

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Texas Commission on Environmental Quality **Date:** January 5, 2010

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

From: Districts Review Team

Subject: Docket No. 2009-1573-DIS; Petition by Lavon 593 Land Investment Partners, L.P. for the Creation of Collin County Water Control and Improvement District No. 3; Pursuant to Texas Water Code Chapters 49 and 51.
TCEQ Internal Control No. 11032008-D01
CN: 603421306 RN: 105645188

DESCRIPTION OF APPLICATION

Request: Petition for the Creation of Collin County WCID No. 3
Authority: Texas Water Code Chapters 49 and 51

STAFF RECOMMENDATIONS

Grant the petition for the creation of Collin County WCID No. 3.

TECHNICAL INFORMATION

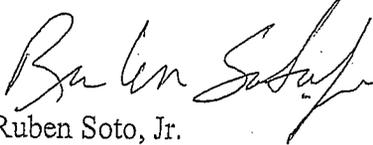
General: The Commission received a petition requesting approval for the creation of Collin County Water Control and Improvement District No. 3 (the "District"). The proposed District would contain approximately 592.744 acres of land in Collin County, approximately 23 miles southeast to the City of Dallas, and wholly located within Collin County and Wylie ISD. Portions of the proposed District are within the extraterritorial jurisdiction (ETJ) of the City of Lucas, the City of Wylie, and the Town of St. Paul; evidence of notification to each city has been provided as required by Local Government Code Section 42.042.

ANTICIPATED RESPONSE

The City of Lucas and the City of Wylie have submitted hearing requests.

CONTACT

Shana Horton, TCEQ Staff Attorney – 239-1088.
Skip Ferris, Team Leader, Districts Review Team – 239- 6355.
Ruben Soto, Jr., Technical Manager, Districts Review Team – 239-4571.



Ruben Soto, Jr.
Districts Review Team

From: Irma Salazar
To: Ruben Soto
CC: Charlene Smith; Ferris, Skip
Date: 7/23/2009 11:29 AM
Subject: Collin County WCID 3 / IC # 11032008-D01

We have received proof of newspaper publication for the above referenced, evidencing publication on June 28 and July 5, 2009 in the *McKinney Courier-Gazette*. The affidavit states said newspaper is regularly published or circulated in Collin County, Texas.

In addition, we have received the Affidavit of Posting, evidencing that the notice together with Exhibits A & B, were posted on June 30, 2009 on the bulletin board used for posting of legal notices at the Collin County Courthouse.

Based on the above information, the comment period ends at the close of business on August 4, 2009.

The documents are being prepared for filing and will be available for viewing by requesting the file at the front desk of OCC within the next few days.

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To: Todd Chenoweth, Acting Director
Water Supply Division

Date: January 5, 2010

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

From: Districts Review Team

Subject: Addendum No. 1 to the Memorandum dated September 29, 2009; Subject: "Docket Number 2009-1573-DIS; Petition by Lavon 593 Land Investment Partners, L.P., for the Creation of Collin County Water Control and Improvement District No. 3; Pursuant to Texas Water Code Chapters 49 and 51." TCEQ Internal Control Number: 11032008-D01(ADD)
CN: 603421306 RN: 105645188

The proposed Districts attorney provided a response to the above referenced memorandum on November 12, 2009 regarding correspondence with the City of Wylie. The Commission's legal staff have reviewed the City of Wylie correspondence and considers it appropriate. Therefore, portions of the referenced memorandum are revised as follows.

A. GENERAL INFORMATION

City Consent (Page 2)

The Cities of St. Paul, Lucas and Wylie have not granted consent to the petition for creation of the proposed District. Pursuant to requirements of Local Government Code Section 42.042, evidence has been provided showing submittal for consent and request for water and wastewater service as follows:

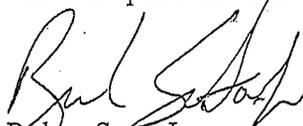
	<u>City of St. Paul</u>	<u>City of Lucas</u>	<u>City of Wylie</u>
Submitted for consent:	Received 1/23/08	Received 1/18/08	Received 10/10/08 ⁽¹⁾
Petition for service:	Received 5/19/08	Received 5/16/08	Received 2/3/09 ⁽²⁾

Notes: (1) Includes an October 1, 2008 letter and an October 9, 2008 request for consent pursuant to a November 9, 2009 affidavit and Federal Express confirmation.

(2) Includes a January 30, 2009 petition for water and wastewater service pursuant to a November 9, 2009 affidavit and Federal Express confirmation.

The contingency statement to the recommendations on page 8 of the above referenced memorandum is deleted and the recommendations are offered as stated.

All other portions of the memorandum remain as stated.


Ruben Soto, Jr.
Districts Review Team

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Todd Chenoweth, Director
Water Supply Division

Date: September 29, 2009

Thru: *RN^{gr}* Doug Holcomb, P.E., Manager, Utilities and Districts Section
RN^{for} Alex A. (Skip) Ferris, P.E., Leader, Districts Review Team

From: Districts Review Team

Subject: Docket Number 2009-1573-DIS; Petition by Lavon 593 Land Investment Partners, L.P., for the Creation of Collin County Water Control and Improvement District No. 3; Pursuant to Texas Water Code Chapters 49 and 51.
TCEQ Internal Control Number: 11032008-D01(TC)
CN: 603421306 RN: 105645188

A. GENERAL INFORMATION

The Commission received a petition within the application requesting approval for the creation of Collin County Water Control and Improvement District No. 3 (the "District"). The petition was signed by Michael N. Maberry, president of Hanover Services Group, Inc., general partner of Lavon 593 GP Partners, Ltd., general partner of Lavon 593 Land Investment Partners, L.P., (Petitioner). According to the petition, the Petitioner is the owner of a majority in value of the land proposed in the proposed District, and that there is one lien holder, The First National Bank of Jacksboro, 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 would contain approximately 592.744 acres of land in Collin County, approximately 8 miles east of the intersection of Farm-to-Market Road 2514 (Parker Road) and U.S. Highway 75, and approximately 23 miles from the City of Dallas. Access to the proposed District will be from Farm-to-Market Road 2514 (Parker Road). The petition states that the proposed District is not located within the limits of any incorporated city, town or village. Portions of the proposed District are within the extraterritorial jurisdiction (ETJ) of the City of Lucas, the City of Wylie and the Town of St. Paul, and no portion of the proposed District is within the ETJ of any other city, town, or village.

Metes and Bounds Description

The proposed District contains a 592.744 acre tract. The metes and bounds description for the tract of land for the proposed District has been checked by TCEQ staff and has been found to form an acceptable closure.

City Consent

The Cities of St. Paul, Lucas and Wylie have not granted its consent to the petition for creation of the proposed District. Pursuant to requirements of Local Government Code Section 42.042, evidence has been provided showing submittal for consent and request for water and wastewater service as follows:

	<u>City of St. Paul</u>	<u>City of Lucas</u>	<u>City of Wylie</u>
Submitted for consent:	Received 1/23/08	Received 1/18/08	Letter dated 10/1/08, but no evidence received.
Petition for service:	Received 5/19/08	Received 5/16/08	Petition for service dated 1/30/09, but no evidence received.

Statements of Filing Petition

Evidence was provided showing that a copy of the petition has been filed with the Collin County Clerks office and the TCEQ's Dallas/Fort Worth Regional Office.

Type of Project

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

Developer Qualifications

Information provided indicates that Hanover Property Company will be the developer for the proposed District. Application material indicates that Hanover Property Company projects include residential and commercial developments. Additionally, application materials indicates that Hanover Property Company has constructed more than 5,000 homes and has experience in developing master planned communities in the Dallas/Fort Worth area.

Todd Chenoweth, Director, Water Supply Division

Page 3

September 29, 2009

Appraisal District Certificate

The Commission has received a December 30, 2008 certificate from the Collin Central Appraisal District which indicates that the Petitioners own a majority in value of the land in the proposed District.

Temporary Director Affidavits

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

Rusty Coffee

Peter S. Crow

Kristen Mazza

Tommy Thomas

Jeffery P. Weyandt

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 since 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 District.

Notice Requirements

Proper notice of the application was published in the *McKinney Courier-Gazette*, a newspaper regularly published or circulated in Collin County, the county where the district is proposed to be located, on June 28, 2009 and July 5, 2009, and posted in Collin County on a bulletin board used for posting legal notices, on June 30, 2009. Accordingly, the notice requirements of 30 TAC Section 293.12(b) have been satisfied.

B. ENGINEERING ANALYSIS

The preliminary engineering report provided indicates the following:

Availability of Comparable Service

The proposed District is partially within the Wylie Northeast Special Utility District (SUD) which holds the certificate of convenience and necessity (CCN) to provide water. Additionally, a small portion of the District is within the Seis Lagos Utility District (UD) which holds the CCN for wastewater. By August 12, 2009 agreement between the proposed District's developer and UD, the UD intends to release the portion of its wastewater CCN within the proposed District's area. The remaining portion of the tract is not within any water or wastewater CCNs. The proposed District will finance facilities and the SUD will provide retail water and wastewater services to the District. Currently there are no other sources capable of providing service to the proposed District that has the capacity to serve the proposed District. The UD wastewater treatment facility is over capacity with no plans for future expansion; therefore, a separate wastewater treatment plant will be built within the District's boundaries.

Water Supply

The proposed District is projected to serve 7,203 residents which will include single-family and commercial development. The ultimate average daily demand is estimated to be 0.88 MGD with a maximum daily and peak hour demand of 1.76 MGD and 4.4 MGD. The SUD will supply water to the proposed District and will require a capital improvement fee of \$2,45.00 per lot.

Water Distribution

The water distribution system of the proposed District will consist of 88,500 linear feet of water distribution lines varying from 8-12 inches in diameter, with flushing valves and fire hydrants. The water distribution system will be looped to provide alternate service routes during emergencies and maintenance periods. All water utilities to serve the proposed District will be designed in accordance with criteria established by the TCEQ, the SUD, the Town of St. Paul, the City of Lucas, and Collin County.

Wastewater Treatment

The proposed District is projected to serve 7,203 residents (2,104 equivalent single family connections (ESFCs)). The average flow is 0.75 MGD and the peak flow is 2.5 MGD.

Wastewater Collection

The wastewater collection system at full development for the proposed District will consist of approximately 88,500 linear feet of 8-12 inch gravity line. In addition, the proposed collection system will also consist of two lift stations, and force mains to pump to gravity lines. All wastewater utilities to serve the proposed District will be designed in accordance with criteria established by the TCEQ, the Town of St. Paul, the City of Lucas, and Collin County.

Drainage

Drainage for the proposed District will be collected by curb inlets, approximately 53,100 linear feet of stormwater pipe ranging from 18 inches to 4-10'x5' box, and transported through existing courses to Lavon Lake.

Topography

The proposed District has moderate slopes from the west to east towards Lake Lavon. Elevations range from 582 feet to 508 feet mean sea level.

Floodplain

Materials provided indicate that 587 acres of the proposed District is located within Zone X and the remaining 6 acres is located in Zone A (Federal Emergency Management Agency Flood Insurance Rate Map Nos. 48085CO460G and 48085CO470G). The existing 6 acres located in

Zone A will be reduced to 5 acres once the proposed District is developed. A flood study will be prepared and approved by Collin County prior to the flood plain being reclaimed. A Letter of Map Revision will be prepared, submitted and approved by FEMA.

Impact on Natural Resources

Creation of the proposed District will have no adverse effect on land elevation, subsidence, groundwater levels, recharge-capability, natural runoff rates and drainage, or water quality.

