existing Customer is located within the Excluded Area from CCN Acquisition, then the City shall compensate BHP for decertifying that customer and property from BHP's water CCN boundary and adding that area to the City's water CCN boundary, in the amount of (A) ONE HUNDRED FIFTY DOLLARS AND NO CENTS ($150.00) per acre transferred, plus (B) an agreed value based upon the compensation factors contained in Texas Water Code § 13.254(g)(Vernon 2010). The City shall not make any payment to BHP under this Section 3(c)(ii) until: (A) the TCEQ issues a final and non-appealable order granting single CCN certification to the City to the requested area, and (B) BHP receives written consent from USDA-RD to the release of such area from BHP's CCN boundary, if applicable. BHP shall not protest any such CCN application.

(d) In the event a BHP Existing Customer converts into a customer that the City is entitled to serve under this Agreement, but refuses to transfer service to the City, BHP agrees to file an application at the TCEQ to decertify the portion of its water CCN that overlaps with that customer's property. Such application costs shall be paid by the City.

4. Conveyance of Real Property.

(a) The City agrees to sell, grant, and convey to BHP, and BHP hereby agrees to purchase from the City, all of the City's right, title, and interest in the Take-point Tract. The City

also agrees to grant BHP an easement to cross the City's remaining property to facilitate the connection to North Texas Municipal Water District and BHP's existing facilities; provided, however, that the City shall have the sole discretion to determine the location of such easement.

(b) In partial consideration for the sale of such Take-point Tract, BHP shall pay the City TWO HUNDRED THOUSAND DOLLARS AND NO CENTS ($200,000.00) ("**Take-point Tract Payment**"), and this amount shall be used to reduce the Full Payment amount payable by the City to BHP hereunder.

(c) The transfer of ownership of the Take-point Tract ("**Closing Date**") shall occur no later than the later of: (i) thirty (30) calendar days after the TCEQ's order granting single certification to the City for the Initial CCN Acquisition Area becomes final and nonappealable, or (ii) BHP's receipt of written consent from USDA-RD to the release of the Initial CCN Acquisition Area from the collateral of the Loan, if applicable.

(d) BHP shall pay all closing costs, except that each Party shall be responsible for the payment of its own attorney's fees, copying expenses, and other costs incurred in connection with this transaction.

5. Plans and Specifications. Prior to BHP constructing any water utility facilities on the Take-point Tract or transporting water to or from the Take-point Tract, BHP shall provide the City with BHP's proposed plans and specifications for such facilities for approval. The City's scope of approval shall be limited to the geographical and topographical locations of such facilities. The City and BHP shall work together to ensure that such facilities do not interfere with the City's existing utility infrastructure or future utility infrastructure proposed in the City's current capital improvements plan. Within thirty (30) days of having received such proposed plans and specifications, the City shall conduct its review and either approve the plans and specifications or provide comments to BHP explaining why its approval has been withheld. BHP shall construct such water utility facilities in accordance with the scope of the City's review as identified above. It is BHP's obligation to provide the City with such plans and specifications. When BHP has completed constructing such water infrastructure, BHP shall make the final "as built" plans and specifications available to the City upon request.

6. Default. A non-breaching Party shall have the right, but not the obligation, to terminate this Agreement in the event that the non-breaching Party provides the breaching Party with written notice of a breach and such breach is not cured within thirty (30) days of delivery of such notice.

7. Termination. This Agreement shall terminate when: (i) the Initial CCN Acquisition Area is removed from BHP's water CCN boundaries and added to the City's water CCN boundaries; (ii) the City and BHP are dually certificated to all of the Subsequent CCN Acquisition Area; (iii) USDA-RD has approved all applications, if any, requesting approval to release the Initial CCN Acquisition Area and Subsequent CCN Acquisition Area from the collateral of the Loan; (iv) the Take-point Tract has been conveyed by the City to BHP; and (v) when BHP no longer has any retail water customers within the Initial CCN Acquisition Area or Subsequent CCN Acquisition Area.

8. Continuing Obligation. BHP shall not request TCEQ approval to decertify any portion of the Initial CCN Acquisition Boundary Area or Subsequent CCN Acquisition Boundary Area from the City's water CCN boundary without mutual consent of both Parties or as otherwise provided by law. The City shall not request TCEQ approval to decertify any portion of the remaining BHP CCN located to the east of the Subsequent CCN Acquisition Boundary without mutual consent of both parties or as otherwise provided by law.

