

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

July 2, 2012

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. 2009-0205-DIS; Rockwall County Water Control and Improvement District No. 1; Requests filed regarding Internal Control No. 06182008-D04.

Dear Ms. Bohac:

Transmitted herewith for filing with the Texas Commission on Environmental Quality (Commission or TCEQ) are the following items to be filed as backup materials for the July 25 2012, agenda on hearing requests for the creation of Rockwall County Water Control and Improvement District No.1:

1. Executive Director's Response to the Hearing Request;
2. Map of proposed boundaries;
3. Technical memo prepared by staff;
4. Applicant's request to City for consent to creation of the district;
5. Applicant's petition to City for water and sewer services; and
6. Applicant's petition to the TCEQ for creation pursuant to LOCAL GOVERNMENT CODE § 42.042.

Please do not hesitate to contact me at (512) 239-4761 if you have any questions regarding this material. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in cursive script that reads "Kayla Murray".

Kayla Murray, Staff Attorney
Environmental Law Division

Enclosures

cc: Mailing list

TCEQ DOCKET NO. 2009-0205-DIS

APPLICATION FOR THE	§	BEFORE THE
CREATION	§	TEXAS COMMISSION
OF ROCKWALL COUNTY WATER	§	ON ENVIRONMENTAL
CONTROL AND IMPROVEMENT	§	QUALITY
DISTRICT NO. 1	§	

EXECUTIVE DIRECTOR’S RESPONSE TO THE HEARING REQUEST

I. INTRODUCTION

The Executive Director (ED) of the Texas Commission on Environmental Quality (TCEQ or Commission) files this Response to Hearing Request on the petition by Ronald H. McRae, sole member of High Plains Trail, GP, LLC, general partner of FM-548 & High Plains Trail-1237, LLLP for the creation of Rockwall County Water Control and Improvement District No.1 (“District”).

The proposed District would contain 616.211 acres, located within Rockwall County. The proposed District is located in Rockwall County, approximately two miles north of the intersection of Farm-to-Market Road (FM) 548 and State Highway 205, and five miles south of IH-30. It is approximately 27 miles east of the central business district of the City of Dallas. Access to the proposed District is along FM 548. The petition states that the proposed District is not located within the extraterritorial jurisdiction (ETJ) of any city. However, since the submission of the application, the proposed District was included in the ETJ of the City of McClendon-Chisolm (City) on August 12, 2008. The application asserts that the general nature of the District’s work will include the provision of water, wastewater and stormwater drainage services within the District’s boundaries.

II. PROCEDURAL HISTORY

The Petitioner filed an application for the creation of the District on June 17, 2008, which was declared administratively complete on June 25, 2008. On August 28, 2008, the TCEQ received a letter of protest from the Commissioners Court of Rockwall County. The Petitioner published the Notice of District Petition in the *Rockwall County Herald Banner*, a newspaper generally circulated in Rockwall County, on December 19, 2008, and December 26, 2008. On January 15, 2009, proper notice of the application was posted on the bulletin board used for posting legal notices in Rockwall County,

Texas. The Office of the Chief Clerk sent notice of the agenda setting for the Commission's consideration of the hearing requests on June 20, 2012.

III. THE CREATION OF WATER CONTROL AND IMPROVEMENT DISTRICTS

A Water Control and Improvement District (WCID) may be created under and subject to the authority, conditions, and restrictions of either Article III, Section 52 of the Texas Constitution, or Article XVI, Section 59 of the Texas Constitution. *TEX. WATER CODE § 51.011*. The District in this case is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59, of the Texas Constitution, and Chapters 49 and 51 of the Texas Water Code. Although single-county districts may be created by a commissioners court,¹ a WCID seeking sewer powers requires the approval of TCEQ. *TEX. WATER CODE §§ 51.333, 51.331*.

A WCID may be created for the following purposes:

- (1) the control, storage, preservation, and distribution of its water and floodwater and the water of its rivers and streams for irrigation, power, and all other useful purposes;
- (2) the reclamation and irrigation of its arid, semiarid, and other land which needs irrigation;
- (3) the reclamation, drainage, conservation, and development of its forests, water, and hydroelectric power;
- (4) the navigation of its coastal and inland water;
- (5) the control, abatement, and change of any shortage or harmful excess of water;
- (6) the protection, preservation, and restoration of the purity and sanitary condition of water within the state; and
- (7) the preservation and conservation of all natural resources of the state.

TEX. WATER CODE § 51.121(b). WCIDs have been created mainly to develop and provide water service, wastewater service and stormwater drainage to developing areas. The primary business of the instant proposed district is to provide water, sewer and drainage service to the District. Because the proposed District seeks sewage powers, the commission has jurisdiction to hear this case and create the district. *TEX. WATER CODE §§ 51.333, 51.331*.

The Commission must grant or deny a WCID creation application in accordance with Section 51.021 of the Texas Water Code. In order to grant an application, the Commission must find that organization of the district as requested is feasible and

¹ Cf. Tex. Water Code § 51.016 (single county districts created by commissioners court) and Tex. Water Code § 51.027 (multi-county district created exclusively by the commission)

practicable; that the land to be included and the residents of the proposed district will be benefited by the creation of the district; that there is a public necessity or need for the district; and that the creation of the district would further the public welfare. *TEX. WATER CODE § 51.021(a)*. If the commission fails to make these findings, it shall refuse to grant the petition. *TEX. WATER CODE § 51.021(b)*.

TCEQ's regulations incorporate the procedures established by the Texas Water Code. Title 30, Section 293.13 of the Texas Administrative Code allows the Commission to grant a district creation application and to issue an order including a finding that the project meets applicable statutory requirements. *30 TEX. ADMIN. CODE § 293.13(b)(1)*. The Commission, however, must exclude the areas that it finds would not be benefited by the creation of the district and must redefine the boundaries of the proposed district according to its findings. *30 TEX. ADMIN. CODE § 293.13(b)(2); TEX. WATER CODE § 51.021(c)*.

IV. OUTLINE OF THE EVALUATION PROCESS FOR HEARING REQUESTS

The Commission may act on a WCID creation application if no public hearing is requested within 30 days of the final publication of notice that the petitioners were required to publish. *30 TEX. ADMIN. CODE § 293.12(c)*. As the application was declared administratively complete after September 1, 1999, it is subject to the requirements of Title 30, Chapter 55, Subchapter G, Sections 55.250-55.256 of the Texas Administrative Code. The Commission, the Executive Director, the applicant or affected persons may request a contested case hearing on this application. *30 TEX. ADMIN. CODE § 55.251(a)*. The Commission must evaluate the hearing requests and may take one of the following actions:

- (1) determine that the hearing requests do not meet the rule requirements and act on the application;
- (2) determine that the hearing requests do not meet the rule requirements and refer the application to a public meeting to develop public comment before acting on the application;
- (3) determine that the hearing requests meet the rule requirements and refer the application to the State Office of Administrative Hearings ("SOAH") for a hearing; or
- (4) refer the hearing requests to SOAH for a hearing on whether the hearing requests meet the rule requirements.

30 TEX. ADMIN. CODE § 55.255(a). The regulations provide that a hearing request made by an affected person must be in writing and must be filed with the Office of the Chief Clerk within the time provided in the Notice Of District Petition. *30 TEX. ADMIN. CODE § 55.251(b) and (d)*. These two requirements are mandatory. The affected person's hearing request must also substantially comply with the following:

- (1) give the name, address, and daytime telephone number of the person who files the request;
- (2) identify the person's personal justiciable interest affected by the application, including a brief, but specific, written statement explaining in plain language the requestor's location and distance relative to the activity that is the subject of the application and how and why the requestor believes he or she will be affected by the activity in a manner not common to members of the general public;
- (3) request a contested case hearing; and
- (4) provide any other information specified in the public notice of application.

30 TEX. ADMIN. CODE § 55.251(c). An affected person's personal justiciable interest must be related to a legal right, duty, privilege, power, or economic interest affected by the application belonging to the requestor and not an interest common to members of the general public. *30 TEX. ADMIN. CODE § 55.256(a)*. The regulations give the Commission flexibility to determine affected person status by considering any relevant factor, including the following:

- (1) whether the interest claimed is one protected by the law under which the application will be considered;
- (2) distance restrictions or other limitations imposed by law on the affected interest;
- (3) whether a reasonable relationship exists between the interest claimed and the activity regulated;
- (4) likely impact of the regulated activity on the health and safety of the person, and on the use of property of the person; and
- (5) likely impact of the regulated activity on use of the impacted natural resource by the person.
- (6) for governmental entities, their statutory authority over or interest in the issues relevant to the application.

30 TEX. ADMIN. CODE § 55.256(a). Government entities, including local governments, may be affected persons if they have authority under state law over issues contemplated by the application. *30 TEX. ADMIN. CODE § 55.256(b)*.

V. THE HEARING REQUEST

TCEQ received one hearing request on the application for the creation of the proposed District from the Commissioners Court of Rockwall County.

VI. ANALYSIS OF THE HEARING REQUEST

The Executive Director recommends that the Commission deny the hearing request of the Commissioners Court of Rockwall County.

The Commissioners Court of Rockwall County (Commissioners Court) submitted a letter requesting a contested case hearing on August 25, 2008. The proposed district would be located in Rockwall County, inside and outside the ETJ of McLendon-Chisolm (although, as stated in the introduction, the proposed district is now within McLendon-Chisolm's ETJ). The Commissioners Court failed to comply with 30 TAC § 55.251(c) in its request. The Commissioners Court stated that it is opposed to the creation, it requested access to any pertinent information, and it requested a hearing. However, the Commissioners Court did not identify what its personal justiciable interest is that would be affected by the proposed district's creation. There was no reason given for the protest, and as such, the ED does not recommend granting the Commissioner Court's request.

Moreover, the Commissioners Court does not appear to be an affected person. 30 TAC § 55.256(b) states that governmental entities, including local governments, may be affected persons if they have authority under state law over issues contemplated by the application. The Commissioners Court's request does not indicate how it has authority under state law over issues contemplated by the application. Although counties have the authority to create WCIDs in certain instances, since the proposed district is requesting sewer powers, the TCEQ, and not the county, has the sole authority to determine if the proposed district should be created pursuant to TWC §§51.331 and 51.333. Therefore, the Commissioners Court has not shown that it is an affected person and the ED recommends that its request be denied.