C. SUMMARY OF COSTS

<u>Construction Costs</u>	<u>Amount</u>	<u>District's Share</u> ⁽¹⁾
A. Developer Contribution Items		
1. Water	\$5,623,067	\$3,936,147
2. Wastewater	5,287,509	3,701,256
3. Drainage	8,917,387	6,242,171
4. Contingencies (4.6% of items 1 – 3)	913,732	639,612
5. Engineering (13.9% of items 1 – 4)	<u>2,878,254</u>	<u>2,014,778</u>
Total Developer Contribution Items	\$23,619,949	\$16,533,964
B. District Items		
1. Wylie SUD Water Connection Fee		\$5,042,100 ⁽²⁾
2. Wastewater Treatment and Infrastructure		8,976,400 ⁽³⁾
3. Contingency (4.6% of item 2)		413,659
4. Engineering (13.9% of items 2 and 3)		<u>1,303,026</u>
Total District Items		<u>\$ 15,735,185</u>
Total Construction Costs (70.6 % of BIR)		\$ 32,269,149
<u>Non-Construction Costs</u>		
A. Legal Fees (2.5%)		\$1,142,500
B. Fiscal Agent Fees (2%)		914,000
C. Interest Costs		
1. Capitalized Interest (24 months @ 5.75%)		5,255,500
2. Developer Interest (24 months @ 5.75%)		3,710,952
D. Bond Discount (3%)		1,371,000
E. Creation Costs		100,000
F. Operating Expenses		325,649
G. Bond Issuance Costs		217,000
H. Bond Application Report Costs		280,000
I. TCEQ Bond Issuance Fee (0.25%)		<u>114,250</u>
Total Non-Construction Costs		<u>\$13,430,851</u>
TOTAL BOND ISSUE REQUIREMENT		\$45,700,000

Notes: (1) Assumes 70% funding of anticipated developer contribution items.
 (2) Represents 2,058 ESFCs at \$2,450 per ESFC.

- (3) These items were presented as district items at 100%; however, pursuant to existing rules, the \$7,500,000 estimated for wastewater treatment plant costs is 100% but the lift station and force main costs are subject to the 30% developer contribution requirement.

Eligibility of costs for District funding and the 30% developer contribution requirement will be determined in accordance with Commission rules in effect at the time bond applications are reviewed. It is noted that estimated costs for storm crossings under roads and over natural waterways are currently not reimbursable items.

D. ECONOMIC ANALYSIS

Land Use

The land use for the proposed District is projected as follows:

<u>Development</u>	<u>Acres</u>	<u>ESFCs</u>
Single-Family Residential	459.6	1,715
Multi-Family Residential	24.5	343
Commercial	6.4	40
Recreation Center	8.1	6
Floodplain/Open Space	94.1	0
Total	592.7	2,104

Market Study

A market study, prepared by Residential Strategies Inc., has been submitted in support of the creation of the proposed District. The market study, prepared on September 2008, indicates multi family homes to be located on 30x90 lots with a price range of \$150,000 and single family homes located on 50x120 lots with a price of \$173,125, on 60x120 lots with a price of \$205,000, on 70x130 lots with a price of \$230,000, and on 80x140 lots with a price of \$262,500. The market study indicates that the proposed District is expected to build 102 homes beginning in 2010, 117 homes in 2011, 159 homes in 2012, 185 homes in 2013 and 191 homes in 2014.

Project Financing

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

<u>Land Use</u>	<u>Number of Units Planned</u>	<u>Average Unit Value</u>	<u>Total Value at Build-Out</u>
Single Family Residential	1,715 homes	\$216,363	\$371,062,500
Town Home Residential	343 homes	\$150,000	\$51,450,000
Commercial	6.4 acres	\$130,000	\$832,000
	Total Assessed Valuation		\$423,344,500

Considering an estimated bond issue requirement of \$45,700,000 (assuming 70% financing), a coupon bond interest rate of 5.75%, and a 25-year bond life, the annual debt service requirement would be approximately \$3,490,482. Assuming a 90% collection rate and an ultimate assessed valuation of \$423,344,500, tax rate of \$0.92 per \$100 assessed valuation would be necessary to meet the annual debt service requirements. The engineering report also indicates a operation and maintenance tax of \$0.08, resulting in a proposed District total tax rate of \$1.00.

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

<u>Taxing Jurisdiction</u>	<u>Tax per \$100 Valuation</u>
District	\$ 1.00 ⁽¹⁾
Wylie ISD	\$ 1.39
Collin County	\$ 0.24
Collin County Community College	<u>\$ 0.09</u>
Total tax per \$100 valuation	\$ 2.72

Note: (1) Includes \$0.92 for debt service and \$0.08 for operation and maintenance.

Based on the proposed District's combined projected tax rate of \$1.00 and the year 2007 overlapping tax rates on land within the proposed District, the project is considered economically feasible.

Water and Wastewater Rates

The proposed District plans to receive its retail water service from the SUD. Retail water rates for the proposed District are expected to be the same as the SUD's in-district retail rates and are estimated as follows:

Base rate	\$25.00
Usage rate per 1,000 gallons (1 to 5,000 gallons)	\$3.25
Usage rate per 1,000 gallons (5,001 – 10,000 gallons)	\$3.75

The proposed District plans to receive its retail wastewater service from the SUD. Retail wastewater rates for the proposed District are expected to be as follows:

Base rate (0 – 2,000 gallons)	\$25.00
Usage rate per 1,000 gallons (2,001 to 6,000 gallons)	\$3.00
Usage rate per 1,000 gallons 6,001 to 10,000 gallons)	\$4.00

Based on the above rates, the monthly fee for 10,000 gallons of water and wastewater service would be \$113.00 (\$60.00 for water and \$53.00 for wastewater).

Comparative Water District Tax Rates

The combined projected tax rate of \$1.00 for the proposed District and the \$2.72 overlapping tax rate 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 CONSIDERATIONS

By letter dated July 27, 2009, City of Wylie (Received August 10, 2009), and by letter dated August 4, 2009, City of Lucas (Received August 6, 2009) indicated that a contested case hearing is requested on this proposed application for creation.

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, and would be necessary as a means to finance utilities and to provide utility service to future customers.
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 \$1.00, 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.

G. RECOMMENDATIONS

Conditioned on the receipt of documentation from the City of Wylie that it received an October 1, 2008 letter requesting consent and a January 30, 2009 letter requesting water and wastewater service, the following recommendations are offered:

1. Grant the petition for the creation of Collin County Water Control and Improvement District No. 3.
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 five persons to serve as temporary directors until permanent directors are elected and qualified:

Rusty Coffee.
Tommy Thomas

Peter Crow
Jeffery P. Weyandt

Kristen Mazza

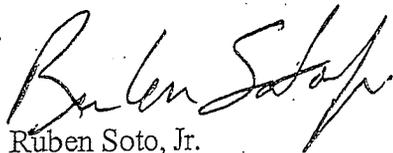
H. ADDITIONAL INFORMATION

The petitioner's professional representatives are as follows:

Attorney: Ms. Angela M. Stepherson – Coats, Rose, Yale, Ryman & Lee, P.C.

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

Market Analyst: Residential Strategies, Inc.



Ruben Soto, Jr.
Districts Review Team

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER GRANTING THE PETITION FOR CREATION OF COLLIN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3 AND APPOINTING TEMPORARY DIRECTORS

Docket Number 2009-1573-DIS

A petition by the Lavon 593 Land Investment Partners, L.P. (hereafter "Petitioners") was presented to the Executive Director of the Texas Commission on Environmental Quality (hereafter "Commission") for consideration of approval of the creation of Collin County Water Control and Improvement District No. 3 (hereafter "District") pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapters 49 and 51.

The Commission, after having considered the petition, application material, and memorandum from the Executive Director dated September 29, 2009, along with addendum no. 1 dated January 5, 2010 (hereafter "Memorandum"), attached as Exhibit "B," finds that the petition for creation should be approved.

The Commission finds that the creation of the proposed District as set out in the application is feasible, practicable, necessary, would be a benefit to the land to be included in the proposed District, and would further the public welfare.

The Commission further finds that the proposed District and its system and subsequent development within the proposed District will have no adverse impact on land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural runoff rates and drainage, water quality, or total tax assessments on all land located within the proposed District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for creation of Collin County Water Control and Improvement District No. 3 have been fulfilled in accordance with TEX. WATER CODE § 51.021 and 30 TEX. ADMIN. CODE §§ 293.11-293.12.

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

1. The petition for the creation of Collin County Water Control and Improvement District No. 3 is hereby granted.

2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapter 51.

3. The District shall have, and shall be subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the Commission and the general laws of the State of Texas relating to water control and improvement districts.

4. The District shall be composed of the area situated wholly within Collin County, Texas, described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

5. The Memorandum dated September 29, 2009, along with addendum no. 1 dated January 5, 2010, both attached as Exhibit "B," are hereby incorporated as part of this Order.

6. The persons listed in Recommendation No. 3 of the Memorandum are hereby named and appointed as temporary directors and shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District, and each bond and oath shall be filed with the District and retained in its records.

7. 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.

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

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

Issue Date:

For the Commission

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



AN ORDER GRANTING THE PETITION FOR CREATION OF
COLLIN COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. 3
AND APPOINTING TEMPORARY DIRECTORS

Docket Number 2009-1573-DIS

A petition by the Lavon 593 Land Investment Partners, L.P. (hereafter "Petitioners") was presented to the Executive Director of the Texas Commission on Environmental Quality (hereafter "Commission") for consideration of approval of the creation of Collin County Water Control and Improvement District No. 3 (hereafter "District") pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapters 49 and 51.

The Commission, after having considered the petition, application material, and memorandum from the Executive Director dated September 29, 2009, (hereafter "Memorandum"), attached as Exhibit "B," finds that the petition for creation should be approved.

The Commission finds that the creation of the proposed District as set out in the application is feasible, practicable, necessary, would be a benefit to the land to be included in the proposed District, and would further the public welfare.

The Commission further finds that the proposed District and its system and subsequent development within the proposed District will have no adverse impact on land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural runoff rates and drainage, water quality, or total tax assessments on all land located within the proposed District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for creation of Collin County Water Control and Improvement District No. 3 have been fulfilled in accordance with TEX. WATER CODE § 51.021 and 30 TEX. ADMIN. CODE §§ 293.11-293.12.

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

1. The petition for the creation of Collin County Water Control and Improvement District No. 3 is hereby granted.
2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapter 51.

3. The District shall have, and shall be subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the Commission and the general laws of the State of Texas relating to water control and improvement districts.

4. The District shall be composed of the area situated wholly within Collin County, Texas, described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

5. The Memorandum dated September 29, 2009, attached as Exhibit "B," is hereby incorporated as part of this Order.

6. The persons listed in Recommendation No. 3 of the Memorandum are hereby named and appointed as temporary directors and shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District, and each bond and oath shall be filed with the District and retained in its records.

7. 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.