9. Severability. The provisions of this Agreement are severable and, if any provision or part of this Agreement or the application thereof to any person or circumstance shall ever be held by any court of competent jurisdiction to be invalid or unconstitutional for any reason, the remainder of this Agreement and the application of such provision or part of this Agreement to other persons or circumstances shall not be affected thereby.

10. Amendment. Except as otherwise provided in this Agreement, this Agreement may be amended, modified or terminated only by written instrument executed by duly authorized representatives of the Parties.

11. Applicable Law. This Agreement shall be governed by, and construed in accordance with, the Constitution and law of the State of Texas, except as to matters exclusively controlled by the Constitution and Statutes of the United States of America.

12. Third Party Beneficiaries. This Agreement shall be for the sole and exclusive benefit of the Parties hereto and shall never be construed to confer any benefit to any third party.

13. Entire Agreement. This Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Parties with respect to the subject matter hereof.

14. Waiver. Each Party may specifically, but only in writing, waive any breach of this Agreement by the other Party, but no such waiver shall be deemed to constitute a waiver of similar or other breaches by such other Party.

14. Notices. All notices by the City to BHP shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

B H P Water Supply Corporation
Attn: General Manager
PO Box 370
Royse City, Texas 75189

cc: Jackson Walker L.L.P.
Attn: Ali Abazari
100 Congress Ave., Ste. 1100
Austin, Texas 78701

All notices by BHP to the City shall be in writing and mailed by Certified Mail, Return Receipt Requested, addressed to:

City of Royse City
Attn: City Manager
100 Main Street
Royse City, Texas 75189

cc: Lloyd Gosselink Rochelle & Townsend, P.C.
Attn: Georgia N. Crump
816 Congress Ave., Ste. 1900
Austin, Texas 78701

Any notice or other communication required or permitted under this Agreement shall be deemed to be delivered when delivered by United States mail, registered or certified, with return receipt requested and postage prepaid, on the date of receipt, refusal or non-delivery as indicated on the return receipt. Notice in any other manner shall be considered delivered if and when received by the other Party to be notified and acknowledged in writing by the Party to be notified. Either Party may change its address by giving written notice of such change to the other Party.

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

16. Venue. Actions taken by either Party in connection with this Agreement shall be deemed to have occurred in Rockwall County, Texas.

17. Multiple Originals. This Agreement shall be executed in a number of counterparts, each of which shall be for all purposes deemed to be an original, and all such counterparts shall together constitute and be one and the same instrument.

18. Attorney's Fees. Each Party to this Agreement shall be responsible for its own costs, including attorney's fees.

19. Effective Date. The Effective Date of this Agreement shall be the date that the last Party executes this Agreement, as set forth below by their signature.

20. Recitals. The above Recitals are true and correct and are incorporated into this Agreement for all purposes.

21. Authority. The Parties represent that the individuals named below are duly authorized to execute this Agreement on behalf of their respective Party.

22. Enforceability. The Parties agree that this Agreement constitutes the legal, valid and binding obligation of each Party hereto, enforceable in accordance with its terms, and that each Party is entering into this Agreement in reliance upon the enforceability of this Agreement.

[remainder of page intentionally left blank]

Executed in multiple copies, each of which shall constitute an original, on the dates set forth below:

DATE: 4-5-2011

CITY OF ROYSE CITY, TEXAS

By: Bill Skipp
City Manager

ATTEST:

Brenda Craft
City Secretary

[Seal]