VII. ADDITIONAL INFORMATION – CITY CONSENT

After the petitioner filed his application for the creation of the proposed district on June 17, 2008, the City of McClendon-Chisolm annexed additional land on August 12, 2008, which resulted in the site of the proposed district being included within the City's ETJ. Therefore, pursuant to LOCAL GOVERNMENT CODE (LGC) § 42.042, the City's consent to the creation of the proposed district was required. On July 8, 2010, the petitioner requested consent from the City pursuant to LGC § 42.042(b). The City did not give consent. Thus, pursuant to LGC § 42.042(b), a majority of the qualified voters of the area of the proposed district and the owners of at least 50 percent of the land in the proposed district petitioned the City for water and sanitary sewer services on August 23, 2011. The City did not make a contract to provide the services, so pursuant to LGC § 42.042(c), this constitutes the City's consent to the creation of the proposed district. LGC § 42.042(d) states that such consent is "only an authorization to initiate proceedings to create the political subdivision as provided by law." LGC § 42.042 (f) states that if the City fails to give its consent to the creation of the proposed district or fails to execute a contract providing for water or sanitary sewer services within the

prescribed time limits, the applicant may petition the commission for creation of the proposed district. All prescribed time limits have been met, and the applicant thus petitioned the commission for the district's creation on November 22, 2011.

VIII. DURATION FOR THE CONTESTED CASE HEARING

If the Commission refers the matter to SOAH for a contested case hearing, the Executive Director recommends that the projected duration for any contested case hearing between the preliminary hearing on the matter and presentation of a proposal for decision before the Commission, should be **nine (9)** months.

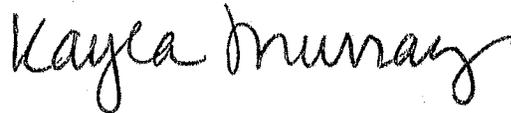
IX. EXECUTIVE DIRECTOR'S RECOMMENDATION

The ED recommends denying the hearing request of the Commissioners Court of Rockwall County.

Respectfully submitted,

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY
Zak Covar, Executive Director

Robert Martinez, Director
Environmental Law Division



By _____
Kayla Murray
Environmental Law Division
Texas State Bar No. 24049282

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Austin, Texas 78711-3087
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ATTORNEYS FOR
THE EXECUTIVE DIRECTOR

Creation of Rockwall County WCID No. 1
Map Requested by TCEQ Office of Legal Services
for Commissioners' Agenda

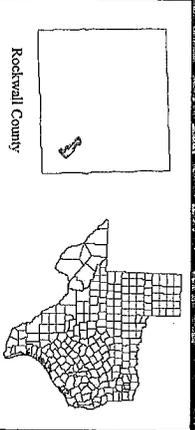
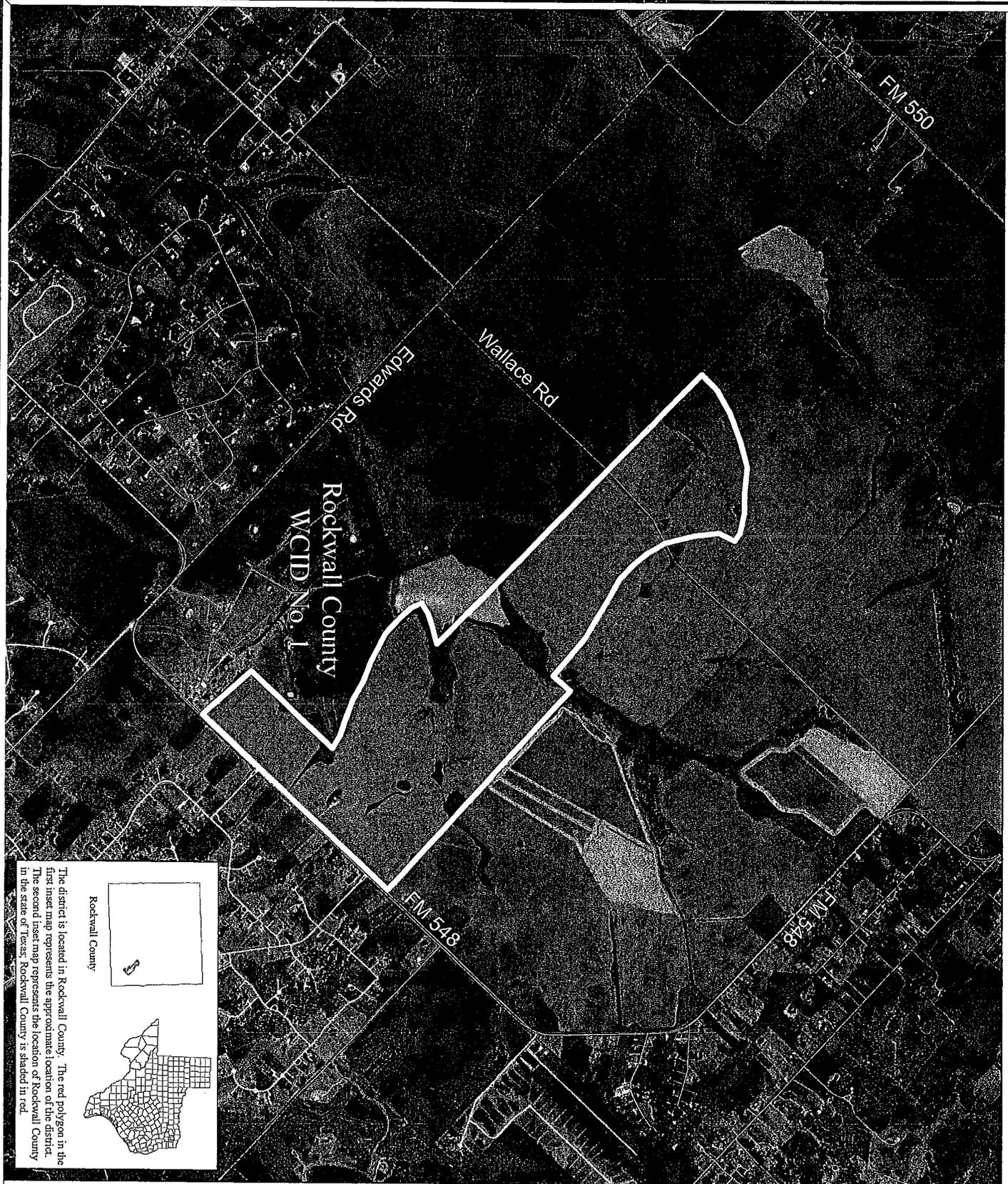


Texas Commission on Environmental Quality
 GIS Team (Mail Code 197)
 P.O. Box 13087
 Austin, Texas 78711-3087
 June 20, 2012

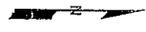


Projection: Texas Statewide Mapping System (TSMs)
 Scale 1:30,000

Legend
 Approx. District Boundary



The district is located in Rockwall County. The red polygon in the first inset map represents the approximate location of the district. The second inset map represents the location of Rockwall County in the state of Texas. Rockwall County is shaded in red.



This map was generated by the Information Resources Division of the Texas Commission on Environmental Quality. This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. For more information concerning this map, contact the Information Resource Division at (512) 259-0800.

McDonald, CR-377854

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Linda Brookins, Director
Water Supply Division

Date: May 15, 2012

Thru: Tammy Benter, Manager
Utilities and Districts Section

Anthony J. Schneider, P.E., Team Leader
Utilities and Districts Section

From: Greg Charles, P.E.
Districts Bond Team

Subject: Docket No. 2009-0205-DIS. Petition by FM-548 & High Plains Trail-1237, LLLP, for Creation of Rockwall County Water Control and Improvement District No. 1; Pursuant to Texas Water Code Chapters 49 and 51. TCEQ Internal Control No. 06182008-D04 (TC) CN: 603377441 RN: 105557854

A. GENERAL INFORMATION

The Commission received a petition within the application requesting approval for the creation of Rockwall County Water Control and Improvement District No. 1 (District). The petition was signed by Ronald H. McRae, trustee of Ronald McRae Trust, sole member of High Plains Trail, GP, LLC, general partner of FM-548 & High Plains Trail-1237, LLLP (Petitioner). According to the petition, the Petitioner is the owner of a majority in value of the land in the proposed District, and there is one lienholder, Legacy Land Bank, FLCA, on the property to be included in the proposed District. By separate affidavit, the lien holder has indicated consent to the creation of the proposed District.

The District is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 51 of the Texas Water Code.

Location and Access

The proposed District is located in Rockwall County, approximately two miles north of the intersection of Farm-to-Market Road (FM) 548 and State Highway 205, and five miles south of IH-30. It is approximately 27 miles east of the central business district of the City of Dallas. Access to the proposed District is along FM 548. The petition states that the proposed District is not located within the extraterritorial jurisdiction (ETJ) of any city.

Metes and Bounds Description

The proposed District contains one tract of land totaling 616.211 acres. The metes and bounds description of the proposed District has been checked by the Commission's staff and has been found to form an acceptable closure.

Linda Brookins, Director, Water Supply Division

Page 2

May 15, 2012

City Consent

The petition states that the proposed District is not in the corporate limits or in the ETJ of any city or town. Accordingly, the requirements of Texas Local Government Code Section 42.042 were not applicable at the time of filing. Since the submission of the application, the proposed District was included in the ETJ of the City of McClendon-Chisolm (City) on August 12, 2008, which makes the requirements of Texas Local Government Code Section 42.042 applicable. See Special Consideration No. 2 below.

Submitting and/or Filing Petition

Evidence of submitting the petition to the Rockwall County clerk's office and the Commission's Dallas/Fort Worth regional office has been provided.

Type of Project

The proposed District will be considered a "developer project" as defined by 30 TAC Section 293.44(a). Therefore, developer cost participation in accordance with 30 TAC Section 293.47 will be required.

Developer Qualifications

Application material indicates that the person signing the petition, Ronald McRae of the McRae group of companies, will be the developer of the proposed District. The developer has more than 35 years of experience in the real estate business, and owns over 200 properties located primarily in Arizona, Southern California, Colorado, and Texas.

Appraisal District Certificate

By certificate dated July 15, 2008, the Rockwall Central Appraisal District states that the tax rolls indicate that FM-548 & High Plains Trail-1237, LLLP is the owner of the property in the proposed District.

Temporary Director Affidavits

The Commission has received affidavits for Commission consideration of the appointment of temporary directors for the following:

Edna L. Thompson
Carrie L. Coy

Malette Stevens
Althean Guerra

Shirley Perkins

Each of the above persons named is qualified, as required by 30 TAC Section 293.32(a), to serve as a temporary director of the proposed District as each (1) is at least 18 years old; (2) is a resident of the state of Texas; and (3) either owns land subject to taxation within the proposed District or is a qualified voter within the proposed District.