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

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

Issue Date:

For the Commission

Exhibit "A"

METES AND BOUNDS DESCRIPTION OF THE "LAND"

LEGAL DESCRIPTION
592.744 ACRES

BEING A 592.744 ACRE TRACT OF LAND SITUATED IN THE LEROY FARMER SURVEY, ABSTRACT NO. 334, THE MARK MORRIS SURVEY, ABSTRACT NO. 561, THE ORPHA SHELBY SURVEY, ABSTRACT NO. 799, AND THE JOSIAH TURNHAM SURVEY, ABSTRACT NO. 919, COLLIN COUNTY, TEXAS, AND BEING ALL OF A CALLED 592.9988 ACRE TRACT OF LAND, DESCRIBED IN TRUSTEES DEED TO W.W. CARUTH, JR. AS RECORDED IN VOLUME 2684, PAGE 944, LAND RECORDS, COLLIN COUNTY, TEXAS, AS AFFECTED BY LAST WILL AND TESTAMENT OF W.W. CARUTH, JR. AS RECORDED IN COUNTY CLERKS FILE NO. 92-0054539 REAL PROPERTY RECORDS OF COLLIN COUNTY, TEXAS, SAID 592.744 ACRE TRACT WITH BEARING BASIS BEING GRID NORTH, TEXAS STATE PLANE COORDINATES, NORTH CENTRAL ZONE, NAD83, BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING AT A 3/4 INCH IRON ROD FOUND IN THE SOUTH LINE OF A 164.68 ACRE TRACT OF LAND DESCRIBED IN A DEED TO CONSOLIDATED PARTNERSHIP, LTD. AS RECORDED IN VOLUME 3433, PAGE 874, LAND RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 12 MINUTES 19 SECONDS EAST, ALONG THE SOUTH LINE OF SAID 164.68 ACRE TRACT, A DISTANCE OF 3004.80 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-26" FOUND IN THE WEST LINE OF A TRACT OF LAND DESCRIBED IN A DEED TO THE UNITED STATES OF AMERICA AS RECORDED IN VOLUME 736, PAGE 833, DEED RECORDS, COLLIN COUNTY, TEXAS;

THENCE, ALONG THE WEST LINES OF SAID UNITED STATES OF AMERICA TRACT, THE FOLLOWING COURSES AND DISTANCES:

SOUTH 04 DEGREES 22 MINUTES 22 SECONDS EAST, A DISTANCE OF 756.97 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-25" FOUND FOR CORNER;

NORTH 65 DEGREES 28 MINUTES 27 SECONDS WEST, A DISTANCE OF 833.99 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

SOUTH 00 DEGREES 26 MINUTES 51 SECONDS WEST, A DISTANCE OF 549.35 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-23" FOUND FOR CORNER;

SOUTH 69 DEGREES 55 MINUTES 58 SECONDS WEST, A DISTANCE OF 1077.15 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-22" FOUND FOR CORNER;

SOUTH 50 DEGREES 39 MINUTES 17 SECONDS WEST, A DISTANCE OF 1405.27 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-21" FOUND FOR CORNER;

SOUTH 08 DEGREES 18 MINUTES 33 SECONDS EAST, A DISTANCE OF 73.65 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-20" FOUND FOR CORNER;

NORTH 88 DEGREES 26 MINUTES 57 SECONDS EAST, A DISTANCE OF 2464.68 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-19" FOUND FOR CORNER;

SOUTH 28 DEGREES 47 MINUTES 08 SECONDS WEST, A DISTANCE OF 2603.00 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-18" FOUND FOR CORNER;

SOUTH 89 DEGREES 28 MINUTES 49 SECONDS EAST, A DISTANCE OF 573.44 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

NORTH 49 DEGREES 05 MINUTES 38 SECONDS EAST, A DISTANCE OF 1752.84 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-16" FOUND FOR CORNER;

NORTH 61 DEGREES 25 MINUTES 18 SECONDS EAST, A DISTANCE OF 1093.35 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-15" FOUND FOR CORNER;

SOUTH 33 DEGREES 36 MINUTES 41 SECONDS EAST, A DISTANCE OF 1419.53 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-14" FOUND FOR CORNER;

SOUTH 65 DEGREES 00 MINUTES 17 SECONDS EAST, A DISTANCE OF 651.14 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-13" FOUND FOR CORNER;

SOUTH 43 DEGREES 36 MINUTES 57 SECONDS WEST, A DISTANCE OF 470.76 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-12" FOUND FOR CORNER;

NORTH 76 DEGREES 43 MINUTES 10 SECONDS WEST, A DISTANCE OF 1056.25 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-11" FOUND FOR CORNER;

SOUTH 29 DEGREES 18 MINUTES 01 SECOND WEST, A DISTANCE OF 903.25 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-10" FOUND FOR CORNER;

NORTH 78 DEGREES 51 MINUTES 09 SECONDS EAST, A DISTANCE OF 757.78 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-9" FOUND FOR CORNER;

SOUTH 06 DEGREES 19 MINUTES 32 SECONDS WEST, A DISTANCE OF 907.25 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-8" FOUND FOR CORNER;

SOUTH 75 DEGREES 00 MINUTES 06 SECONDS EAST, A DISTANCE OF 63.77 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-7" FOUND FOR CORNER;

NORTH 64 DEGREES 41 MINUTES 43 SECONDS EAST, A DISTANCE OF 806.05 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-6" FOUND FOR CORNER;

SOUTH 33 DEGREES 12 MINUTES 35 SECONDS EAST, A DISTANCE OF 297.17 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-5" FOUND FOR CORNER;

NORTH 83 DEGREES 36 MINUTES 01 SECOND EAST, A DISTANCE OF 255.23 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-4" FOUND FOR CORNER;

NORTH 41 DEGREES 14 MINUTES 52 SECONDS EAST, A DISTANCE OF 367.27 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-3" FOUND FOR CORNER;

NORTH 76 DEGREES 45 MINUTES 34 SECONDS EAST, A DISTANCE OF 1317.38 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-2" FOUND FOR CORNER;

SOUTH 10 DEGREES 01 MINUTE 29 SECONDS WEST, A DISTANCE OF 600.79 FEET TO A CORPS OF ENGINEERS MONUMENT STAMPED "4424-1" FOUND FOR CORNER;

SOUTH 65 DEGREES 03 MINUTES 22 SECONDS WEST, A DISTANCE OF 1718.75 FEET TO A CORPS OF ENGINEERS MONUMENT FOUND AT THE

MOST NORTHERLY NORTHEAST CORNER OF A 19.338 ACRE TRACT OF LAND DESCRIBED AS TRACT B IN A DEED TO H. STEVEN HUFSTETLER AS RECORDED IN COLLIN COUNTY CLERK'S FILE NO. 93-0088439, LAND RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 89 DEGREES 21 MINUTES 35 SECONDS WEST, ALONG THE NORTH LINE OF SAID TRACT B AND A 19.338 ACRE TRACT OF LAND DESCRIBED AS TRACT A IN A DEED TO H. STEVEN HUFSTETLER AS RECORDED IN COLLIN COUNTY CLERK'S FILE NO. 93-0088439, LAND RECORDS, COLLIN COUNTY, TEXAS, A DISTANCE OF 649.87 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

THENCE, SOUTH 00 DEGREES 17 MINUTES 42 SECONDS EAST, ALONG THE WEST LINE OF SAID TRACT A, A DISTANCE OF 1309.73 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

THENCE, NORTH 89 DEGREES 30 MINUTES 12 SECONDS WEST, A DISTANCE OF 299.40 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

THENCE, SOUTH 00 DEGREES 26 MINUTES 33 SECONDS EAST, A DISTANCE OF 285.89 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET ON THE NORTH RIGHT-OF-WAY LINE OF ST. PAUL ROAD;

THENCE, SOUTH 89 DEGREES 41 MINUTES 31 SECONDS WEST, ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID ST. PAUL ROAD, A DISTANCE OF 1790.28 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET FOR CORNER;

THENCE, SOUTH 00 DEGREES 51 MINUTES 52 SECONDS EAST, A DISTANCE OF 4.00 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET ON THE NORTH RIGHT-OF-WAY LINE OF F.M. 2514 (PARKER ROAD);

THENCE, SOUTH 89 DEGREES 08 MINUTES 08 SECONDS WEST, ALONG THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 2514, A DISTANCE OF 1571.30 FEET TO A 5/8" IRON ROD WITH YELLOW PLASTIC CAP STAMPED "CARTER & BURGESS" SET AT THE BEGINNING OF A CORNER-CLIP BETWEEN THE NORTH RIGHT-OF-WAY LINE OF SAID F.M. 2514 AND THE EAST RIGHT-OF-WAY LINE OF AZTEC TRAIL;

THENCE, NORTH 44 DEGREES 56 MINUTES 54 SECONDS WEST, ALONG SAID CORNER-CLIP, A DISTANCE OF 41.22 FEET TO A WOODEN MONUMENT FOUND ON THE EAST RIGHT-OF-WAY LINE OF SAID AZTEC TRAIL;

THENCE, NORTH 01 DEGREE 30 MINUTES 56 SECONDS WEST, ALONG THE EAST RIGHT-OF-WAY LINE OF SAID AZTEC TRAIL, A DISTANCE OF 1822.87 FEET TO A 5/8" IRON ROD FOUND AT THE SOUTHEAST CORNER OF A 10.00 ACRE TRACT OF LAND DESCRIBED IN A DEED TO NORMAN R. MORROW AND WIFE, LUZIA M. MORROW AS RECORDED IN VOLUME 1531, PAGE 279, LAND RECORDS, COLLIN COUNTY, TEXAS;

THENCE, NORTH 00 DEGREES 09 MINUTES 24 SECONDS WEST, ALONG THE EAST LINE OF SAID 10.00 ACRE TRACT AND THE EAST LINE OF A 41.391 ACRE TRACT OF LAND DESCRIBED IN A DEED TO EDWARD H. HOBBS AS RECORDED IN VOLUME 4191, PAGE 745, LAND RECORDS, COLLIN COUNTY, TEXAS, A DISTANCE OF 1886.05 FEET TO A 1" IRON ROD FOUND AT THE NORTHEAST CORNER OF SAID 41.391 ACRE TRACT;

THENCE, SOUTH 89 DEGREES 14 MINUTES 23 SECONDS WEST, ALONG THE NORTH LINE OF SAID 41.391 ACRE TRACT OF LAND, A DISTANCE OF 1111.20 FEET TO A 5/8" IRON ROD FOUND FOR CORNER;

THENCE, NORTH 01 DEGREE 00 MINUTES 20 SECONDS WEST, A DISTANCE OF 4428.92 FEET TO THE POINT OF BEGINNING AND CONTAINING 592.744 ACRES OF LAND, MORE OR LESS.

R&R
RUSSELL & RODRIGUEZ, L.L.P.
ATTORNEYS AT LAW

1633 WILLIAMS DRIVE
BUILDING 2, SUITE 200
GEORGETOWN, TEXAS 78628

PHONE (512) 930-1317
FAX (866) 929-1641
WWW.TXADMINLAW.COM

Email: arodriguez@txadminlaw.com

July 27, 2009

DIS
68764

Via Facsimile and U.S. First Class Mail

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

2009 AUG 10 AM 10:31
CHIEF CLERKS OFFICE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Re: *Petition from Lavon 593 Land Investment Partners, L.P.
for Creation of Collin County Water Control and
Improvement District No. 3*

To Whom It May Concern:

The City of Wylie, Texas ("City") is in receipt of the notification of the above-referenced application and requests a hearing on the application. This law firm represents the City in regard to the above referenced matter. In compliance with the notice, the City makes the following statements:

1. The City of Wylie may be notified of any developments in this case by providing notice to:

Arturo D. Rodriguez, Jr.
Russell & Rodriguez, L.L.P.
1633 Williams Drive
Building 2, Suite 200
Georgetown, Texas 78628
(512) 930-1317

2. Applicant information: *Petition from Lavon 593 Land Investment Partners, L.P. for Creation of Collin County Water Control and Improvement District No. 3*. The TCEQ Control Number is 11032008—D01.
3. The City requests a contested case hearing on the application.

MW

Office of the Chief Clerk
July 27, 2009

4. The City is adversely affected because the petition is seeking to create a water control and improvement district within a portion of the City's extraterritorial jurisdiction ("ETJ") and the City does not consent to its creation. The City maintains a water and sewer utility. The City's utility has the reasonable ability to serve the property within the proposed district.

The proposed district may construct a wastewater treatment facility adjacent to the lake and this is contrary to the Commission's long standing efforts for regionalization. There is currently an existing plant owned and operated by the North Texas Municipal Water District, a recognized regional provider that can be utilized for wastewater treatment.