CITY OF ROYSE CITY TEXAS

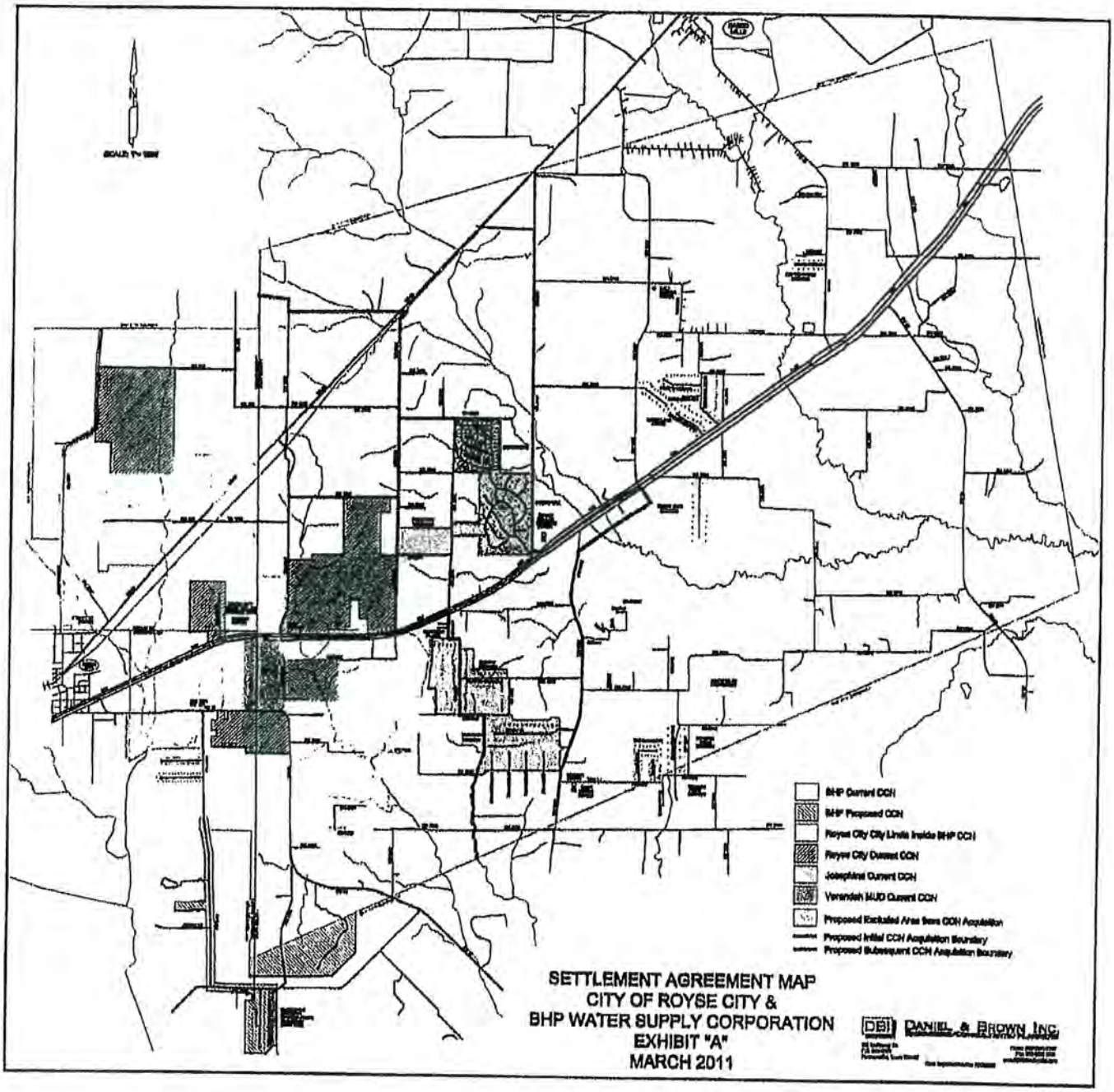
DATE: 4-5-11

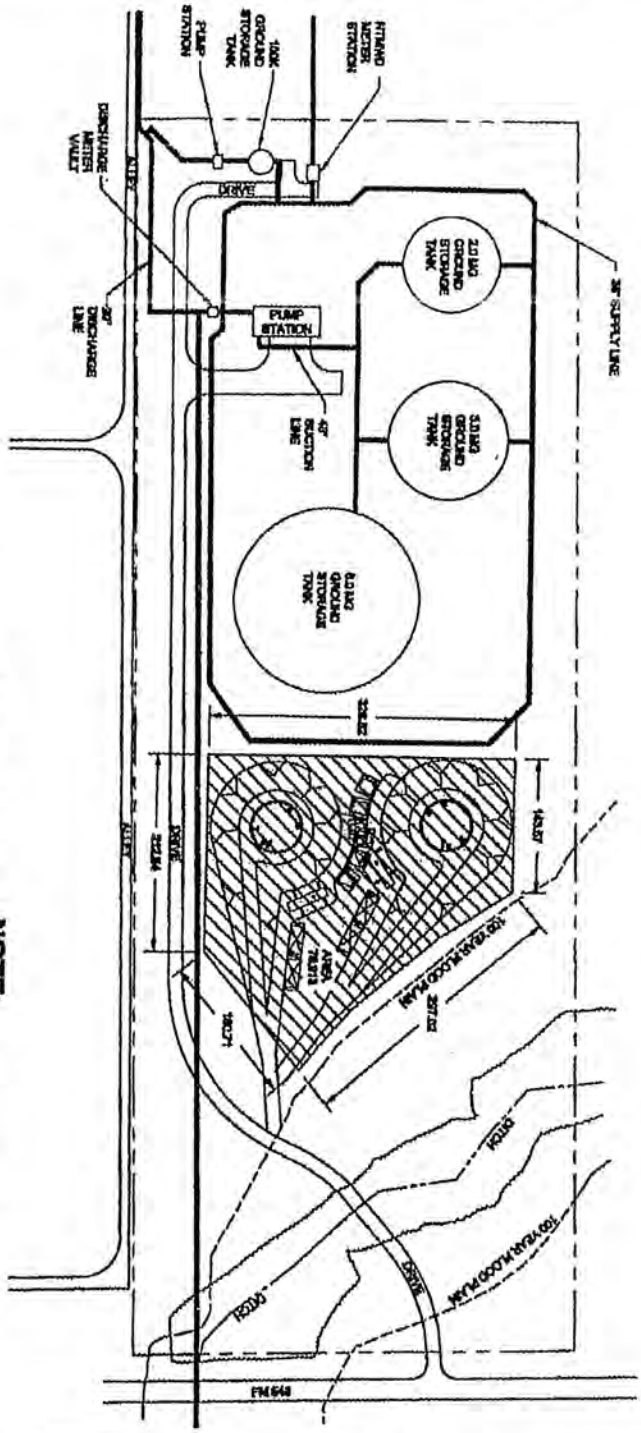
BHP WATER SUPPLY CORPORATION

By: [signature]
President, Board of Directors

ATTEST:

[signature]
Secretary:


BHP Current CCN
BHP Proposed CCN
Royse City City Limits Inside BHP CCN
Royse City Current CCN
Josephinal Current CCN
Verandah MUD Current CCN
Proposed Excluded Area from CCN Acquisition
Proposed Initial CCN Acquisition Boundary
Proposed Subsequent CCN Acquisition Boundary
SETTLEMENT AGREEMENT MAP
CITY OF ROYSE CITY &
BHP WATER SUPPLY CORPORATION
EXHIBIT "A"
MARCH 2011
DBI
DANIEL & BROWN, INC.