Notice Requirements

Proper notice of the application was published on December 19 and December 26, 2008, in the Rockwall County Herald-Banner, a newspaper regularly published or circulated in Rockwall County, the county in which the district is proposed to be located. Proper notice of the application was posted on January 15, 2009, on the bulletin board used for posting legal notices in Rockwall County. Accordingly, the notice requirements of 30 TAC Section 293.12(b) have been satisfied.

B. ENGINEERING ANALYSIS

The creation engineering report indicates the following:

Availability of Comparable Service

The proposed District lies within the water Certificate of Convenience and Necessity (CCN) boundary of Blackland Water Supply Corporation (WSC), and all requirements for water supply will be provided by Blackland WSC. It is anticipated that Blackland WSC will operate and maintain facilities and be the retail provider of water. The proposed District and proposed Rockwall County Water Control and Improvement District No. 2 (WCID No. 2) will share with others in the wastewater conveyance and treatment facilities.

Water Supply

Blackland WSC will provide the proposed District with its water supply. Blackland WSC will require the proposed District and proposed Rockwall County WCID No. 2 to construct approximately 5,600 linear feet (lf) of offsite 18-inch water line and pay a capital improvement fee of \$1,482 per lot, at 70% of 85% for water supply.

Water Distribution

The water distribution system for full development will consist of approximately 101,000 lf of 8-inch to 12-inch diameter internal water lines, and a share of 15,350 lf of 12-inch and 16-inch offsite water lines. Service lines, fire hydrants, and flushing valves will be provided.

Wastewater Treatment

The proposed District plans to participate in a joint wastewater treatment plant with other entities in the area, including Rockwall County WCID No. 2. The total wastewater load from the proposed District is expected to average 0.6 million gallons per day (2,003 ESFCs times 300 gallons per day per ESFC). The proposed treatment plant will be located along Big Brushy Creek adjacent to FM 548, about four miles southwest of the proposed District.

Wastewater Collection

The internal wastewater collection system for full development of the proposed District will consist of approximately 108,000 lf of 8 to 12-inch diameter internal gravity flow lines, and a share of 22,500 lf of 12, 15, 18, and 24-inch gravity lines, that will flow to a lift station to be shared with proposed Rockwall County WCID No. 2. Flows will then be pumped via force main and a 21-inch gravity line to the proposed Brushy Creek Treatment Plant. Flushing connections and service leads will be provided.

Storm Water Drainage

The storm water runoff within the proposed District will be directed through curb inlets and 78,200 lf of reinforced concrete storm lines that will range in size from 18 inches in diameter to 6-foot by 5-foot box culverts, to detention ponds. The storm drain collector system will outfall into unnamed tributaries of Graham Branch and Denton Creek.

Topography

The proposed District generally slopes from the northern to the southern border, with elevations ranging

from 516 feet above mean sea level (msl) to 558 feet above msl.

Floodplain

Federal Emergency Management Agency Flood Insurance Rate Map No. 4805430150 B dated September 17, 1980 indicates that approximately 77 acres of the proposed District is located in the 100-year floodplain. Development will reclaim a portion, 16 acres (77 acres less 61 acres,) of the floodplain acreage.

Impact on Natural Resources

The creation of the proposed District is expected to have no adverse effect on land elevation, groundwater levels, recharge capability, subsidence, natural runoff rates and drainage, or water quality.

C. SUMMARY OF COSTS

<u>Construction Costs</u>	<u>Total Amount</u>	<u>District's Share⁽¹⁾</u>
A. Developer Contribution Items		
1. Water Distribution System ⁽²⁾	\$ 6,402,342	\$ 4,481,639
2. Wastewater Collection System	4,164,440	2,915,108
3. Drainage System	6,786,585	4,750,610
4. Contingencies(7.5% of Items 1 to 3)	1,306,625	914,638
5. Engineering (11.0% of Items 1 to 4)	<u>2,057,933</u>	<u>1,440,553</u>
Total Developer Contribution Items	\$ 20,717,925	\$ 14,502,548
B. District Items		
1. Shared Wastewater Treatment Plant Facilities ⁽³⁾		\$ 7,215,452
2. Shared Water Trunk Facilities ⁽³⁾		700,218
3. Shared Wastewater Trunk Facilities ⁽³⁾		2,429,001
4. Contingencies (8.8% of Items 1 to 3)		912,064
5. Engineering (12.8% of Items 1 to 4)		<u>1,436,504</u>
Total District Items		\$ 12,693,239
TOTAL CONSTRUCTION COSTS (70.5% of BIR)		\$ 27,195,787
 <u>Non-construction Costs</u>		
A. Legal Fees (2.5%)		\$ 963,750
B. Fiscal Agent Fees (2%)		771,000
C. Interest		
1. Capitalized Interest (24 months @ 5.75%)		4,433,250
2. Developer Interest		3,127,516
D. Bond Discount (3%)		1,156,500
E. Creation Costs		100,000
F. Operating Expenses		170,322
G. Bond Issuance costs		385,500
H. Bond Application Report Costs		150,000
I. TCEQ Bond Issuance Fee (0.25%)		<u>96,375</u>

TOTAL NONCONSTRUCTION COSTS	\$ 11,354,213
TOTAL BOND ISSUE REQUIREMENT	\$38,550,000

- Note:
- (1) Assumes 70% funding of anticipated developer contribution items.
 - (2) The cost summary provided included water supply impact fees to Blackland WSC as a water distribution cost subject to a reimbursement rate of 70% of 85%.
 - (3) Amount shown represents proposed District's anticipated 46% (2,003 ESFCs for proposed District of 4,340 total ESFCs for Rockwall County WCID Nos. 1 & 2) pro rata share of the costs. Actual cost sharing to be in accordance with Commission rules at the time bond applications are reviewed.

Eligibility of costs for District funding and 30% developer contribution requirements will be determined in accordance with Commission rules in effect at the time bond applications are reviewed. Based on current rules, the proposed box culvert crossings under developer roads over natural waterways are not reimbursable.

D. ECONOMIC ANALYSIS

Land Use

The land use for the proposed District is projected in the following table:

<u>Development</u>	<u>Acres</u>	<u>ESFCs</u>
Single-Family Residential	406.0	1,160
Mixed use	91.0	843
Floodplain/Open space	60.5	0
Pipeline Easements	8.8	0
Thoroughfare Right-of-Way	17.2	0
Outer Loop Right-of-Way	32.7	0
Total	616.2	2,003

Market Study

A market study, prepared by Meyers Builder Advisors, has been submitted in support of the creation of the proposed District. The market study indicates that the proposed District will contain 1,160 single-family and 843 mixed use homes (condominiums and townhouses) ranging in value from \$100,000 to \$400,000. The homes are expected to be constructed at a rate of 78 to 189 units per year for single-family, and 159 to 228 units per year for mixed use, with initial construction in 2010 and build-out by 2018.

Project Financing

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

<u>Units Planned</u>	<u># of Units</u>	<u>Average Unit Value</u>	<u>Total Value at Build-out</u>
Single-Family Homes – 60'x120'	355	\$ 167,500	\$ 59,462,500
Single-Family Homes – 75'x120'	400	217,000	86,800,000
Single-Family Homes – 85'x130'	365	289,000	105,485,000
Single-Family Homes – 100'x200'	40	370,000	14,800,000
Mixed Use	843	118,250	99,684,750

Total **\$ 366,232,250**

Considering an estimated bond issue requirement of \$38,550,000 (assuming 70% financing,) a coupon bond interest rate of 5.75%, and a 25-year bond life, the average annual debt service requirement would be approximately \$2,944,378. Assuming a 90% collection rate and an ultimate taxable assessed valuation of \$366,232,250, a tax rate of about \$0.89 per \$100 assessed valuation would be necessary to meet the annual debt service requirements.

The total year 2008 overlapping tax rates on land within the proposed District are shown in the following tables:

<u>Taxing Jurisdiction</u>	<u>Tax per \$100 valuation</u>
Rockwall County	\$ 0.3750
Royse City Independent School District	1.4700
Proposed District Maintenance Tax	0.0500 ⁽¹⁾
Proposed District Debt Service Tax	<u>0.8900</u> ⁽¹⁾
Total tax per \$100 valuation	\$ 2.7850

Note: (1) Results in a combined projected tax rate of \$0.94.

Based on the proposed District tax rate and the year 2008 overlapping tax rates on land within the proposed District, the project is considered economically feasible.

Water and Wastewater Rates

According to information provided, the estimated monthly fee for 10,000 gallons of water and wastewater would be approximately \$70.65 (\$38.50 for water, and \$32.15 for wastewater.)

Comparative Water District Tax Rates

An overlapping tax rate of \$2.79 for the proposed District is comparable to other districts in the area. Based on the requirements of 30 TAC Section 293.59, this project is economically feasible.

E. SPECIAL CONSIDERATION

1. Hearing Request

A letter dated August 4, 2008 was sent to Rockwall County, in accordance with Texas Water Code Section 54.0161, to advise the County of the creation of the proposed District. By letter dated August 25, 2008, Rockwall County expressed opposition to the creation of the proposed District and requested a hearing. By letter dated January 23, 2009, Texas Media Enterprise, LLC, publisher of the Rockwall County News also requested a hearing.

2. Creation Consent

Subsequent to the filing of the application for the creation of the proposed District, the proposed District was included in the ETJ of the City of McClendon-Chisolm on August 12, 2008, and therefore the City's consent to the creation of the district was required. On July 8, 2010, the owners of the land within the proposed District filed a petition with the City seeking consent. A letter from the City to the Commission

dated July 26, 2010, stated that a decision by the City Council was anticipated on the consent request in the near future. Information from the petitioner dated November 22, 2011, indicated that after almost eighteen months of negotiations with the City, the City had not consented to the creation of the proposed District. The letter also indicated that the proposed District petitioned the City on August 23, 2011, for water and wastewater services. Information from the City indicates that the City has not reached an agreement with the petitioner regarding water and wastewater service for the proposed District. Since the City has failed to consent to the creation of the proposed District within 90 days after the submission of the petition from the land owner, and the City has failed to agree to provide service within 120 days after receiving a petition for service, the failure constitutes the City's consent to the creation of the proposed District, pursuant to Texas Local Government Code Sections 42.042(c) and (f).

F. CONCLUSIONS

1. Based on Commission policy, compliance with Commission rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, practicable, would be a benefit to the land within the proposed District, would be necessary as a means to finance utilities and to provide utility service to future customers, and would further the public welfare.
2. Based on a review of the preliminary engineering report; market study; the proposed District's water, wastewater, and drainage facilities; a combined projected tax rate of \$0.94; the proposed District obtaining a 5.75% bond coupon interest rate; and other supporting data, the proposed District is considered feasible under the feasibility limits prescribed by 30 TAC Section 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

F. RECOMMENDATIONS

1. Grant the petition for creation of Rockwall County Water Control and Improvement District No. 1, pursuant to Texas Local Government Code Sections 42.042(c) and (f).
2. The order granting the petition should include the following statements:

“This Order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the petition for creation, nor as a commitment or requirement of the Commission in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for Commission consideration.”