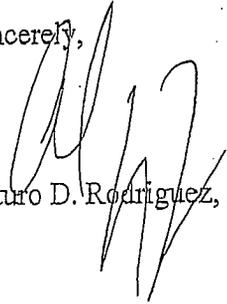
The City does not believe that an adequate investigation and evaluation of the availability of comparable services from other providers or systems, including regional utility providers, has been conducted prior to seeking the creation of the proposed district.

Additionally, the City is concerned that the proposed district will have a negative impact on water quality. The City has not determined if there is a complete justification for creation of the proposed district with sufficient evidence that the project is feasible, practicable, necessary, will benefit all of the land and its residents, and will further the public welfare. The land is located within a desirable area of the county with lakefront or near lakefront property. The City is interested in ensuring that the proposed project can meet these stringent requirements.

5. The proposed district boundaries are located within the City's ETJ. A map showing the extent of the City's ETJ boundaries is attached hereto as Exhibit A.

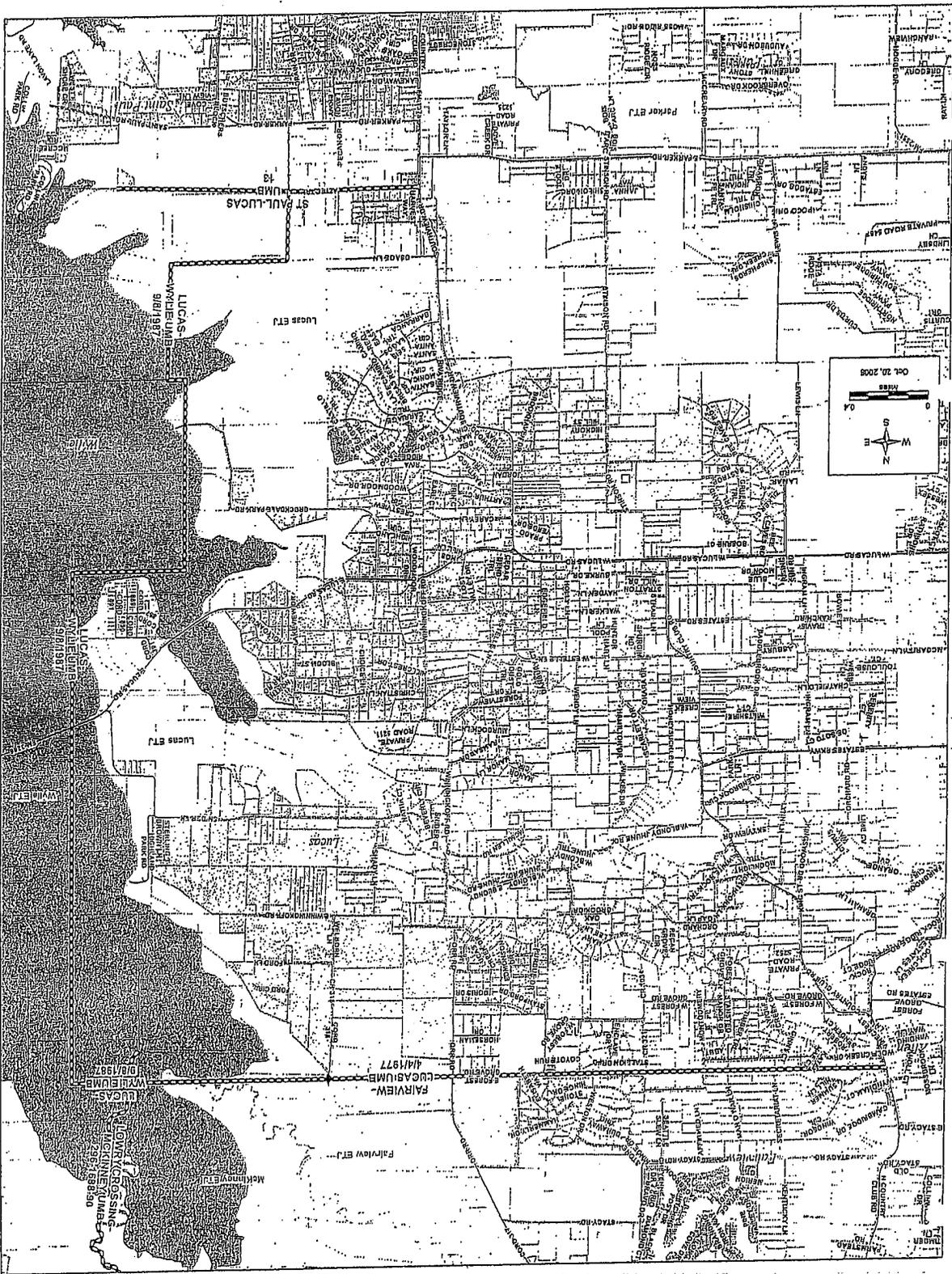
Thank you for your attention to this matter.

Sincerely,



Arturo D. Rodriguez, Jr.

cc: Ms. Mindy Manson
Mr. Michael Sferra



Received: AUG-04-2009(TUE) 16:10 Russell & Rodriguez, LLP

Aug 4 2009 04:15pm (FAX) 929 1641

P. 002/003

R&R
RUSSELL & RODRIGUEZ, L.L.P.
ATTORNEYS AT LAW

OPA
AUG 05 2009

BY _____

1633 WILLIAMS DRIVE
BUILDING 2, SUITE 200
GEORGETOWN, TEXAS 78628

PHONE (512) 930-1317
FAX (866) 929-1641
WWW.TXADMINLAW.COM

Email: arodriguez@txadminlaw.com

August 4, 2009

Via Facsimile and U.S. First Class Mail

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

DIS
68764

CHIEF CLERKS OFFICE

2009 AUG -4 PM 4:17

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Re: *Petition from Lavon 593 Land Investment Partners, L.P. for Creation of Collin County Water Control and Improvement District No. 3*

To Whom It May Concern:

The City of Lucas, Texas ("City") is in receipt of the notification of the above-referenced application and requests a hearing on the application. This law firm represents the City in regard to the above referenced matter. In compliance with the notice, the City makes the following statements:

1. The City of Lucas may be notified of any developments in this case by providing notice to:

Arturo D. Rodriguez, Jr.
Russell & Rodriguez, L.L.P.
1633 Williams Drive
Building 2, Suite 200
Georgetown, Texas 78628
(512) 930-1317
2. Applicant information: *Petition from Lavon 593 Land Investment Partners, L.P. for Creation of Collin County Water Control and Improvement District No. 3.* The TCEQ Control Number is 11032008---D01.
3. The City requests a contested case hearing on the application.
4. The City is adversely affected because the petition is seeking to create a water control and improvement district within a portion of the City's extraterritorial jurisdiction ("ETJ") and the City does not consent to its creation. The City maintains a water

CM

Office of the Chief Clerk
August 4, 2009

utility. The City's utility has the reasonable ability to serve the property within the proposed district.

The City is concerned with the powers the proposed District seeks to retain for itself. Specifically, the City has a water utility that can provide services to all or part of the property within the proposed District. Allowing the District to provide this service will be counter to the State's long-standing move toward regionalization.

Further, the City is concerned with the District being given powers over drainage issues. The City has adopted drainage and water reclamation ordinances that would be endangered by another entity seeking to enforce or adopt different standards. Such standards sought for approval by the proposed District have not been examined. Thus, the City is skeptical of the District being granted such power.

The City is also concerned with the contamination or regulation provided by the District that may harm the nearby lake. The proposed District, if created, will be allowed to seek a wastewater treatment facility. There are adequate wastewater treatment facilities and providers that serve this part of the Collin County. Thus, the ability to provide and treat wastewater can be done by an entity other than the proposed District.

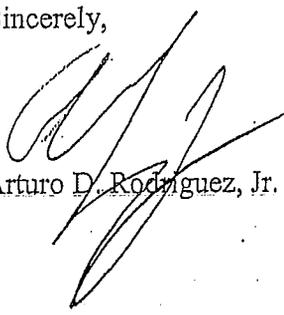
The City does not believe that an adequate investigation and evaluation of the availability of comparable services from other providers or systems, including regional utility providers, has been conducted prior to seeking the creation of the proposed district.

Like the City of Wylie, the City of Lucas is concerned that the proposed district will have a negative impact on water quality. The City has not determined if there is a complete justification for creation of the proposed district with sufficient evidence that the project is feasible, practicable, necessary, will benefit all of the land and its residents, and will further the public welfare. The land is located within a desirable area of the county with lakefront or near lakefront property. The City is interested in ensuring that the proposed project can meet these stringent requirements.

5. The proposed district boundaries are located within the City's ETJ.

Thank you for your attention to this matter.

Sincerely,



Arturo D. Rodriguez, Jr.

cc: Mr. Robert Patrick

AUG-04-2009(TUE) 16:10

Received: Russell & Rodriguez, LLP

Aug 4 2009 04:14pm (FAX) 929 1641

P. 001/003

RUSSELL & RODRIGUEZ, L.L.P.
Attorneys at Law

1633 Williams Drive, Suite 200, Georgetown, Texas 78628

Phone (512) 930-1317

E-mail: arodriguez@txadminlaw.com

Fax (866) 929-1641

FACSIMILE COVER PAGE

August 4, 2009

Please Deliver the Following pages to:

TCEQ Chief Clerk

(512) 239-3311

Client Number: 1560-00

From: Art Rodriguez

Direct Phone: (512) 930-1317

Pages: (Including Cover Sheet)

Rc: *Petition from Lavon 593 Land Investment Partners, L.P. for Creation of Collin County Water Control and Improvement District No. 3*

Comments: City of Lucas's request for hearing and its opposition to the above-referenced petition.

CHIEF CLERK'S OFFICE

2009 AUG -4 PM 4: 18

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

NOTICE: The following material is intended for the use of the individual or entity to which it is addressed. The material may contain information that is attorney-client privileged, or otherwise confidential and exempt from disclosure under law. If you are not the specified recipient, do not read this material. Any use, dissemination or copying of this material is strictly prohibited. If you have received this material in error, please notify us by telephone at the above number and return to us by U.S. Mail.

NICHOLS, JACKSON, DILLARD, HAGER & SMITH, L.L.P.

Joe Gorfida, Jr.
Email: jgorfida@njdhs.com

ATTORNEYS & COUNSELORS AT LAW
1800 Lincoln Plaza
500 North Akard
Dallas, Texas 75201
(214) 965-9900
Fax (214) 965-0010
Email NJDHS@NJDHS.COM

H. LOUIS NICHOLS
LAWRENCE JACKSON
OF COUNSEL

September 25, 2009

By Facsimile 512-239-3311 and
U. S. First Class Mail
Office of the Chief Clerk (MC 105)
Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

DIS
68764

H
2009 SEP 25 PM 2:25
CHIEF CLERKS OFFICE
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Re: *Lavon 593 Land Investment Partners, L.P. for Creation of Collin County Water Control and Improvement District 3; Internal Control No.: 11032008-DO1.*

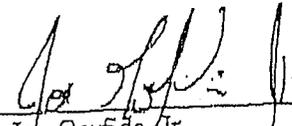
To Whom It May Concern:

As the City Attorneys for the City of Lucas, Texas ("City"), we are writing regarding the referenced application. The City requested a hearing on the referenced application by correspondence dated August 4, 2009, from Arturo D. Rodriguez, Jr. with Russell & Rodriguez, L.L.P. At this time, the City respectfully withdraws its request for a contested case hearing and does not oppose the creation of the district.

Please let me know if you have questions.

Sincerely,

NICHOLS, JACKSON, DILLARD,
HAGER & SMITH, L.L.P.

By: 
Joe Gorfida, Jr.

JGJ/cgo

39395

CW

NICHOLS, JACKSON, DILLARD, HAGER & SMITH, L.L.P.