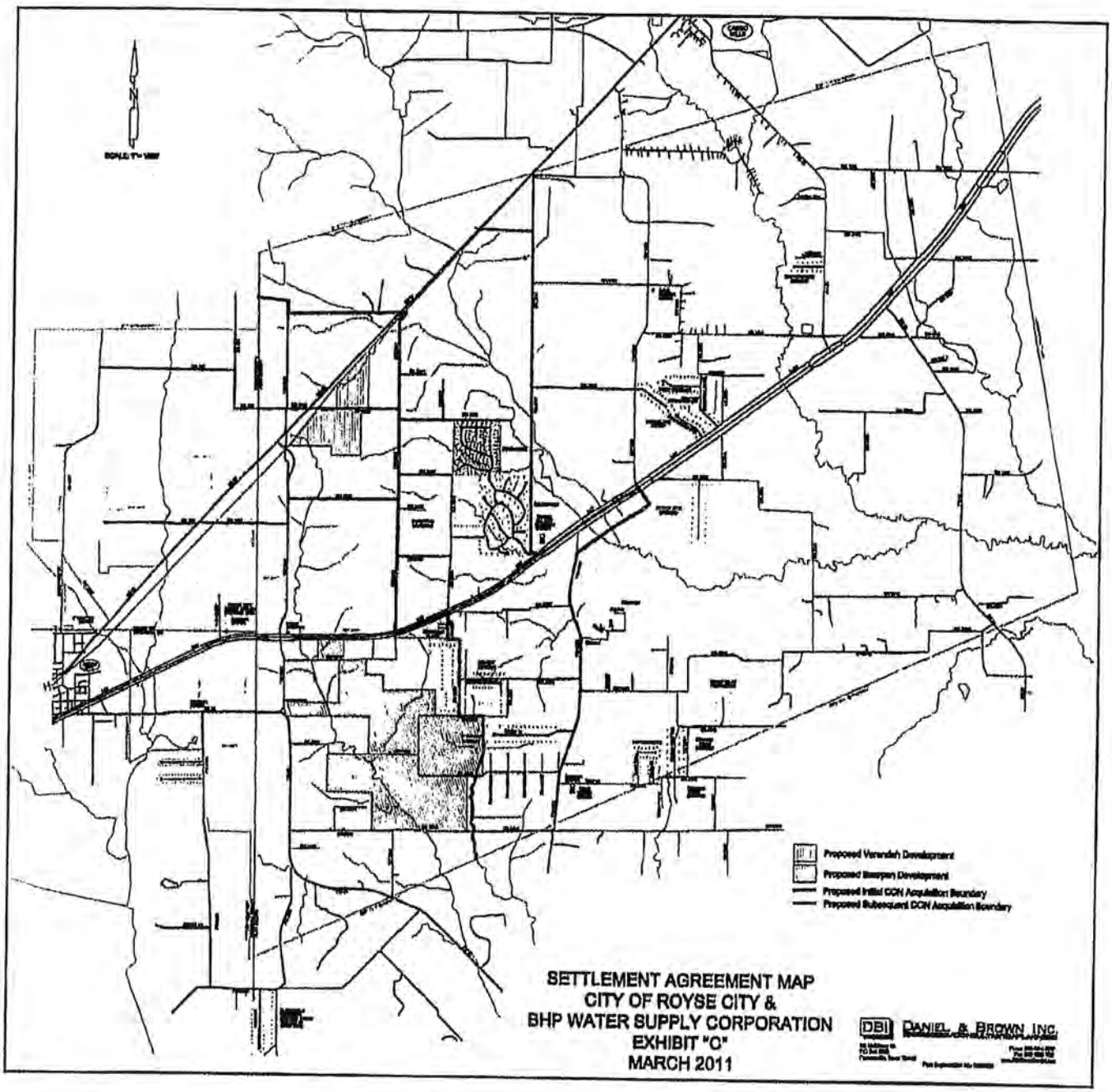
NOTE:
TRANSFER AREA SHOWN IS APPROXIMATE.
EXACT BOUNDARY LOCATION TO BE DETERMINED.

SHEET 1 OF 1

PROPOSED TAKE-POINT SITE
FOR
BHP WATER SUPPLY CORPORATION
COLLIN & HUNT COUNTIES, TEXAS

EXHIBIT "B"

DBI DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS
118 McKinney St.
P.O. Box 606
Farmersville, Texas 75442
Phone 972-784-7777
Fax 972-782-7721
www.DBIConsultants.com


Proposed Verandah Development
Proposed Bosque Development
Proposed Initial CCN Acquisition Boundary
Proposed Subsequent CCN Acquisition Boundary
SETTLEMENT AGREEMENT MAP
CITY OF ROYSE CITY &
BHP WATER SUPPLY CORPORATION
EXHIBIT "C"
MARCH 2011
DBI DANIEL & BROWN, INC.

Texas Commission On Environmental Quality

By These Presents Be It Known To All That

BHP Water Supply Corporation

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 10064

to provide continuous and adequate water utility service to that service area or those service areas in Collin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 37113-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of Southwest Fannin County SUD to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____

_____

For the Commission

Texas Commission On Environmental Quality

By These Presents Be It Known To All That

City of Royse City

having duly applied for certification to provide water utility service for the convenience and necessity of the public, and it having been determined by this Commission that the public convenience and necessity would in fact be advanced by the provision of such service by this Applicant, is entitled to and is hereby granted this

Certificate of Convenience and Necessity No. 12827

to provide continuous and adequate water utility service to that service area or those service areas in Collin County as by final Order or Orders duly entered by this Commission, which Order or Orders resulting from Application No. 37509-C are on file at the Commission offices in Austin, Texas; and are matters of official record available for public inspection; and be it known further that these presents do evidence the authority and the duty of the City of Royse City to provide such utility service in accordance with the laws of this State and Rules of this Commission, subject only to any power and responsibility of this Commission to revoke or amend this Certificate in whole or in part upon a subsequent showing that the public convenience and necessity would be better served thereby.