3. Appoint the following to serve as temporary directors until permanent directors are elected and qualified:

Edna L. Thompson
Carrie L. Coy

Malette Stevens
Althean Guerra

Shirley Perkins

Linda Brookins, Director, Water Supply Division

Page 8

May 15, 2012

G. ADDITIONAL INFORMATION

The petitioners' professional representatives are:

Attorney: Mr. Timothy G. Green – Coats, Rose, Yale, Ryman & Lee, PC

Engineer: Mr. Nathan Thompson, P.E. – Jacobs Carter Burgess

Market Analysts: Lance Ramella and Ada Kaiser - Meyers Builder Advisors

REQUEST FOR CONSENT TO THE CREATION OF
A WATER CONTROL AND IMPROVEMENT DISTRICT

THE STATE OF TEXAS §

ROCKWALL COUNTY §

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:

The undersigned, FM-548 & High Plains Trail-1237, LLLP, a Texas limited liability limited partnership (the "Owner"), the owner of land situated within the area described on Exhibit "A" attached hereto (the "Property"), pursuant to the provisions of Section 59, Article XVI of the Texas Constitution and Section 42.042 of the Texas Local Government Code, respectfully submits this request to the Honorable City Council of the City of McLendon-Chisholm (the "City") seeking consent to the creation of a water control and improvement district encompassing the Property (each individually or collectively, the "District"), which District is, at the time of this request, being considered for creation by the Texas Commission on Environmental Quality (the "TCEQ") and is identified by TCEQ Internal Control No. 06182008-D04, and for cause the Owner would respectfully show the following:

I.

The District shall be organized, as appropriate, under the terms and provisions of Article XVI, Section 59 of the Constitution of Texas, and Chapters 49 and 51 of the Texas Water Code, as amended, and any special legislation adopted from time to time by the Texas Legislature and affecting the District.

II.

The proposed name of the District shall be the "Rockwall County Water Control and Improvement District No. 1."

III.

The District shall contain an area of approximately 616.211 acres of land, more or less, lying wholly within Rockwall County, Texas and wholly within the extraterritorial jurisdiction of the City of McLendon-Chisholm, and not within the corporate limits or extraterritorial jurisdiction of any other city, town, or village. The boundaries of the proposed District are described by metes and bounds on Exhibit "A". There is no other conservation or reclamation district in Rockwall County, Texas with the same name.

IV.

The undersigned constitute a majority of the persons who hold title to land in the proposed District which represents a total value of more than 50 percent of the value of all the land in the proposed District as indicated by the county tax rolls.

V.

The general nature of the work to be done by and within the District shall be:

- (i) the construction, maintenance, and operation of a waterworks system for residential and commercial purposes;
- (ii) the construction, maintenance, and operation of a sanitary sewer collection system and sewage disposal plant;
- (iii) the construction, acquisition, and operation of a storm water drainage system in order to gather, conduct, divert, and control local storm water or other local harmful excesses of water storm drainage; and
- (iv) such other construction, installation, maintenance, purchase, and operation of such additional facilities, systems, plants and enterprises as shall be consistent with the purposes for which the District is organized.

The District may also finance one or more facilities designed or utilized to perform fire-fighting services and may purchase interests in land and purchase, construct, acquire, improve, extend, maintain, and operate improvements, facilities, and equipment for the purpose of providing parks and recreational facilities to the extent authorized and permitted under state law, as such laws may exist from time to time.

VI.

There is a necessity for the District because the District is located within an area which will experience a substantial and sustained residential and commercial growth within the immediate future, is urban in nature, and is not supplied with adequate water, sanitary sewer, storm sewers and drainage facilities, and services. The health and welfare of the future inhabitants of the District require the construction, acquisition, maintenance, installation, and operation of an adequate waterworks system, sanitary sewer system, and storm sewer and drainage facilities.

The purchase, construction, extension, improvement, maintenance and operation of such waterworks system, sanitary sewer system, and storm sewer and drainage system will conserve and preserve the natural resources of this State by promoting and protecting the purity and sanitary condition of the State's waters and will promote and protect the public health and welfare of the community; therefore, a public necessity exists for the organization of the District.

The land within the District cannot be developed without the creation of the District to finance, own, operate, and maintain the water, wastewater, storm sewer, and drainage facilities, therefore a public necessity exists.

VII.

The District is feasible because the terrain of the District is of such a nature that waterworks, sanitary sewer systems, storm sewer facilities, and drainage facilities can be constructed at a reasonable cost.

VIII.

Based on the information available to the Owner at the time of filing, the estimated cost of the Project is approximately \$38,550,000.

IX.

WHEREFORE, as consideration for the City's consent to the creation of the District, the Owner agrees to partially waive its vested rights to develop the property described on Exhibit "B" (the "Koch Property") at a residential density of 3.5 dwelling units per gross acre density by decreasing such density to (a) a maximum of 2.25 dwelling units per gross acre within 1,000 acres within the Koch Property; and (b) a maximum of four dwelling units per gross acre on the remaining acreage within the Koch Property, resulting in a maximum of 3,250 dwelling units within the Koch Property. The Owner's partial waiver of vested rights will become effective once Rockwall County Water Control and Improvement District No. 1 and Rockwall County Water Control and Improvement District No. 2 have been created and a confirmation election has been held confirming the creation of both districts. The Owner agrees to memorialize this partial waiver of vested rights through a development agreement between the Owner and the City binding the Koch Property or, at the City's option, through a letter to the City acknowledging the waiver. If a confirmation election is held for either district before this partial waiver of vested rights is memorialized, then the Owner is restricted to a residential density of 1.00 dwelling unit per gross acre.

X.

WHEREFORE, the undersigned Owner respectfully prays that this request be granted in all respects and that the City Council of the City of McLendon-Chisholm, Texas, adopt an ordinance or resolution giving its written consent to the creation of the District.

RESPECTFULLY SUBMITTED, this 7th day of July, 2010.

[SIGNATURES FOLLOW ON NEXT PAGE]

FM-548 & High Plains Trail-1237, LLLP,
a Texas limited liability limited partnership

By: High Plains Trail, GP, LLC, a Texas limited liability company,
Its: General Partner

By: Robert L. Shaw
Its: Authorized Officer

STATE OF ARIZONA §
 §
COUNTY OF MARICOPA §

This instrument was acknowledged before me on the 2nd day of July, 2010 by Robert L. Shaw, the Authorized Officer of High Plains Trail, GP, LLC, a Texas limited liability company, in its capacity as General Partner of FM-548 & High Plains Trail-1237, LLLP, a Texas limited liability limited partnership.

Jamie Chick
Notary Public in and for the State of Arizona
My Commission expires: 06-06-2011



JAMIE CHICK
Notary Public - Arizona
Maricopa County
Expires 06/06/2011

Exhibit "A"

Metes and Bounds Description of the Property within the District

BEING A 616.211 ACRE TRACT OF LAND SITUATED IN THE F. BANGUSS SURVEY, ABSTRACT NO. 7, ROCKWALL COUNTY, TEXAS AND BEING A PORTION OF THAT CALLED 1236.450 ACRE TRACT OF LAND DESCRIBED IN DEED TO MAREEN KOCH, RECORDED IN VOLUME 166, PAGE 812 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS (D.R.R.C.T.), BEARING BASIS IS NAD 1983 GRID, ZONE 4202, BASED ON GPS OBSERVATIONS AND OPUS SOLUTION. SAID 616.211 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND MARKING THE SOUTHEAST CORNER OF SAID MAREEN KOCH TRACT, IN THE NORTHWEST RIGHT OF WAY LINE OF F.M. 548 AS DESCRIBED IN RIGHT OF WAY DEED, RECORDED IN VOLUME 45, PAGE 632 D.R.R.C.T.;

THENCE S 43°57'12" W, ALONG THE SOUTH LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHWEST RIGHT-OF-WAY LINE OF SAID F.M. 548, A DISTANCE OF 4612.49 FEET TO A 5/8" IRON ROD FOUND AT THE MOST SOUTHERLY CORNER OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHEAST CORNER OF THAT CALLED 361.9 ACRE TRACT OF LAND DESCRIBED IN DEED TO TATE HEREFORD FARMS, LTD., RECORDED IN VOLUME 1787, PAGE 143 D.R.R.C.T.;

THENCE ALONG THE SOUTHWEST LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHEAST LINE OF SAID TATE HEREFORD FARM TRACT THE FOLLOWING COURSES AND DISTANCES:

N 46°02'44" W, A DISTANCE OF 1143.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 43°37'42" E, A DISTANCE OF 2180.92 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 69°24'45" W, A DISTANCE OF 1158.63 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 64°29'21" W, A DISTANCE OF 896.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 33°56'05" W, A DISTANCE OF 255.35 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 71°23'37" W, A DISTANCE OF 190.98 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 58°05'33" W, A DISTANCE OF 338.88 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 39°26'33" W, A DISTANCE OF 468.77 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET AT THE MOST NORTHERLY CORNER OF SAID TATE HEREFORD FARM TRACT IN THE SOUTHEAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO DALE ZEILTON, DAWN ZEILTON, HAM ROCKWALL, LLC AND HAM QUEEN CREEK, LLC, RECORDED IN VOLUME 4566, PAGE 53 D.R.R.C.T.;

THENCE CONTINUING ALONG THE NORTHWEST LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON SOUTHEAST LINE OF SAID ZEILTON TRACT THE FOLLOWING COURSES AND DISTANCES:

N 65°44'26" E, A DISTANCE OF 295.81 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 82°29'28" E, A DISTANCE OF 760.34 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET AT THE NORTHEAST CORNER OF SAID ZEILTON TRACT;

THENCE ALONG THE SOUTHWEST LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHEAST LINES OF SAID ZEILTON TRACT AND THAT CALLED 316.9 ACRE TRACT OF LAND DESCRIBED IN DEED TO SUE HOWELL, ET AL TRUSTEES, RECORDED IN VOLUME 994, PAGE 150 D.R.R.C.T. THE FOLLOWING COURSES AND DISTANCES:

N 45°36'43" W, A DISTANCE OF 4622.66 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 46°01'34" W, A DISTANCE OF 2574.51 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