1800 LINCOLN PLAZA
500 N. AKARD
DALLAS, TEXAS 75201
(214) 965-9900
(214) 965-0010 FAX

CHIEF CLERKS OFFICE

2009 SEP 25 PM 2:25

TEXAS
COMMISSION
ON ENVIRONMENTAL
QUALITY

PLEASE DELIVER THE FOLLOWING TO:

NAME: Office of the Chief Clerk
COMPANY: Texas Commission on Environmental Quality
FAX NO.: 512-239-3311
DATE: September 25, 2009
FROM: Joe Gorfida, Jr.
TRANSMITTED BY: Connie Owens (214-665-3319)

NUMBER OF PAGES (Including Cover Sheet) 2

Re: *Lavon 593 Land Investment Partners, L.P. for Creation of Collin County Water Control and Improvement District 3; Internal Control No. 11-32008-DO1*

THE INFORMATION CONTAINED IN THIS FACSIMILE IS ATTORNEY PRIVILEGED AND CONFIDENTIAL INFORMATION INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY NAMED ABOVE. IF THE RECIPIENT IS NOT THE INTENDED RECIPIENT, YOU ARE HEREBY NOTIFIED THAT ANY DISTRIBUTION, DISSEMINATION OR COPYING OF THIS COMMUNICATION IS STRICTLY PROHIBITED. IF YOU HAVE RECEIVED THIS IN ERROR, PLEASE NOTIFY US IMMEDIATELY BY PHONE AND RETURN THE ORIGINAL MESSAGE TO US AT THE ABOVE ADDRESS VIA THE U.S. POSTAL SERVICE.

Bryan W. Shaw, Ph.D., *Chairman*
Buddy Garcia, *Commissioner*
Carlos Rubinstein, *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

December 9, 2009

To: Potential ADR Participants

Re: TCEQ Docket No. 2009-1573-DIS: the application by Lavon 593 Land Investment Partners, L.P., for the creation of Collin County Water Control and Improvement District No. 3.

I am a mediator with the Alternative Dispute Resolution ("ADR") Program of the Texas Commission on Environmental Quality ("TCEQ" or "Commission"). The City of Wylie has filed a letter requesting a contested case hearing regarding the above-referenced application. Because this letter may result in the Commission referring the above-referenced matter for a hearing before the State Office of Administrative Hearings ("SOAH"), my office may be able to provide assistance to the parties at this point in the process. The purpose of this letter is to invite the potential parties to consider a voluntary option through which the parties may informally resolve this matter and eliminate the need for a Commission determination on whether to grant the hearing request and a possible contested case hearing before SOAH.

The ADR procedure which the Commission employs is mediation. Mediation is a form of informal dispute resolution involving the use of an impartial third-party neutral called a mediator, who assists the parties in negotiating their dispute. As a mediator, I have no stake in the outcome of this matter and I will not pressure any party into a settlement agreement. My role is to encourage and facilitate productive communications between parties, to elicit their true concerns and issues, and ultimately to guide them toward a resolution of their dispute which addresses those concerns and issues. My function as mediator is not to formulate the solutions to a dispute, as that responsibility falls on the parties themselves during mediation. I provide the parties the forum, the tools, and the guidance to formulate their own solutions. Please be aware that mediation is not a public meeting. Attendance at the mediation is restricted to the potential designated parties (Lavon 593 Land Investment Partners, L.P., the City of Wylie, the Executive Director and the Office of Public Interest Counsel), their representatives, and those experts or consultants who are necessary to assist the participants in making decisions during negotiations.

The success of the negotiations depends on the flexibility and good-faith efforts of the participants, as well as their understanding that compromise and creative thinking often play essential roles in reaching a settlement agreement. Because the resolution of disputes through mediation results from negotiations and compromise, mediation often results in a win/win outcome for the disputants. If the parties settle this matter through mediation, the parties may avoid incurring

TCEQ Docket No. 2009-1573-DIS;
The application by Lavon 593 Land Investment Partners, L.P.,
for the creation of Collin County Water Control and Improvement District No. 3
ADR Info Letter, Page 2

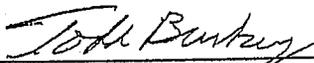
the expenses of hiring expert witnesses and/or attorneys, or conducting lengthy discovery in preparation for a formal evidentiary hearing before SOAH.

Please understand that no party's legal right to a Commission determination on the hearing request is affected by mere participation in mediation. A mediated settlement agreement requires the consent of all parties. If any party wishes to discontinue settlement discussions at any time, that party is free to do so knowing that his or her legal rights in this matter have not been impaired in any way.

Please note also that in an effort to encourage people to negotiate in earnest and to talk openly during the mediation process, all communications (including all phone, email and fax communications either with the mediator or between the parties themselves) made by participants during and leading up to a mediation meeting are, by law, to be kept confidential and cannot be disclosed to outside persons. These described communications also are protected from disclosure to other participants in this matter and to other persons or offices within the TCEQ or SOAH (ie, TCEQ's Office of the Chief Clerk or SOAH's Docketing Clerk, via filing or other correspondence). I would ask that any party who has any question related to this important prohibition please contact me to discuss the matter.

I hope this letter has provided a helpful introduction to the Commission's ADR Program and how it may assist the potential parties in this matter. I will contact each of you soon (or you may call or email me first if you wish) to discuss whether mediation is an option you wish to pursue, and if so, to discuss your availabilities for a mediation date. Because mediation is a voluntary process, both Lavon 593 Land Investment Partners, L.P., and the City of Wylie must agree to participate before I may schedule a mediation. If any party prefers to seek a Commission determination regarding whether or not to grant a contested case hearing on the application instead of attempting to negotiate a resolution of this dispute, I will cease mediation efforts. Please do not hesitate to contact me if you have any questions.

Sincerely,



Todd Burkey, Attorney-Mediator

Alternative Dispute Resolution Program, Office of General Counsel
Texas Commission on Environmental Quality
P.O. Box 13087, MC-222, Austin, Texas 78711-3087
512/239-2941 Fax: 512/239-4015 email: tburkey@tceq.state.tx.us

cc: Attached ADR Mailing List

ADR MAILING LIST

TCEQ Docket No. 2009-1573-DIS
the application by Lavon 593 Land Investment Partners, L.P.,
for the creation of Collin County Water Control and Improvement District No. 3

* sent via electronic mail

FOR THE APPLICANT:

Angela M. Stepherson
Coats, Rose Yale, Ryman & Lee, PC
3 Greenway Plaza, Suite 2000
Houston, Texas 77002-0307

FOR THE HEARING REQUESTER:

Arturo D. Rodriguez, Jr.
Russell & Rodriguez, LLP
1633 Williams Drive
Building 2, Suite 200
Georgetown, Texas 78628
Tel: (512) 930-1317

FOR THE EXECUTIVE DIRECTOR:

Todd Galiga, Senior Attorney *
Texas Commission on Environmental Quality
Environmental Law Division MC 173
P.O. Box 13087
Austin, Texas 78711-3087
Tel: (512) 239-0600
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Alex A. (Skip) Ferris, Technical Staff *
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FOR THE PUBLIC INTEREST COUNSEL:

Vic McWherter *
Texas Commission on Environmental Quality
Public Interest Counsel MC 103
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Austin, Texas 78711-3087
Tel: (512) 239-6363
Fax: (512) 239-6377

APPLICATION FOR CREATION	§	BEFORE THE
OF COLLIN COUNTY WATER	§	
CONTROL AND IMPROVEMENT	§	TEXAS COMMISSION ON
DISTRICT NO. 3	§	
	§	ENVIRONMENTAL QUALITY

APPLICANT'S RESPONSE TO HEARING REQUEST

TO THE HONORABLE COMMISSIONERS:

COMES NOW, Lavon 593 Land Investment Partners, L.P. ("Applicant"), and files this response to the hearing request made by the City of Wylie ("Wylie") regarding the application to create Collin County Water Control and Improvement District No. 3. For the reasons set out below, Applicant respectfully urges the Texas Commission on Environmental Quality (the "Commission" or "TCEQ") to deny Wylie's hearing request.

I. BACKGROUND

Applicant filed the application to create Collin County Water Control and Improvement District No. 3 (the "District") on November 3, 2008. The application was declared administratively complete November 11, 2008. The proposed District contains approximately 592,744 acres and is located in Collin County, approximately eight miles east of the intersection of F.M. 2514 and U.S. Highway 75. Based on published maps, the area within the District is partially in the extraterritorial jurisdictions of the Town of St. Paul, the City of Lucas, and Wylie. As to each of these municipalities, Applicant submitted documentation to the Commission demonstrating compliance with the consent provisions of Texas Local Government Code, Section 42.042.

RECEIVED
TCEQ WATER SUPPLY
2009 DEC 30 AM 9:09

As required by Texas Water Code, Section 49.011(b), and Section 293.12(b)(1) of the TCEQ rules, 30 Texas Administrative Code, the Notice of District Petition was published in the *McKinney-Courier Gazette* on June 28, 2009 and July 5, 2009. At the same time the TCEQ Chief Clerk transmitted the Notice and an explanatory cover letter to Applicant for publication, a copy was also sent to the persons on the Chief Clerk's mailing list, including Wylie. See Attachment 1. The Notice was also posted on the bulletin board used for posting legal notices at the Collin County Courthouse on June 30, 2009. See 30 Tex. Admin. Code § 293.12(b)(2). The City of Lucas filed a timely hearing request, which it subsequently withdrew. Wylie filed a hearing request with the Commission on August 10, 2009. No other hearing requests were filed.

II. WYLIE'S HEARING REQUEST WAS UNTIMELY

Wylie's hearing request was filed well past the deadline and therefore must be denied. This application is subject to Chapter 55, Subchapter G, of the TCEQ rules. Under Sections 55.251(b) and 55.255(b)(2)(B), a hearing request must have been timely filed in order to be granted. The deadline for filing a hearing request regarding a district creation application is thirty days after the second newspaper publication of the notice. Tex. Water Code § 49.011(c), 30 Tex. Admin. Code § 293.12(c). As noted above, the second publication of the notice in this case occurred on July 5, 2009, making the deadline to file a hearing request August 4, 2009.

As shown by the TCEQ Chief Clerk's date stamp, Wylie's hearing request was not received until August 10, 2009, nearly a week after the deadline. Wylie's request was clearly untimely and must be denied.

III. WYLIE HAS NOT SHOWN THAT IT IS AN AFFECTED PERSON

Even if Wylie's hearing request had been timely filed, Wylie has not shown that it is an affected person with standing to challenge the district creation application. Under Section

55.255(b)(2) of the TCEQ rules, a hearing request made by an "affected person" may be granted if it: (1) complies with Section 55.251, including "identify[ing] the person's personal justiciable interest affected by the application," (2) is timely filed, and (3) "is pursuant to a right to hearing authorized by law." As discussed above, Wylie's request was not timely filed. In addition, Wylie is not an affected person. An "affected person" is defined as "one who has a *personal* justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the application." 30 Tex. Admin. Code § 55.256(a) (emphasis added). A local government entity *may* be considered an affected person, but does not automatically have standing with respect to a particular application. *Id.* § 55.256(b).

Because the District is proposed to have water, wastewater, and drainage powers, the Commission has jurisdiction to create the District under Section 51.333 of the Water Code. The criteria the Commission must consider in determining whether to grant an application for creation of a water control and improvement district are whether:

- (1) organization of the district as requested is feasible and practicable;
- (2) the land to be included and the residents of the proposed district will be benefited by the creation of the district;
- (3) there is a public necessity or need for the district; and
- (4) the creation of the district would further the public welfare.

Tex. Water Code § 51.021(a).