Issued at Austin, Texas, this _____

_____

For the Commission

City of Royse City / BHP Water Supply Corporation (WSC)
Portion of Water Service Areas
Application No. 37509-C
13.248 Contract Service Agreement to Decertify Portions of CCN No. 10064 from BHP WSC
to Amend the City of Royse City, CCN No. 12827
in Collin County

Water CCNs

- 12827 - City of Royse City
- 12307 - City of Josephine

"Facilities Only" CCNs

- 10064 - BHP WSC
- 12307 - City of Josephine

N

TCEQ

Map by: Suzanne Jaster
Date Created: June 24, 2013
Project Path:c:/gis/projects/applications/37509-c_final.mxd

0 375 750 1,500 Feet

CONSENT FORM

Applicant's Name: City of Royse City
Application No.: 37509-C (13.248)

[X] I concur with the recommendation/map contained in the staff memorandum transmitted by letter dated

[ ] I do not concur with and intend to respond to the recommendation contained in the staff memorandum transmitted by letter dated

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by the City of Royse City to sign this form.

Signature: Georgia N. Crump

Printed Name: Georgia N. Crump

Relationship to Applicant: attorney

Date signed: 6/25/13

Mail, fax or e-mail to:
John Lock
Utilities & Districts Section, MC 159
Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6972
E-mail: john.lock@tceq.texas.gov

CONSENT FORM

Applicant's Name: City of Royse City
Application No.: 37509-C (13.248)

☒ I concur with the recommendation/map contained in the staff memorandum transmitted by letter dated

☐ I do not concur with and intend to respond to the recommendation contained in the staff memorandum transmitted by letter dated

I understand that I have 14 days from the date of this letter to provide my response.

I am authorized by the BHP WSC to sign this form.

Signature: Eddy W. Daniel, P.E.

Printed Name: Eddy W. Daniel, P.E.

Relationship to Applicant: Engineer

Date signed: June 25, 2013

Mail, fax or e-mail to:
John Lock
Utilities & Districts Section, MC 159
Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax: (512) 239-6972
E-mail: john.lock@tceq.texas.gov

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 20, 2013

Ms. Georgia N. Crump
Lloyd Gosselink Rochelle & Townsend, P.C.
816 Congress Ave., Ste. 1900
Austin, Texas 78701

Re: TCEQ Docket No. 2013-1083-UCR; Consideration of a request for a Commission order approving a contract designating service areas between B H P WSC and the City of Royse City. Application No. 37509-C.

Dear Ms. Crump:

This letter is to inform you that the above-referenced application has been set on the Agenda for consideration by the Texas Commission on Environmental Quality (TCEQ). This Agenda will occur on October 9, 2013, beginning at 9:30 a.m. in Building E, Room 201S, 12100 Park 35 Circle, Austin, Texas. Please attend the Agenda, or send a representative, to explain the agreement and to answer any questions the Commissioners may have. Included with this letter are the Agenda backup materials to be considered by the Commission.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the Agenda 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. If you have any procedural questions, you may contact the TCEQ Office of Public Interest Counsel at 512-239-6363. If you have any other questions about this matter, you may contact John Lock from the Water Supply Division at (512) 239-4710 or me at (512) 239-0627.

Sincerely,

Jessica Rogers
Attorney
Environmental Law Division

Enclosure

Bryan W. Shaw, Ph.D., *Chairman*
Carlos Rubinstein, *Commissioner*
Toby Baker, *Commissioner*
Zak Covar, *Executive Director*

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 20, 2013

Mr. Ali Abazari
Jackson Walker, L.L.P.
100 Congress Ave., Ste. 1100
Austin, Texas 78701

Re: TCEQ Docket No. 2013-1083-UCR; Consideration of a request for a Commission order approving a contract designating service areas between B H P WSC and the City of Royse City. Application No. 37509-C.

Dear Mr. Abazari:

This letter is to inform you that the above-referenced application has been set on the Agenda for consideration by the Texas Commission on Environmental Quality (TCEQ). This Agenda will occur on October 9, 2013, beginning at 9:30 a.m. in Building E, Room 201S, 12100 Park 35 Circle, Austin, Texas. Please attend the Agenda, or send a representative, to explain the agreement and to answer any questions the Commissioners may have. Included with this letter are the Agenda backup materials to be considered by the Commission.

Persons with disabilities who plan to attend this hearing and who need special accommodations at the Agenda 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. If you have any procedural questions, you may contact the TCEQ Office of Public Interest Counsel at 512-239-6363. If you have any other questions about this matter, you may contact John Lock from the Water Supply Division at (512) 239-4710 or me at (512) 239-0627.

Sincerely,

Jessica Rogers
Attorney
Environmental Law Division

Enclosure