THENCE OVER AND ACROSS SAID MAREEN KOCH TRACT THE FOLLOWING COURSES AND DISTANCES:

N 55°39'59" E, A DISTANCE OF 470.34 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 3000.00 FEET, A DELTA ANGLE OF 43°15'56", A LONG CHORD THAT BEARS N 77°17'57" E A DISTANCE OF 2211.94 FEET, AN ARC DISTANCE OF 2265.38 FEET TO A

5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

S 81°04'05" E, A DISTANCE OF 544.23 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

S 08°55'55" W, A DISTANCE OF 284.64 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2000.00 FEET, A DELTA ANGLE OF 72°56'32", A LONG CHORD THAT BEARS S 27°32'21" E A DISTANCE OF 2377.67 FEET, AN ARC DISTANCE OF 2546.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

S 64°00'37" E, A DISTANCE OF 446.26 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2500.00 FEET, A DELTA ANGLE OF 28°52'53", A LONG CHORD THAT BEARS S 49°34'11" E A DISTANCE OF 1246.89 FEET, AN ARC DISTANCE OF 1260.19 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 43°44'22" E, A DISTANCE OF 509.99 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET IN THE NORTHEAST LINE OF SAID MAREEN KOCH TRACT;

THENCE S 45°33'51" E, ALONG SAID NORTHEAST LINE, BEING THE COMMON SOUTHWEST LINE OF TRACT 1, DESCRIBED IN DEED TO UNIVEST PROPERTIES, INC., RECORDED IN VOLUME 1170, PAGE 117 D.R.R.C.T., A DISTANCE OF 5060.88 FEET TO THE POINT OF BEGINNING, AND CONTAINING 616.211 ACRES OF LAND, MORE OR LESS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC 663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTEREST IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Exhibit "B"
Metes and Bounds Description of the Koch Property

DESCRIPTION, of a 1,235.721 acre parcel of land located in the Franklin Baugess League and Labor Survey, Abstract No. 7, Rockwall County, Texas, being all of that tract of land described in a Warranty Deed to Maren Koch recorded in Volume 166, Page 812 of the Deed Records of Rockwall County; said 1,235.721 acre tract being more particularly described as follows:

BEGINNING, at a point for corner in the northwest right-of-way line of F.M. Highway No. 548 in the southwest line of a tract of land described as Tract 1 in a Special Warranty Deed to Univest Properties, Inc. et al recorded in Volume 1170, Page 117 of said Deed Records; from said point a 5/8-Inch iron rod with "Carter & Burgess" cap found bears South 45 degrees, 34 minutes East, a distance of 1.1 feet;

THENCE, South 43 degrees, 57 minutes, 12 seconds West, along the northwest line of said F.M. Highway No. 548 (an 80-foot right-of-way), a distance of 4612.49 feet to a 5/8-Inch iron rod found for corner; said point being in the northeast line of that tract of land described in Warranty Deed to Tate Hereford Farms, Ltd. recorded in Volume 1787, Page 143 of said Deed Records;

THENCE, along the said northeast line of said Tate Hereford Farms, Ltd. tract and along the meanders of a fence, the following eight (8) calls:

North 46 degrees, 02 minutes, 44 seconds West, a distance of 1143.20 feet to a point for corner; from said point an 8-Inch metal post found bears South 49 degrees, 08 minutes East, a distance of 3.6 feet;

North 43 degrees, 37 minutes, 42 seconds East, a distance of 2180.92 feet to an 8-Inch metal post found for corner;

North 69 degrees, 24 minutes, 45 seconds West, a distance of 1158.63 feet to an 8-Inch wood post found for corner;

North 64 degrees, 29 minutes, 21 seconds West, a distance of 896.96 feet to an 8-Inch wood post found for corner;

North 33 degrees, 56 minutes, 05 seconds West, a distance of 255.35 feet to a point for corner;

North 71 degrees, 23 minutes, 37 seconds West, a distance of 190.98 feet to a point for corner;

North 58 degrees, 05 minutes, 33 seconds West, a distance of 338.88 feet to a point for corner;

North 39 degrees, 26 minutes, 33 seconds West, a distance of 468.77 feet to a point for corner in lake at the northern most corner of said Tate Hereford Farms, Ltd. tract and being in the south line of a tract of land described in a Special Warranty Deed to Dale Zeitlin, Dawn Zeitlin, Ham Rockwall, LLC and Ham Queen Creek, LLC recorded in Volume 4568, Page 53 of said Deed Records;

THENCE, along the said south line of the Zeitlin et al tract the following two (2) calls:

North 65 degrees, 44 minutes, 26 seconds East, a distance of 295.81 feet to a 24-Inch stump found for corner;

North 82 degrees, 29 minutes, 28 seconds East, a distance of 760.34 feet to an 8-Inch wood post found for corner;

THENCE, North 45 degrees, 36 minutes, 43 seconds West, along the northeast line of said Zeitlin et al tract, a distance of 4,822.66 feet to a point for corner in the apparent northwest line of Wallace Road (a 40 foot wide dirt road);

THENCE, North 46 degrees, 01 minutes, 34 seconds West, along the southwest line of said Koch tract, passing at a distance of 1,959.45 feet the northern most corner of said Zeitlin et al tract and being the eastern most corner of that tract of land described in a Corrected Special Warranty Deed to Sue Howell Robert Sloan and Homer V. Howell recorded in Volume 994, Page 150 of said Deed Records; continuing along the northeast line of said Howell, Sloan and Howell tract, a total distance of 6080.72 feet to a 5/8-Inch iron rod with "Carter & Burgess" cap found for corner at the northern most corner of said Howell, Sloan and Howell tract and the western most corner of said Koch tract;

THENCE, North 44 degrees, 47 minutes, 40 seconds East, along the northwest line of said Koch tract, a distance of 4,032.48 feet to a 3-Inch metal post found for corner; said point being the westernmost corner of said of Tract 1 of Univest Properties, Inc. et al;

THENCE, along the northeast line of said Koch tract and the said southwest line of Tract 1, Univest Properties, Inc. et al the following three (3) calls:

South 45 degrees, 49 minutes, 03 seconds East, a distance of 9,293.21 feet to a 10-Inch wood post found for corner;

South 43 degrees, 44 minutes, 22 seconds West, a distance of 1,639.10 feet to an 8-Inch wood post found for corner;

South 45 degrees, 33 minutes, 51 seconds East, a distance of 5,060.90 feet to the POINT OF BEGINNING;

CONTAINING, 53,828,022 square feet or 1,235.721 acres of land, more or less.

SAVE AND EXCEPT any rights to the public road in or along Wallace Road.

5.

PETITION FOR WATER AND SANITARY SEWER SERVICES

THE STATE OF TEXAS §

ROCKWALL COUNTY §

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF MCLENDON-CHISHOLM, TEXAS:

The undersigned, FM-548 & High Plains Trail-1237, LLLP, a Texas limited liability limited partnership (the "Owner"), the owner of land situated within the area described by metes and bounds on Exhibit A and shown on the plat on Exhibit B attached hereto (the "Property"), pursuant to the provisions of Section 42.042 of the Texas Local Government Code, hereby petitions the City Council of the City of McLendon-Chisholm (the "City Council") to make water and sanitary sewer services available to the Property in a manner adequate to serve the proposed development of the Property, as reflected on Exhibit C attached hereto¹.

On July 7, 2010, the Owner submitted a "Request for Consent to the Creation of a Water Control and Improvement District" to the City Council (the "Request for Consent"). The Request for Consent included a paragraph identified therein as Section IX offering certain consideration for the City's consent to the creation of the Rockwall County Water Control and Improvement District No. 1 (the "District"), although such consideration is not required. The City Council failed to consent to the creation of the District; therefore, the Owner's offer of consideration, as stated in Section IX of the Request for Consent, is hereby withdrawn in its entirety, and Section IX of the Request for Consent shall be of no further force or effect.

The area to be included within the proposed District is the area described on Exhibit A. The Owner owns all of the land within the proposed District. As of the date of this Petition, there are no qualified voters residing within the proposed District.

RESPECTFULLY SUBMITTED, this ____ day of _____, 2011.

[SIGNATURES FOLLOW ON NEXT PAGE]

Dorena
Rec'd 8/23/11

¹ The Property is part of a larger 1,237-acre planned development that will require water and sanitary sewer service to serve a total of 3,250 dwelling units, as noted on Exhibit C.

OWNER:

FM-548 & High Plains Trail-1237, LLLP,
a Texas limited liability limited partnership

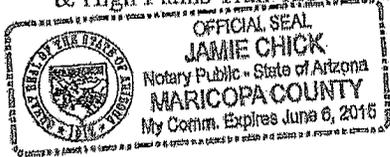
Approximate total acreage in the
area to be serviced owned by FM-
548 & High Plains Trail-1237,
LLLP: 660.211

By: High Plains Trail, GP, LLC
a Texas limited liability company,
Its General Partner

By: [Signature]
Its: Authorized Officer

STATE OF ARIZONA §
 §
COUNTY OF Maricopa §

This instrument was acknowledged before me on the 22 day of August,
2011 by R.H. McPae, Authorized Officer of High Plains
Trail, GP, LLC, a Texas limited liability company, in its capacity as General Partner of FM-548
& High Plains Trail-1237, LLLP, a Texas limited liability limited partnership.