In its hearing request, Wylie first asserts that it is affected because a portion of the proposed District is within Wylie's extraterritorial jurisdiction, and "the City does not consent to its creation." Applicant does not dispute that based on published maps, a portion of the District is within Wylie's extraterritorial jurisdiction. Applicant petitioned Wylie for its consent to the

creation of the District under Texas Local Government Code, Section 42.042(a). See Attachment 2. Wylie never responded to the petition. Accordingly, after ninety days, Applicant petitioned Wylie for water and sewer services as required by Local Government Code, Section 42.042(b). See Attachment 3. Wylie never responded to that petition either. Due to Wylie's inaction, as of 120 days following the petition for water and sewer services, Wylie was deemed under Section 42.042(c) to have given its consent to the creation of the District, and Applicant was free to pursue the creation application.

Wylie next states that it "maintains a water and sewer utility" and claims that the "Utility has the reasonable ability to serve the property within the proposed District." First, in meetings with Applicant prior to the filing of the creation application, Wylie advised Applicant's representatives that Wylie had no desire to provide water or sewer service to the property within the District because of its location relative to the City of Wylie proper. Furthermore, as discussed above, Applicant made a written request to Wylie for water and sewer service, and Wylie never responded. Applicant also recently requested a meeting with Wylie to discuss the issues in Wylie's hearing request, but Wylie was again nonresponsive. If Wylie were actually interested in providing water and sewer service to all or a portion of the property in the District, it stands to reason that Wylie would have at least engaged in negotiations with Applicant.

In addition, retail water and sewer service to the property in the District will be provided by Wylie Northeast Special Utility District ("Wylie Northeast SUD") using facilities financed by Collin County Water Control and Improvement District No. 3 for the benefit of its residents. As stated in the application, Wylie Northeast SUD currently holds the water Certificate of Convenience and Necessity ("CCN") over most of the area within the proposed District. As the

CCN holder, Wylie Northeast SUD has the exclusive right under Water Code Section 13.242 to provide retail service in its certificated area.

Wylie Northeast SUD has applied to the Commission for an amendment to its water CCN to include the remainder of the area within the District (Application No. 36296-C) and has also applied for a sewer CCN (Application 36297-C) that includes all of the area within the District. These applications have received preliminary approval from the Executive Director and are awaiting final mapping. As required by Section 291.106(b) of the TCEQ rules, Wylie received individual mailed notice of these CCN applications. See Attachment 4. Wylie did not protest or even comment on the CCN applications, indicating that it does not oppose Wylie Northeast SUD having the exclusive right to provide retail water and sewer service to the area in question.

Wylie next asserts that “[t]he proposed district may construct a wastewater treatment facility adjacent to the lake” and that a plant operated by the North Texas Municipal Water District could provide wastewater treatment. Even if those assertions were true, Wylie does not explain how any interest of *Wylie’s* would be affected. In any event, retail wastewater treatment services will be provided by Wylie Northeast SUD as discussed above, furthering the interests of regionalization.

Wylie next states that it does not “believe that an adequate investigation and evaluation of the availability of comparable services from other providers or systems . . . has been conducted.” Again, Wylie does not identify any interest of its own that would be affected. Applicant did conduct a thorough investigation of the availability of services from other providers, including Wylie as discussed above, and concluded that creation of the District and a cooperative effort with Wylie Northeast SUD would best serve the land and residents in the District. Applicant would note that no “other providers or systems” have opposed the creation application.

Wylie next expresses concern "that the proposed district will have a negative impact on water quality." Wylie does not identify any specific issues with regard to water quality nor any specific interest of Wylie's that might be affected. As noted above, retail wastewater treatment services to the area within the District will be provided by Wylie Northeast SUD and will comply with all applicable water quality standards.

Finally, Wylie notes its general interest in ensuring that the proposed District meets the statutory criteria for creation. Once again, Wylie does not identify any specific issues or explain how it is affected.

WHEREFORE, PREMISES CONSIDERED, Lavon 593 Land Investment Partners, L.P., hereby respectfully urges the Commission to deny the City of Wylie's hearing request and grant the application to create Collin County Water Control and Improvement District No. 3.

Respectfully submitted,

COATS, ROSE, YALE, RYMAN & LEE, P.C.

By: Angela M. Stepherson

Angela M. Stepherson

TBA #19169070

5420 LBJ Freeway, Suite 1300

Dallas, Texas 75240

Telephone: (972)-982-8450

Telefax: (972) 982-8451

ATTORNEYS FOR LAVON 593 LAND
INVESTMENT PARTNERS, L.P.

CERTIFICATE OF SERVICE

I hereby certify that I have served a true and correct copy of the foregoing on this 28th day of December, 2009 on the following:

Shana Horton, Staff Attorney
TCEQ Environmental Law Division (MC 173)
12100 Park 35 Circle, Building A
Austin, Texas 78753

VIA OVERNIGHT DELIVERY

Ruben Soto
TCEQ Water Supply Division
Utilities & Districts Section (MC 152)
12100 Park 35 Circle, Building F
Austin, Texas 78753

VIA OVERNIGHT DELIVERY

Bridget Bohac, Director
TCEQ Office of Public Assistance (MC 108)
P.O. Box 13087
Austin, Texas 78711-3087

VIA FIRST CLASS MAIL

Blas J. Coy, Jr.
TCEQ Public Interest Counsel (MC 103)
~~12100 Park 35 Circle, Building F~~
Austin, Texas 78753

VIA OVERNIGHT DELIVERY

Kyle Lucas
TCEQ Alternative Dispute Resolution (MC 222)
P.O. Box 13087
Austin, Texas 78711-3087

VIA FIRST CLASS MAIL

LaDonna Castañuela
TCEQ Chief Clerk (MC 105)
12100 Park 35 Circle, Building F
Austin, Texas 78753

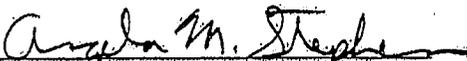
VIA ELECTRONIC FILING AND
OVERNIGHT DELIVERY

Arturo D. Rodriguez, Jr.
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1633 Williams Drive
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VIA OVERNIGHT DELIVERY

Joe Gorfida, Jr.
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.
1800 Lincoln Plaza
500 North Akard
Dallas, Texas 75201

VIA FIRST CLASS MAIL


Angela M. Stepherson

Buddy Garcia, *Chairman*
Larry R. Soward, *Commissioner*
Bryan W. Shaw, Ph.D., *Commissioner*
Mark R. Vickery, P.G., *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 18, 2009

Ms. Angela Stepherson
Coats, Rose Yale, Ryman and Lee, P.C.
3 Greenway Plaza, Suite 2000
Houston, Texas 77002-0307

Re: Publication of Notice of District Petition regarding creation of
Collin County Water Control and Improvement District No. 3
TCEQ Internal Control No. 11032008-D01

Dear Ms. Stepherson:

Enclosed is a copy of the notice for the above petition. Please carefully review the notice for accuracy prior to publication and distribution. Contact Ruben Soto in the District Administration Office at 512/239-4571 if the notice is found to be in error.

This full notice, including Exhibits A and B, must be published in accordance with 30 Texas Administrative Code Section 293.12, at your client's expense, in a newspaper (or newspapers) regularly published or circulated in the county or counties in which the proposed district is to be located. Publication shall be once a week for two consecutive weeks. The 30-day comment period will begin on the day after the date of the second publication.

In addition, pursuant to 30 Texas Administrative Code 293.12, you are required to post the enclosed notice, including Exhibits A and B "...on the bulletin board used for posting legal notices in each county in which all or part of the proposed district is to be located." This notice should be posted so that it is available to the public no later than the date of your second newspaper publication.

After notice has been published and posted in accordance with 293.12, please provide proof of these actions to the Chief Clerks Office (Mail Code 105). The proof for newspaper publication shall be the original TCEQ affidavit of publication completed and notarized by the newspaper and an original tear sheet from the newspaper. The proof of posting can be in the form of an affidavit signed by a representative for the proposed district, stating all facts of the posting action.

The Chief Clerk's Office should receive all affidavits no later than 14 days after the second publication of the notice in the newspaper.

If you have any questions regarding these publication requirements, please contact Irma Salazar in this office at 512/239-1328.

Sincerely,

A handwritten signature in cursive script, appearing to read "LaDonna Castañuela".

LaDonna Castañuela
Chief Clerk

LDC/is
Enclosures

cc: To all on attached mailing list.

MAILING LIST

Collin County Water Control and Improvement District No. 3
TCEQ Internal Control No. 11032008-D01

Angela M. Stepherson
Coats, Rose, Yale, Ryman and Lee, P.C.
3 Greenway Plaza, Suite 2000
Houston, Texas 77002-0307

Nathan Thompson, P.E
Jacobs
7950 Elmbrook Drive
Dallas, Texas 75247-4925

Tony Walker
TCEQ Region 4
2309 Gravel Drive
Fort Worth, Texas 76118-6951

Kathy Wingo, City Secretary
City of Lucas
151 Country Club Road
Allen, Texas 75002-7663

Bruce Dunn, City Secretary
Town of Saint Paul
~~2505 Butscher's Block~~
Saint Paul, Texas 75098-8046

Carol Ehrlich
City of Wylie
2000 State Highway 78 North
Wylie, Texas 75098

Stacey Kemp, County Clerk
Collin County
2300 Bloomdale Road - Suite 2104
McKinney, Texas 75071

Monte Mercer, Deputy Executive Director
North Central Texas Council of Governments
616 Six Flags Drive
Arlington, Texas 76011

Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

Todd Galiga, Senior Attorney, Environmental Law Division, MC-173
Ruben Soto, Utilities & Districts Section, Water Supply Division, MC-152
Alex A. (Skip) Ferris, Utilities & Districts Section, Water Supply Division, MC-152
Komal Patel, Utilities & Districts Section, Water Supply Division, MC-153
Blas Coy, Office of the Public Interest Counsel, MC-103

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF DISTRICT PETITION

TCEQ Internal Control No. 11032008-D01

PETITION. A petition from Lavon 593 Land Investment Partners, L.P. (Petitioner) for creation of Collin County Water Control and Improvement District No. 3 (District) was filed with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, Section 59 of the Constitution of the State of Texas; Chapters 49 and 51 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ.

The petition states the following: (1) the Petitioners are the holders of title to a majority in value of the land to be included in the proposed District; (2) there is one lien holder - The First National Bank of Jacksboro - on the land to be included in the proposed District; (3) the proposed District will contain approximately 593 acres located within Collin County, Texas; and (4) portions of the proposed District are within the extraterritorial jurisdiction of the City of Lucas and the Town of Saint Paul, Texas, and no portion of land within the proposed District is within the extraterritorial jurisdiction or corporate limits of any other city, town or village in Texas. Additionally, other materials submitted states that a portion of the proposed District is located within the extraterritorial jurisdiction of The City of Wylie.

The territory to be included in the proposed District is set forth in a metes and bounds description designated as Exhibit "A" and is depicted in the vicinity map designated as Exhibit "B", both of which are attached to this document.

The petition further states that the proposed District will be created for the purpose to: purchase, construct, acquire, provide, operate, maintain, repair, improve or extend land, facilities, systems, plants and enterprises necessary to; (1) provide for the control, storage, preservation, and distribution of waters and floodwaters for irrigation, power and other useful purposes; (2) reclamation and irrigation of land; (3) reclamation, drainage, conservation and development of forests, water and hydroelectric power; (4) navigation of coastal inland water; (5) control, abatement, and change of shortage or harmful excess water; (6) protection, preservation and restoration of sanitary condition of water; (7) preservation and conservation of natural resources; (8) supply water for municipal and domestic use; and (9) exercise any other power consistent with the purposes for which the District is created as more particularly described in an engineer's report filed simultaneously with the filing of the petition. According to the petition, the Petitioners have conducted a preliminary investigation to determine the cost of the project and from the information available at the time, the cost of the project is estimated to be approximately \$45,700,000.

CONTESTED CASE HEARING. The TCEQ may grant a contested case hearing on this petition if a written hearing request is filed within 30 days after the newspaper publication of this notice.

To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioners and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below.

The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting to determine whether a contested case hearing will be held. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

INFORMATION. Written hearing requests should be submitted to the Office of the Chief Clerk, MC 105, TCEQ, P.O. Box 13087, Austin, TX 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC 103, at the same address. For additional information, individual members of the general public may contact the Districts Review Team at 1-512-239-4691. Si desea información en Español, puede llamar al 512-239-0200. General information regarding the TCEQ can be found at our web site at www.tceq.state.tx.us.

Issued: June 18, 2009



October 1, 2008

Carol Ehrlich, TRMC
City Secretary
City of Wylie
2000 S.H. 78 North
Wylie, TX 75098

Re: Collin County Water Control and Improvement District No. 3
Request for Consent to District Creation and Plan for Development

Dear Carol:

Pursuant to Section 42.042 of the Texas Local Government Code, enclosed please find our Request for Consent to the Creation of a water control and improvement district (the "District"). Included with the Request is a Plan for Development illustrating the manner in which we plan to use the property within the District.

The District shall contain an area of approximately 592.744 acres of land, more or less, lying partly within the extraterritorial jurisdiction ("ETJ") of the City of Wylie, partly within the ETJ of the City of Lucas, and partly within the ETJ of the Town of St. Paul, but not within the corporate limits of any city, town, or village. There is a necessity for the District because the property 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, or drainage facilities. The health and welfare of the future inhabitants of the District require the acquisition and installation of adequate waterworks, storm and sanitary sewer systems.

The purchase, construction, extension, improvement, maintenance, and operation of such waterworks, storm and sanitary sewer collection, and disposal systems 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.

5950 Berkshire Lane, Suite 1200
Dallas, Texas 75225
Telephone 214/373-1892
Fax 214/368-7985

www.hanoverproperty.com

We appreciate your assistance in processing the Request and look forward to working with you throughout the development process. Should you have any questions, please do not hesitate to contact me.¹

Sincerely,

Lavon 593 Land Investment Partners, L.P.
a Texas limited partnership

By: Lavon 593 GP Partners, Ltd.
a Texas limited partnership

By: Hanover Services Group, Inc.
a Texas corporation
its general partner

By: 
Michael N. Maberry
President

Enclosures

¹ This letter and its enclosures collectively constitute a formal application for consent related to the provision of service from a water or wastewater utility owned, operated, or controlled by a regulatory agency, and/or consent required by law that must be obtained to perform an action or initiate a project for which the consent is sought, as defined in Chapter 245 of the Texas Local Government Code, and should thus be regarded as an application for a "permit" within the meaning of that chapter. This letter and its enclosures also collectively constitute a completed application for the initial authorization to use land in the manner described in the enclosed Plan for Development for purposes of Sections 43.002(a) and 245.002(a)(2) of that Code.

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

TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF WYLIE,
TEXAS;

The undersigned owner ("Owner"), acting pursuant to subsections 42.042(a) and (b), Texas Local Government Code, as amended, respectfully submits this request to this Honorable City Council for consent to the creation of a water control and improvement district, and for cause Owner would respectfully show the following:

I.

The District shall be organized under the provisions of Article XVI, Section 59 and the applicable provisions of Chapters 49 and 51 of the Texas Water Code, as amended.

II.

The proposed name of the district is "Collin County Water Control and Improvement District No. 3" (the "District"). The District shall contain an area of approximately 592.744 acres of land, more or less, lying within Collin County, Texas, partly within the extraterritorial jurisdiction ("ETJ") of the City of Lucas, Texas, partly within the ETJ of the Town of Saint Paul, Texas, partly within the ETJ of the City of Wylie, Texas, and not within the corporate limits or ETJ of any other city, town, or village. The boundaries of the proposed District are described by metes and bounds on Exhibit A (the "Property").

III.

The undersigned Owner is the owner of a majority of the Property in the District as shown by the county tax rolls and conveyances of record since the date of preparation of the county tax rolls.

IV.

The purpose of the District shall be to provide for: (i) 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; (ii) the reclamation and irrigation of its arid, semiarid, and other land which needs irrigation; (iii) the reclamation, drainage, conservation, and development of its forests, water, and hydroelectric power; (iv) the navigation of its coastal and inland water; (v) the control, abatement, and change of any shortage or harmful excess of water; (vi) the protection, preservation, and restoration of the purity and sanitary condition of water within the state; and (vii) the preservation and conservation of all natural resources of the state.

V.

The general nature of the work to be done by and within the District (collectively, the "Project") is the: (i) construction, maintenance, and operation of a waterworks system for residential and commercial purposes; (ii) the construction, maintenance, and operation of all improvements, facilities, plants, equipment and appliances incident to or helpful or necessary to the collection, transportation, processing, disposal, and control of all domestic, industrial or communal wastes; (iii) gathering, conducting, diverting and controlling local storm water or other local harmful excesses of water; and (iv) such other construction, installation, maintenance, purchase, and operation of such additional facilities, systems, plants and enterprises as shall be consonant 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.

VI.

There is a necessity for the District because the Property 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, or drainage facilities. The health and welfare of the future inhabitants of the District require the acquisition and installation of adequate waterworks, storm and sanitary sewer systems.

The purchase, construction, extension, improvement, maintenance, and operation of such waterworks, storm and sanitary sewer collection, and disposal systems 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.

VII.

The Project is feasible and practicable. There is an ample supply of water available, and the terrain of the area to be included in the proposed District is such that a waterworks, sanitary sewer, and storm sewer system can be constructed at a reasonable cost.

VIII.

The Property cannot be developed without the creation of the District to provide and finance the above-mentioned water, wastewater, and drainage facilities. Therefore, a public necessity exists for the creation of the District.

IX.

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

RESPECTFULLY SUBMITTED this 9th day of October, 2008.

Lavon 593 Land Investment Partners, L.P.,
a Texas limited partnership

By: Lavon 593 GP Partners, Ltd.,
a Texas limited partnership

By: Hanover Services Group, Inc.,
a Texas corporation,
its general partner

By: Michael N. Maberry
Michael N. Maberry
President



FedEx Express
Customer Support Trace
3875 Airways Boulevard
Module H, 4th Floor
Memphis, TN 38116

U.S. Mail: PO Box 727
Memphis, TN 38194-4943
Telephone: 901-369-3800

January 7, 2009

Dear Customer:

The following is the proof-of-delivery for tracking number 790599347779.

Delivery Information:

Status:	Delivered	Delivery location:	Wylie, TX
Signed for by:	K. SPENCE	Delivery date:	Oct 10, 2008 10:17
Service type:	Priority Envelope		



Shipping Information:

Tracking number:	790599347779	Ship date:	Oct 9, 2008
		Weight:	0.5 lbs.

Recipient:	Shipper:
Wylie, TX US	Dallas, TX US

Reference:	Lavon
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6650 Barkers Lane
Suite 1200
Dallas, TX 75238



Ship Date: 10/09/08
Address: TLE
CAD: 89056501210031
Account: 91141114

Delivery Address Bar Code



SHIP TO: 000000000 BIL SENDER
Carol Ehrlich, TRMG-City Secretary
City of Wylie
2000 S.H. 78 North

Wylie, TX 75098

Ref # : Lavon
Invoice #
PO #
Dept #



TRK# 7905 9934 7779 FRI - 100CT A2
0201 PRIORITY OVERNIGHT

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PETITION FOR WATER AND SANITARY SEWER SERVICES

THE STATE OF TEXAS §
 §
 COUNTY OF COLLIN §

TO: THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF WYLIE,
 TEXAS:

The undersigned, acting pursuant to the applicable provisions of Chapters 49 and 51 of the Texas Water Code, as amended, and Section 42.042, Texas Local Government Code, as amended, respectfully petitions the governing body of the City of Wylie, Texas (the "City") for water and sanitary sewer services to serve the land described below and located within the City's extraterritorial jurisdiction.

I.

On October 10, 2008, the undersigned filed with the City a written request for consent to the creation of a water control and improvement district (the "Written Request for Consent", a copy of which is attached hereto and incorporated herein as Exhibit "A"), dated October 1, 2008, requesting the City's consent to the creation of Collin County Water Control and Improvement District No. 3 (the "District").

II.

The proposed District will contain approximately 592.744 acres of land described by metes and bounds in Exhibit "B" attached hereto and incorporated herein (the "Land"). The proposed District lies partly within the extraterritorial jurisdiction of the City, partly within the extraterritorial jurisdiction of the City of Lucas, and partly within the extraterritorial jurisdiction of the Town of St. Paul, but not within the corporate limits of any city, town, or village.

III.

The City has failed or refused to give its consent for the creation of the District within 90 days after the Written Request for Consent was filed with the City.

IV.

The undersigned is the owner of 100% of the Land. There are no qualified voters residing within the Land.

V.

The undersigned hereby petitions the governing body of the City and requests that the City provide water and sanitary sewer services to the Land by entering into a mutually agreeable contract with the undersigned providing for the requested water and sanitary sewer services as provided under Sections 42.042(b) and (c), Texas Local Government Code, as amended.

Respectfully submitted this 30 day of January, 2009.

Lavon 593 Land Investment Partners, L.P.,
a Texas limited partnership

By: Lavon 593 GP Partners, Ltd.,
a Texas limited partnership,
its general partner

By: Hanover Services Group, Inc.,
a Texas corporation,
its general partner

By: Michael N. Maberry
Michael N. Maberry
President

The total amount owned
is 592.774 acres

Exhibit "A"



October 1, 2008

Carol Ehrlich, TRMC
City Secretary
City of Wylie
2000 S.H. 78 North
Wylie, TX 75098

Re: Collin County Water Control and Improvement District No. 3
Request for Consent to District Creation and Plan for Development

Dear Carol:

Pursuant to Section 42.042 of the Texas Local Government Code, enclosed please find our Request for Consent to the Creation of a water control and improvement district (the "District"). Included with the Request is a Plan for Development illustrating the manner in which we plan to use the property within the District.

The District shall contain an area of approximately 592,744 acres of land, more or less, lying partly within the extraterritorial jurisdiction ("ETJ") of the City of Wylie, partly within the ETJ of the City of Lucas, and partly within the ETJ of the Town of St. Paul, but not within the corporate limits of any city, town, or village. There is a necessity for the District because the property 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, or drainage facilities. The health and welfare of the future inhabitants of the District require the acquisition and installation of adequate waterworks, storm and sanitary sewer systems.

The purchase, construction, extension, improvement, maintenance, and operation of such waterworks, storm and sanitary sewer collection, and disposal systems 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.

5950 Berkshire Lane, Suite 1200
Dallas, Texas 75226
Telephone: 214/873-1892
Fax: 214/868-7985
www.hanoverproperty.com

DALLAS-1125505 v1 1286224-00013

A Texas Limited Liability Company

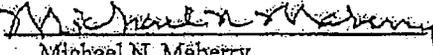
We appreciate your assistance in processing the Request and look forward to working with you throughout the development process. Should you have any questions, please do not hesitate to contact me.¹

Sincerely,

Lavon 593 Land Investment Partners, L.P.
a Texas limited partnership

By: Lavon 593 GP Partners, Ltd.
a Texas limited partnership

By: Hanover Services Group, Inc.
a Texas corporation
its general partner

By: 
Michael N. Maberry
President

Enclosures

¹ This letter and its enclosures collectively constitute a formal application for consent related to the provision of service from a water or wastewater utility owned, operated, or controlled by a regulatory agency, and/or consent required by law that must be obtained to perform an action or initiate a project for which the consent is sought, as defined in Chapter 245 of the Texas Local Government Code, and should thus be regarded as an application for a "permit" within the meaning of that chapter. This letter and its enclosures also collectively constitute a completed application for the initial authorization to use land in the manner described in the enclosed Plan for Development for purposes of Sections 43.002(a) and 245.002(a)(2) of that Code.