[Signature]
Notary Public in and for the State of Arizona
My Commission expires: 6/6/2015

Exhibit "A"
Metes and Bounds Description of the Property

BEING A 616.211 ACRE TRACT OF LAND SITUATED IN THE F. BANGUSS SURVEY, ABSTRACT NO. 7, ROCKWALL COUNTY, TEXAS AND BEING A PORTION OF THAT CALLED 1236.450 ACRE TRACT OF LAND DESCRIBED IN DEED TO MAREEN KOCH, RECORDED IN VOLUME 166, PAGE 812 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS (D.R.R.C.T.). BEARING BASIS IS NAD 1983 GRID, ZONE 4202, BASED ON GPS OBSERVATIONS AND OPUS SOLUTION. SAID 616.211 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 1/2" IRON ROD FOUND MARKING THE SOUTHEAST CORNER OF SAID MAREEN KOCH TRACT, IN THE NORTHWEST RIGHT OF WAY LINE OF F.M. 548 AS DESCRIBED IN RIGHT OF WAY DEED, RECORDED IN VOLUME 45, PAGE 632 D.R.R.C.T.;

THENCE S 43°57'12" W, ALONG THE SOUTH LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHWEST RIGHT-OF-WAY LINE OF SAID F.M. 548, A DISTANCE OF 4612.49 FEET TO A 5/8" IRON ROD FOUND AT THE MOST SOUTHERLY CORNER OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHEAST CORNER OF THAT CALLED 361.9 ACRE TRACT OF LAND DESCRIBED IN DEED TO TATE HEREFORD FARMS, LTD., RECORDED IN VOLUME 1787, PAGE 143 D.R.R.C.T.;

THENCE ALONG THE SOUTHWEST LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHEAST LINE OF SAID TATE HEREFORD FARM TRACT THE FOLLOWING COURSES AND DISTANCES:

N 46°02'44" W, A DISTANCE OF 1143.20 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 43°37'42" E, A DISTANCE OF 2180.92 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 69°24'45" W, A DISTANCE OF 1158.63 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 64°29'21" W, A DISTANCE OF 896.96 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 33°56'05" W, A DISTANCE OF 255.35 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 71°23'37" W, A DISTANCE OF 190.98 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 58°05'33" W, A DISTANCE OF 338.88 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 39°26'33" W, A DISTANCE OF 468.77 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET AT THE MOST NORTHERLY CORNER OF SAID TATE HEREFORD FARM TRACT IN THE SOUTHEAST LINE OF THAT CERTAIN TRACT OF LAND DESCRIBED IN DEED TO DALE ZEILTON, DAWN ZEILTON, HAM ROCKWALL, LLC AND HAM QUEEN CREEK, LLC, RECORDED IN VOLUME 4566, PAGE 53 D.R.R.C.T.;

THENCE CONTINUING ALONG THE NORTHWEST LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON SOUTHEAST LINE OF SAID ZEILTON TRACT THE FOLLOWING COURSES AND DISTANCES:

N 65°44'26" E, A DISTANCE OF 295.81 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 82°29'28" E, A DISTANCE OF 760.34 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET AT THE NORTHEAST CORNER OF SAID ZEILTON TRACT;

THENCE ALONG THE SOUTHWEST LINE OF SAID MAREEN KOCH TRACT, BEING THE COMMON NORTHEAST LINES OF SAID ZEILTON TRACT AND THAT CALLED 316.9 ACRE TRACT OF LAND DESCRIBED IN DEED TO SUE HOWELL, ET AL TRUSTEES, RECORDED IN VOLUME 984, PAGE 150 D.R.R.C.T. THE FOLLOWING COURSES AND DISTANCES:

N 45°36'43" W, A DISTANCE OF 4622.66 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 46°01'34" W, A DISTANCE OF 2574.51 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

THENCE OVER AND ACROSS SAID MAREEN KOCH TRACT THE FOLLOWING COURSES AND DISTANCES:

N 55°39'59" E, A DISTANCE OF 470.34 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 3000.00 FEET, A DELTA ANGLE OF 43°15'56", A LONG CHORD THAT BEARS N 77°17'57" E A DISTANCE OF 2214.94 FEET, AN ARC DISTANCE OF 2265.38 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

S 81°04'05" E, A DISTANCE OF 544.23 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

S 08°55'55" W, A DISTANCE OF 284.64 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2000.00 FEET, A DELTA ANGLE OF 72°56'32", A LONG CHORD THAT BEARS S 27°32'21" E A DISTANCE OF 2377.67 FEET, AN ARC DISTANCE OF 2546.17 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

S 84°00'37" E, A DISTANCE OF 446.26 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2500.00 FEET, A DELTA ANGLE OF 28°52'53", A LONG CHORD THAT BEARS S 49°34'11" E A DISTANCE OF 1246.89 FEET, AN ARC DISTANCE OF 1260.19 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET;

N 43°44'22" E, A DISTANCE OF 509.99 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET IN THE NORTHEAST LINE OF SAID MAREEN KOCH TRACT;

THENCE S 45°33'51" E, ALONG SAID NORTHEAST LINE, BEING THE COMMON SOUTHWEST LINE OF TRACT 1, DESCRIBED IN DEED TO UNIVEST PROPERTIES, INC., RECORDED IN VOLUME 1170, PAGE 117 D.R.R.C.T., A DISTANCE OF 5060.88 FEET TO THE POINT OF BEGINNING, AND CONTAINING 616.211 ACRES OF LAND, MORE OR LESS.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC 663.21, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTEREST IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

Exhibit "B"
Plat of the Property

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

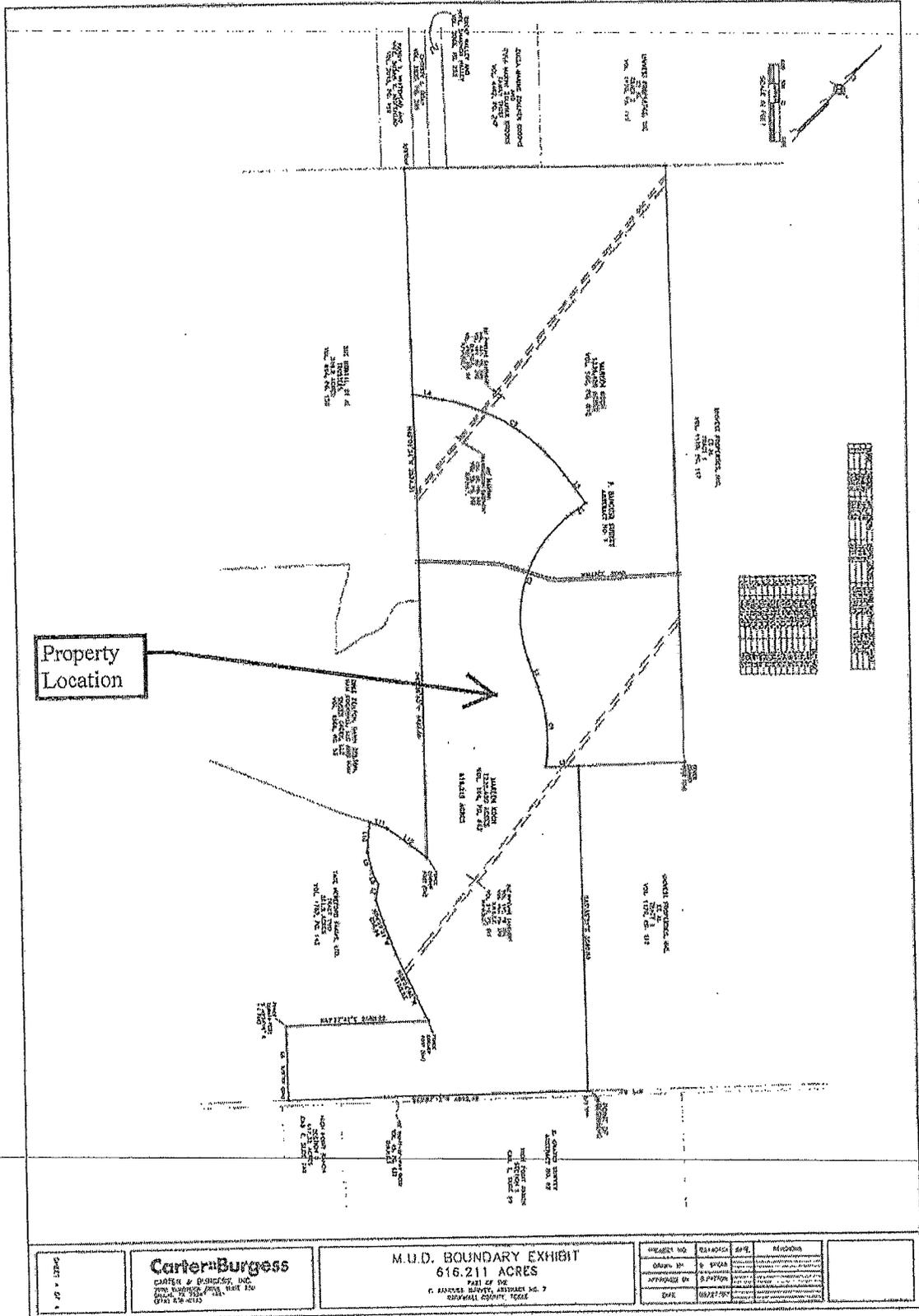


Exhibit B - Plat of Property

Exhibit "C"
Plan for Development for the Property

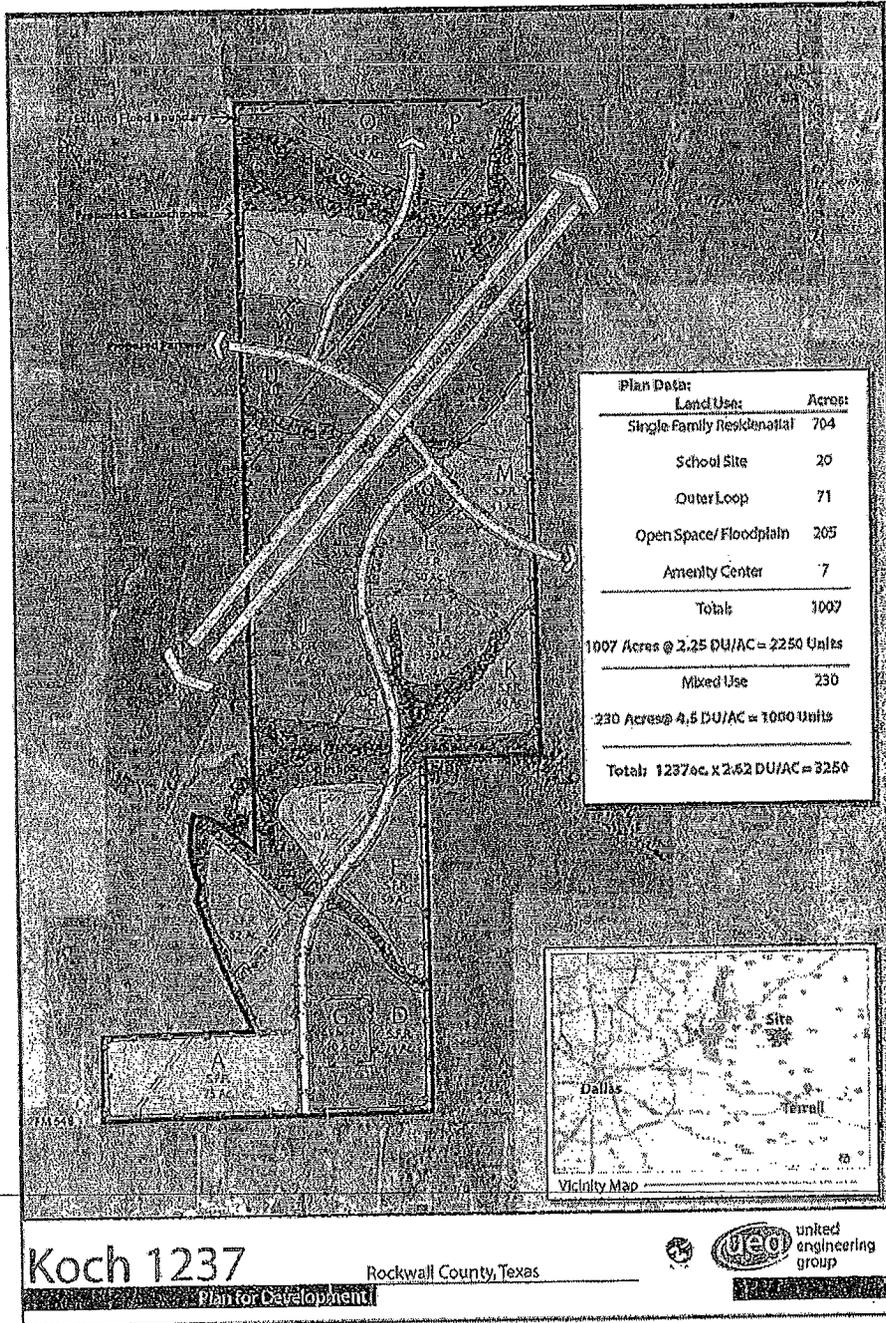


Exhibit "D"
Affidavit of Publication

PUBLISHER'S AFFIDAVIT

STATE OF TEXAS
COUNTY OF ROCKWALL

Before me, the undersigned Notary Public for the State of Texas, on this day personally appeared Wesley W. Burnett, who after being duly sworn upon oath deposed and said:

I am the Publisher of the Rockwall County Newspaper a newspaper of Texas located in Rockwall County, Texas.

The accompanying printed matter represents a true and correct copy of notice(s) published in the Rockwall County News, a newspaper satisfying all the statutory requirements for publishing legal notices.

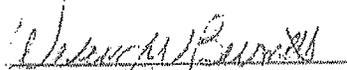
Such notice was published one time in said Texas newspaper on the date(s) indicated below:

June 17, 2011.

Tear sheets showing such publication of the notice accompany this affidavit.

I hereby swear or affirm that the above-mentioned newspaper meets all of the Texas statutory requirements for publishing required notices in Rockwall County, Texas.

I further swear or affirm that I have personal knowledge of all matters stated herein and the foregoing statements are true and correct.



Publisher/Affiant signature

SWORN TO AND SUBSCRIBED, this 17th day of June, 2011, to certify which witness my hand and seal of office.





Notary Public in and for the State of Texas

NOTICE

PERMITS FOR WATER AND SANITARY SEWER SERVICES

THE STATE OF TEXAS
ROCKWALL COUNTY

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF MCKINNEY, TEXAS

The undersigned, 111-548 & High Plains Tract-123, L.L.P., a Texas limited liability limited partnership (the "Partner"), the owner of land situated within the area described by title and bounds as Exhibit A and shown on the plat on Exhibit B attached hereto (the "Property"), proposes to the permission of Section 11.10 of the Texas Local Government Code, hereby petitioning the City Council of the City of McKinney, Texas (the "City Council") to issue water and sanitary sewer easements available to the Property, as indicated on Exhibit C attached hereto.

On July 7, 2010, the City Council adopted a "Request for Consent to the Creation of Water Control and Improvement District" in the City Council (the "Request for Consent"). The Request for Consent includes a proposed schedule of work and Section 11.10 of the Texas Local Government Code, hereby petitioning the City Council to issue water and sanitary sewer easements available to the Property, as indicated on Exhibit C attached hereto.

The area to be included within the proposed District is the area described on Exhibit A. The City Council has all of the land within the proposed District. As of the date of this Petition, there are no recorded easements existing within the proposed District.

RESPECTFULLY SUBMITTED this day of _____, 2011.

(SIGNATURE FOLLOWS ON NEXT PAGE)

The Partner is a Texas limited liability limited partnership. The Partner is a Texas limited liability limited partnership. The Partner is a Texas limited liability limited partnership.

By: _____
Title: _____

STATE OF ARIZONA
COUNTY OF _____

This instrument was acknowledged before me on the _____ day of _____, 2011 by _____, a Texas limited liability limited partnership, as its general manager. My Commission expires: _____

My Commission expires: _____
Notary Public in and for the State of Arizona
My Commission expires: _____

BEING A 616.211 ACRE TRACT OF LAND SITUATED IN THE BANGLOSS SURVEY, ABSTRACT NO. 7, ROCKWALL COUNTY, TEXAS AND BEING A PORTION OF THAT CALLED 100-00 ACRE TRACT OF LAND DESCRIBED IN DEED TO MARSH BURGESS, INCORPORATED IN VOLUME 100, PAGE 812 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS (B.B. DEED). BEING ALSO PART OF THE 100-00 ACRE TRACT OF LAND DESCRIBED IN DEED TO MARSH BURGESS, INCORPORATED IN VOLUME 100, PAGE 812 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS (B.B. DEED). BEING ALSO PART OF THE 100-00 ACRE TRACT OF LAND DESCRIBED IN DEED TO MARSH BURGESS, INCORPORATED IN VOLUME 100, PAGE 812 OF THE DEED RECORDS OF ROCKWALL COUNTY, TEXAS (B.B. DEED).

BEING AT A 1/2" HIGH ROD FOUND MARKING THE SOUTHWEST CORNER OF SAID MARSH BURGESS TRACT, IN THE NORTHWEST QUARTER OF WAY 100 OF F.M. 542 AS DESCRIBED IN RIGHT OF WAY DEED, RECORDED IN VOLUME 58, PAGE 628 OF B.L.R.C.T.

THENCE S 83° 14' 12" W. ALONG THE SOUTH LINE OF SAID MARSH BURGESS TRACT, BEING THE COMMON NORTHWEST RIGHT-OF-WAY LINE OF SAID F.M. 542, A DISTANCE OF 412.46 FEET TO A 6" HIGH ROD FOUND AT THE MOST NORTHEAST CORNER OF SAID MARSH BURGESS TRACT, BEING THE COMMON NORTHWEST CORNER OF THAT CALLED 20.0 ACRE TRACT OF LAND DESCRIBED IN DEED TO THE HERKHOFF FARMS, LTD., RECORDED IN VOLUME 100, PAGE 140 OF B.L.R.C.T.

THENCE ALONG THE SOUTHWEST LINE OF SAID MARSH BURGESS TRACT, BEING THE COMMON NORTHWEST LINE OF SAID THE HERKHOFF FARMS TRACT THE FOLLOWING COURSES AND DISTANCES:

- N 40° 29' 41" W. A DISTANCE OF 118.20 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
- N 43° 37' 41" E. A DISTANCE OF 216.23 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
- N 59° 29' 48" W. A DISTANCE OF 118.83 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
- N 64° 22' 21" W. A DISTANCE OF 408.06 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
- N 13° 46' 03" W. A DISTANCE OF 255.25 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
- N 71° 11' 21" W. A DISTANCE OF 100.88 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.

Exhibit A - Page 1

N 50° 29' 22" W. A DISTANCE OF 236.81 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
N 30° 29' 23" W. A DISTANCE OF 168.71 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET AT THE MOST NORTHEAST CORNER OF SAID THE HERKHOFF FARMS TRACT IN THE SOUTHWEST CORNER OF THAT CALLED TRACT OF LAND DESCRIBED IN DEED TO SAID F.M. 542, AS DESCRIBED IN RIGHT OF WAY DEED, RECORDED IN VOLUME 58, PAGE 628 OF B.L.R.C.T.

LEGAL NOTICES

THENCE CONTINUED ALONG THE NORTHWEST LINE OF SAID MARSH BURGESS TRACT, BEING THE COMMON SOUTHWEST LINE OF SAID F.M. 542 TRACT THE FOLLOWING COURSES AND DISTANCES:

- N 57° 14' 20" E. A DISTANCE OF 236.81 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
- N 42° 29' 23" E. A DISTANCE OF 168.71 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET AT THE NORTHWEST CORNER OF SAID F.M. 542 TRACT.

THENCE ALONG THE SOUTHWEST LINE OF SAID MARSH BURGESS TRACT, BEING THE COMMON SOUTHWEST LINE OF SAID F.M. 542 TRACT AND THAT CALLED 20.0 ACRE TRACT OF LAND DESCRIBED IN DEED TO GOR HOWELL, ET AL TRUSTEE, RECORDED IN VOLUME 94, PAGE 160 OF B.L.R.C.T. THE FOLLOWING COURSES AND DISTANCES:

- N 45° 29' 41" W. A DISTANCE OF 402.66 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.
- N 49° 29' 41" W. A DISTANCE OF 216.23 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.

THENCE OVER AND ACROSS SAID MARSH BURGESS TRACT THE FOLLOWING COURSES AND DISTANCES:

- N 50° 29' 22" E. A DISTANCE OF 470.81 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.

ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2000.00 FEET, A DELTA ANGLE OF 27° 02' 37", A LONG CHORD THAT BEARS S 27° 02' 37" E A DISTANCE OF 217.14 FEET, A LONG CHORD THAT BEARS S 77° 47' 23" E A DISTANCE OF 271.84 FEET, AN ARC DISTANCE OF 226.28 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.

ALONG A CURVE TO THE LEFT HAVING A RADIUS OF 2000.00 FEET, A DELTA ANGLE OF 7° 02' 37", A LONG CHORD THAT BEARS S 77° 47' 23" E A DISTANCE OF 271.84 FEET, A LONG CHORD THAT BEARS S 27° 02' 37" E A DISTANCE OF 217.14 FEET, AN ARC DISTANCE OF 226.28 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.

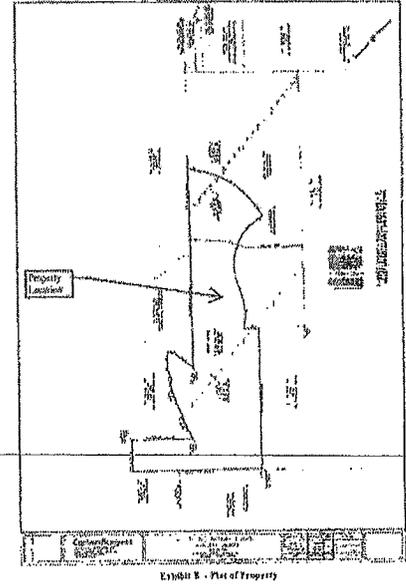
ALONG A CURVE TO THE RIGHT HAVING A RADIUS OF 2000.00 FEET, A DELTA ANGLE OF 27° 02' 37", A LONG CHORD THAT BEARS S 27° 02' 37" E A DISTANCE OF 217.14 FEET, A LONG CHORD THAT BEARS S 77° 47' 23" E A DISTANCE OF 271.84 FEET, AN ARC DISTANCE OF 226.28 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET.

N 43° 14' 22" E. A DISTANCE OF 402.66 FEET TO A 6" HIGH ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER BURGESS" SET IN THE NORTHEAST CORNER OF SAID MARSH BURGESS TRACT.

THENCE S 40° 29' 22" E. ALONG SAID NORTHEAST LINE, BEING THE COMMON SOUTHWEST LINE OF TRACT 1, DESCRIBED AS BEING TO CORNER 1 FURNISHING, INC. RECORDED IN VOLUME 470, PAGE 174 OF B.L.R.C.T., A DISTANCE OF 226.28 FEET TO THE POINT OF BEGINNING, AND CONTAINING 0.0211 ACRES OF LAND, MORE OR LESS.

THIS INSTRUMENT WAS PREPARED UNDER THE PARTIAL GUIDANCE OF THE RULES OF THE BAR AND THE RULES OF THE COURT AND IS NOT TO BE CONSIDERED AS A SUBSTITUTE FOR LEGAL COUNSEL OR AS A SUBSTITUTE FOR THE SERVICES OF A NOTARY PUBLIC.

Exhibit A - Page 2



Lumpkins tapped as RNS nutrition department Employee of the Year

Employee of the Year award recipient, Rockwall High School student, Lumpkins, recently was named Employee of the Year by the school's administration department. Lumpkins is the largest part of this RNS (Rockwall Nutrition Staff) according to Lumpkins by 44%, which means more for the school.

The Employee of the Year award is given to the RNS member for about every year. This award works in the back of houses for what you are doing for the students and what you are doing for the school. You will receive a certificate and a trophy from the school. "This is a special honor for me," Lumpkins said.

Local Notices

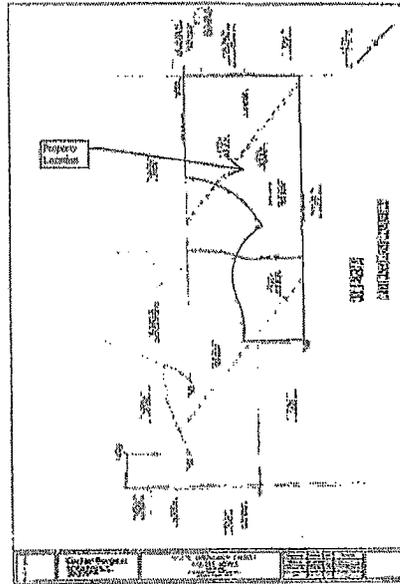


Exhibit B - Part of Property
Plan for Development, Location, Property

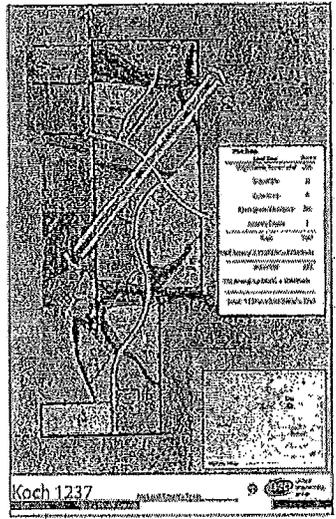


Exhibit C
Plan for Development, Location, Property

Rockwall County News

Vendor Locations

Extra! Extra! Read all about it!
Visit the following locations for extra copies

- Rockwall, North**
- Donut Station (Hwy 206 and The Shores)
- 7-11 (Hwy 205)
- Walgreen's (Hwy 205)
- Downtown Rockwall
- Highway 66 Diner (Rusk Street)
- Hunan Chinese Restaurant (San Jacinto Street)
- 7-11 (Kaufman & Goliad)
- Rockwall Post Office
- Rockwall, West**
- Starbucks (Rusk Street)
- Walmart Neighborhood Market (Rusk Street)
- Rockwall, North Ridge Rd.
- Brookshire's Grocery Store (Shopping Center)
- Dollar General Store (Shopping Center)
- Rockwall County Building (Ridge Road)
- Rockwall, South**
- Grandy's
- Roadway (Goliad Street)
- Valero
- Value Place Inn (IH 30 Frontage Rd)
- Walmart Supercenter
- Yellow Jacket Barber Shop
- Rockwall, South of I-30**
- Chick-Fil-A (Ridge Road & Steger Town)
- Shell Station (548 & 276)
- Starbucks (Ridge Road)
- Valero
- Rockwall, East**
- Exxon 66 (Hwy 66 & 549)
- Love's Convenience Store (I-30 & 549)
- Fate
- Fate Grocery Store
- Royse City**
- Charlie's Grocery & Gas (548, South of I-30)
- Denny's Restaurant (I-30 & 548)
- Mo's Chevron (Hwy 66 & 1138)
- Tiger Mart Exxon (I-30 & 548)

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County News!

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November 22, 2011

VIA FEDERAL EXPRESS

Mr. Greg Charles, District Review Team
Utilities and Districts Section (Mail Code 152)
Water Supply Division, Texas Commission on Environmental Quality
P.O. Box 13087
Austin, Texas 78711-3087

**Re: Rockwall County Water Control and Improvement District No. 1 and
Rockwall County Water Control and Improvement District No. 2;
CN; 603377441; RN: 105557854-CN; 603377466; RN: 105557870
Internal Control No. 06182008-D04 and 06182008-D05 Creation**

Dear Mr. Charles:

As you may recall, two applications for creation of the above-referenced water control and improvement districts were received by the TCEQ's Review Team on June 18, 2008. At such time, neither of the districts were located within the extra-territorial jurisdiction of any city. Subsequent to the filing, all of the land located within each of the two proposed districts was included in the extra-territorial jurisdiction of the City of McClendon-Chisolm ("City"). Since that time the owners of the property have been negotiating with the City to obtain its consent to creation of the districts. After almost 18 months of effort by the owners, the City has made it clear that it will not consent to the creation of the districts or provide water and sewer service to the properties.

In anticipation of the City's position, on July 8, 2010, the owners of the property filed petitions with the City for its consent to the creation of the districts, and when the City failed to act thereon, the owners petitioned the City for water and sewer service. Last week the City Council formally voted not to consent to the creation of the districts and not to provide service to the property.

~~In conjunction with the applicable provisions of Texas Local Government Code §42.042,~~
we are providing you with information reflecting that (i) subsequent to the time the applications for creation were filed with the TCEQ the land in the districts was included in the ETJs of the City, (ii) the owners of the property petitioned the City for consent to the creation of each district, and (iii) petitioned the City for service:

3 East Greenway Plaza, Suite 2000 Houston, Texas 77046-0307
Phone: 713-651-0111 Fax: 713-651-0220
Web: www.coatsrose.com

Rockwall County Water Control and Improvement District No. 1

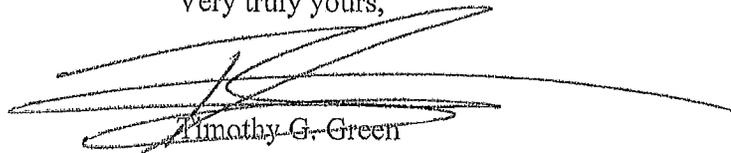
1. Minutes of the meeting of the City Council City of McClendon-Chisolm reflecting in Sections 5(f)(g)(h) inclusion of the land within the district in the City's ETJ;
2. Request for Consent to Creation of Water Control and Improvement District ("Petition for Consent");
3. Letter from McClendon-Chisolm to TCEQ reflecting Petition for Consent was filed on July 8, 2010 and the City opposed creation of the district;
4. Publisher's affidavit reflecting publication on June 17, 2011 of notice of intent to file Petition For Services with the City; and
5. Petition for Water and Sanitary Sewer Services to all the land located within the boundaries of the district filed with City on August 23, 2011.

Rockwall County Water Control and Improvement District No. 2

6. Minutes of the meeting of the City Council City of McClendon-Chisolm reflecting in Sections 5(f)(g)(h) inclusion of the land within the district in the City's ETJ;
7. Request for Consent to Creation of Water Control and Improvement District ("Petition for Consent");
8. Letter from McClendon-Chisolm to TCEQ reflecting Petition for Consent was filed on July 8, 2010 and the City opposed creation of the district;
9. Publisher's affidavit reflecting publication on June 17, 2011 of notice of intent to file Petition For Services with the City; and
10. Petition for Water and Sanitary Sewer Services to all the land located within the boundaries of the district filed with City on August 23, 2011.

At the McClendon-Chisolm City Council meeting held on November 8, 2011, the City Council voted not to consent to the creation of the districts or attempt to enter into any agreement with the owners to serve the land. In accordance with the provisions of Texas Local Government Code §42.042, we are now requesting that the TCEQ create each of the districts notwithstanding the City's refusal to consent to its creation.

Very truly yours,


Timothy G. Green

TGG:ljp

MAILING LIST
ROCKWALL COUNTY WCID NO. 1
DOCKET NO. 2009-0205-DIS; INTERNAL CONTROL NO. 06182008-D04

FOR THE APPLICANT:

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Angela M. Stepherson
Coats, Rose, Yale, Ryman & Lee, P.C.
5420 LBJ Freeway, Suite 1300
Dallas, Texas 75240-6222
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FOR THE EXECUTIVE DIRECTOR

via electronic mail:
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Brian Christian, Director
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FOR PUBLIC INTEREST COUNSEL

via electronic mail:
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Quality
Public Interest Counsel, MC-103
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Austin, Texas 78711-3087
Tel: (512) 239-6363
Fax: (512) 239-6377

FOR ALTERNATIVE DISPUTE
RESOLUTION

via electronic mail:
Mr. Kyle Lucas
Texas Commission on Environmental
Quality
Alternative Dispute Resolution, MC-222
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-4010
Fax: (512) 239-4015

FOR THE CHIEF CLERK:

Ms. Bridget C. Bohac
Texas Commission on Environmental
Quality
Office of Chief Clerk, MC-105
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-3300
Fax: (512) 239-3311

REQUESTERS:

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Rockwall County Commissioner
101 East Rusk Street, Suite 202
Rockwall, Texas 75087-3783

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Rockwall County Judge
101 East Rusk Street, Suite 202
Rockwall, Texas 75087-3783

Lorie Grinnan
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Rockwall, Texas 75087-3783

J. David Magness
Rockwall County Commissioner
101 East Rusk Street, Suite 202
Rockwall, Texas 75087-3783

Jerry Wimpee
Rockwall County Commissioner
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Rockwall, Texas 75087-3783