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

**TO THE HONORABLE MAYOR AND CITY COUNCIL OF THE CITY OF WYLIE,
TEXAS;**

The undersigned owner ("Owner"), acting pursuant to subsections 42.042(a) and (b), Texas Local Government Code, as amended, respectfully submits this request to this Honorable City Council for consent to the creation of a water control and improvement district, and for cause Owner would respectfully show the following:

I.

The District shall be organized under the provisions of Article XVI, Section 59 and the applicable provisions of Chapters 49 and 51 of the Texas Water Code, as amended.

II.

The proposed name of the district is "Collin County Water Control and Improvement District No. 3" (the "District"). The District shall contain an area of approximately 592,744 acres of land, more or less, lying within Collin County, Texas, partly within the extraterritorial jurisdiction ("ETJ") of the City of Lucas, Texas, partly within the ETJ of the Town of Saint Paul, Texas, partly within the ETJ of the City of Wylie, Texas, and not within the corporate limits or ETJ of any other city, town, or village. The boundaries of the proposed District are described by metes and bounds on Exhibit A (the "Property").

III.

The undersigned Owner is the owner of a majority of the Property in the District as shown by the county tax rolls and conveyances of record since the date of preparation of the county tax rolls.

IV.

The purpose of the District shall be to provide for: (i) 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; (ii) the reclamation and irrigation of its arid, semiarid, and other land which needs irrigation; (iii) the reclamation, drainage, conservation, and development of its forests, water, and hydroelectric power; (iv) the navigation of its coastal and inland water; (v) the control, abatement, and change of any shortage or harmful excess of water; (vi) the protection, preservation, and restoration of the purity and sanitary condition of water within the state; and (vii) the preservation and conservation of all natural resources of the state.

V.

The general nature of the work to be done by and within the District (collectively, the "Project") is the: (i) construction, maintenance, and operation of a waterworks system for residential and commercial purposes; (ii) the construction, maintenance, and operation of all improvements, facilities, plants, equipment and appliances incident to or helpful or necessary to the collection, transportation, processing, disposal, and control of all domestic, industrial or communal wastes; (iii) gathering, conducting, diverting and controlling local storm water or other local harmful excesses of water; and (iv) such other construction, installation, maintenance, purchase, and operation of such additional facilities, systems, plants and enterprises as shall be consonant 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.

VI.

There is a necessity for the District because the Property 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, or drainage facilities. The health and welfare of the future inhabitants of the District require the acquisition and installation of adequate waterworks, storm and sanitary sewer systems.

The purchase, construction, extension, improvement, maintenance, and operation of such waterworks, storm and sanitary sewer collection, and disposal systems 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.

VII.

The Project is feasible and practicable. There is an ample supply of water available, and the terrain of the area to be included in the proposed District is such that a waterworks, sanitary sewer, and storm sewer system can be constructed at a reasonable cost.

VIII.

The Property cannot be developed without the creation of the District to provide and finance the above-mentioned water, wastewater, and drainage facilities. Therefore, a public necessity exists for the creation of the District.

IX.

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

RESPECTFULLY SUBMITTED this 9th day of October, 2008.

Lavon 593 Land Investment Partners, L.P.,
a Texas limited partnership

By: Lavon 593 GP Partners, Ltd.,
a Texas limited partnership

By: Hanover Services Group, Inc.,
a Texas corporation,
its general partner

By: Michael N. Maberry
Michael N. Maberry
President

Sandi Pustejovsky

From: TrackingUpdates@fedex.com
Sent: Tuesday, February 03, 2009 10:36 AM
To: Sandi Pustejovsky
Subject: FedEx Shipment 796306775065 Delivered

This tracking update has been requested by:

Company Name: Hanover Property Company
Name: Sandi Pustejovsky
E-mail: sandip@hanoverproperty.com

Our records indicate that the following shipment has been delivered:

Reference: Lavon
Ship (P/U) date: Feb 2, 2009
Delivery date: Feb 3, 2009 10:30 AM
Sign for by: K.SPENCE
Delivered to: Receptionist/Front Desk
Service type: FedEx Priority Overnight
Packaging type: FedEx Envelope
Number of pieces: 1
Weight: 0.50 lb.
Special handling/Services: Deliver Weekday
Tracking number: [796306775065](https://www.fedex.com/track?tracknumber=796306775065)

Shipper Information	Recipient Information
Sandi Pustejovsky	Carol Ehrlich, TRMC-City Secretary
Hanover Property Company	City of Wylie
5950 Berkshire Lane, Suite 1200	2000 S.H. 78 North
Dallas	Wylie
TX	TX
US	US
75225	75098

Please do not respond to this message. This email was sent from an unattended mailbox. This report was generated at approximately 10:35 AM CST on 02/03/2009.

[Learn more](#) about new ways to track with FedEx.

All weights are estimated.

To track the latest status of your shipment, click on the tracking number above, or visit us at [fedex.com](https://www.fedex.com). This tracking update has been sent to you by FedEx on the behalf of the Requestor noted above. FedEx does not validate the authenticity of the requestor and does not validate, guarantee or warrant the authenticity of the request, the requestor's message, or the accuracy of this tracking update. For tracking results and [fedex.com](https://www.fedex.com)'s terms of use, go to [fedex.com](https://www.fedex.com).

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Detailed Results

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Enter tracking number

Detailed Results
Notifications

Tracking no.: 796306775065

Delivered

[Initiated](#) |
 [Picked up](#) |
 [In transit](#) |
 [Delivered](#)

Delivered
Signed for by: K.SPENDE

Shipment Dates: Ship date Feb 2, 2009 | Delivery date Feb 3, 2009 10:30 AM

Destination: [Wylie, TX](#) [Ship to / Proof of Delivery](#)

Shipment Facts [Help](#)

Service type	Priority Envelope	Delivered to	Receptionist/Front Desk
Weight	0.6 lbs/0.2 kg	Reference	Laven

Shipment Travel History [Help](#)

Select time zone: | Select time format: 12H | 24H

All shipment travel activity is displayed in local time for the location.

Date/Time	Activity	Location	Details
Feb 3, 2009 10:30 AM	Delivered	Wylie, TX	
Feb 3, 2009 8:16 AM	On FedEx vehicle for delivery	PLANO, TX	
Feb 3, 2009 7:10 AM	At local FedEx facility	PLANO, TX	
Feb 3, 2009 4:59 AM	Departed FedEx location	FORT WORTH, TX	
Feb 2, 2009 11:52 PM	Arrived at FedEx location	FORT WORTH, TX	
Feb 2, 2009 8:38 PM	Left FedEx origin facility	DALLAS, TX	
Feb 2, 2009 7:53 PM	Picked up	DALLAS, TX	
Feb 2, 2009 3:50 PM	Shipment information sent to FedEx		

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Memphis, TN 38116

U.S. Mail: PO Box 727
Memphis, TN 38194-4643
Telephone: 901-369-3600

February 3, 2009

Dear Customer:

The following is the proof-of-delivery for tracking number 796306775065.

Delivery Information:

Status:	Delivered	Delivery location:	Wylie, TX
Signed for by:	K.SPENCE	Delivery date:	Feb 3, 2009 10:30
Service type:	Priority Envelope		



Shipping Information:

Tracking number:	796306775065	Ship date:	Feb 2, 2009
		Weight:	0.5 lbs.

Recipient:
Wylie, TX US

Shipper:
Dallas, TX US

Reference

Lavon

Thank you for choosing FedEx Express.

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DANIEL & BROWN INC.
ENGINEERS/CONSULTANTS/PLANNERS

March 11, 2009

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Tuyet Truong
Texas Commission on Environmental Quality
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

Re: Application from Wylie Northeast Special Utility District (SUD), Certificate of Convenience and Necessity (CCN) No. 10192, to Decertify a Portion of CCN No 11256 from Seis Lagos Utility District and to Amend CCN No. 10192, in Collin County; Application No. 36296-C

Application from Wylie Northeast SUD to Decertify a Portion of CCN No. 20502 from Seis Lagos Utility District and to Obtain a Sewer CCN, in Collin County; Application No. 36297-C

CN: 602681488; RN: 101248326 (water) and 105674378 (sewer) (Wylie Northeast SUD)
CN: 600630636; RN: 102685732 (water) and 101453827 (sewer) (Seis Lagos Utility District)

Dear Ms. Truong:

We are in receipt of Ms. Tammy Bentor's letter dated February 13, 2009 regarding the above mentioned application. Please find enclosed the following responses in regards to the requested information:

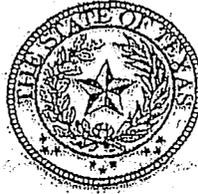
1. An original and three copies of a publisher's affidavit of the newspaper publication with tear sheets of the published notice attached.
2. Four copies of each individual notice and map sent to neighboring utilities and affected parties
3. One copy of the landowner notice and map sent to each landowner
4. An original and three copies of the signed affidavits that individual notice to neighboring utilities, affected individuals and each landowner has been given.

If you should require additional information for the application, please contact me at 972-784-7777.

Sincerely,

Charles Massey

cc: Sue Jones, Wylie Northeast SUD (w/encl)



Texas Commission on Environmental Quality

APPLICATION NO. 36296-C

AFFIDAVIT OF NOTICE TO NEIGHBORING UTILITIES AND AFFECTED PARTIES
STATE OF TEXAS

COUNTY OF COLLIN

Wylie Northeast Special Utility District has provided individual notice to the following entities:

Table with 2 columns: Entity Name and DATE. Lists various cities and utility districts with a date of February 26, 2009 for each.

OATH

I, Eddy Daniel, P.E., being duly sworn, file this form as Engineer/Consultant (indicate relationship to applicant, that is, owner, member of partnership, title of officer of corporation, or other authorized representative of applicant); that in such capacity, I am qualified and authorized to file and verify such form, am personally familiar with the notices given with this application, and have complied with all notice requirements in the application and application acceptance letter; and that all such statements made and matters set for therein are true and correct.

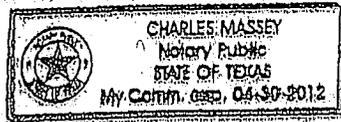
Handwritten signature of Eddy Daniel, P.E.

Applicant's Authorized Representative

If the applicant to this form is any person other than the sole owner, partner, officer of the applicant, or its' attorney, a properly verified Power of Attorney must be enclosed.

(over)

Subscribed and sworn to before me this 26th day of February, 2009, to certify which witness my hand and seal of office.



Charles Massey
Notary Public in and for the
State of Texas
Charles Massey
Print or Type Name of Notary Public
Commission Expires 04-30-2012

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER AND SEWER UTILITY SERVICE IN COLLIN COUNTY

To: _____ Date Notice Mailed: February 26, 2009
(Neighboring System, Landowner or City)

(Address)

(City State Zip)

Wylie Northeast Special Utility District has filed an application for a sewer CCN, to amend CCN No. 10192 and to decertify portions of Seis Lagos Utility District with the Texas Commission on Environmental Quality to provide water and sewer utility service in Collin County.

The proposed utility service area is located approximately 2.64 miles north of downtown Wylie, Texas, and is generally bounded on the north by Brookdale Park Road; on the east by Lake Layon; on the south by Farm-to-Market Road 2514; and on the west by Farm-to-Market Road 1378. The total area being requested includes approximately 315 acres for water and 600 acres for sewer and 0 current customers. See enclosed map of the proposed service area.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to exclude the tract from the proposed area (or "opt out")

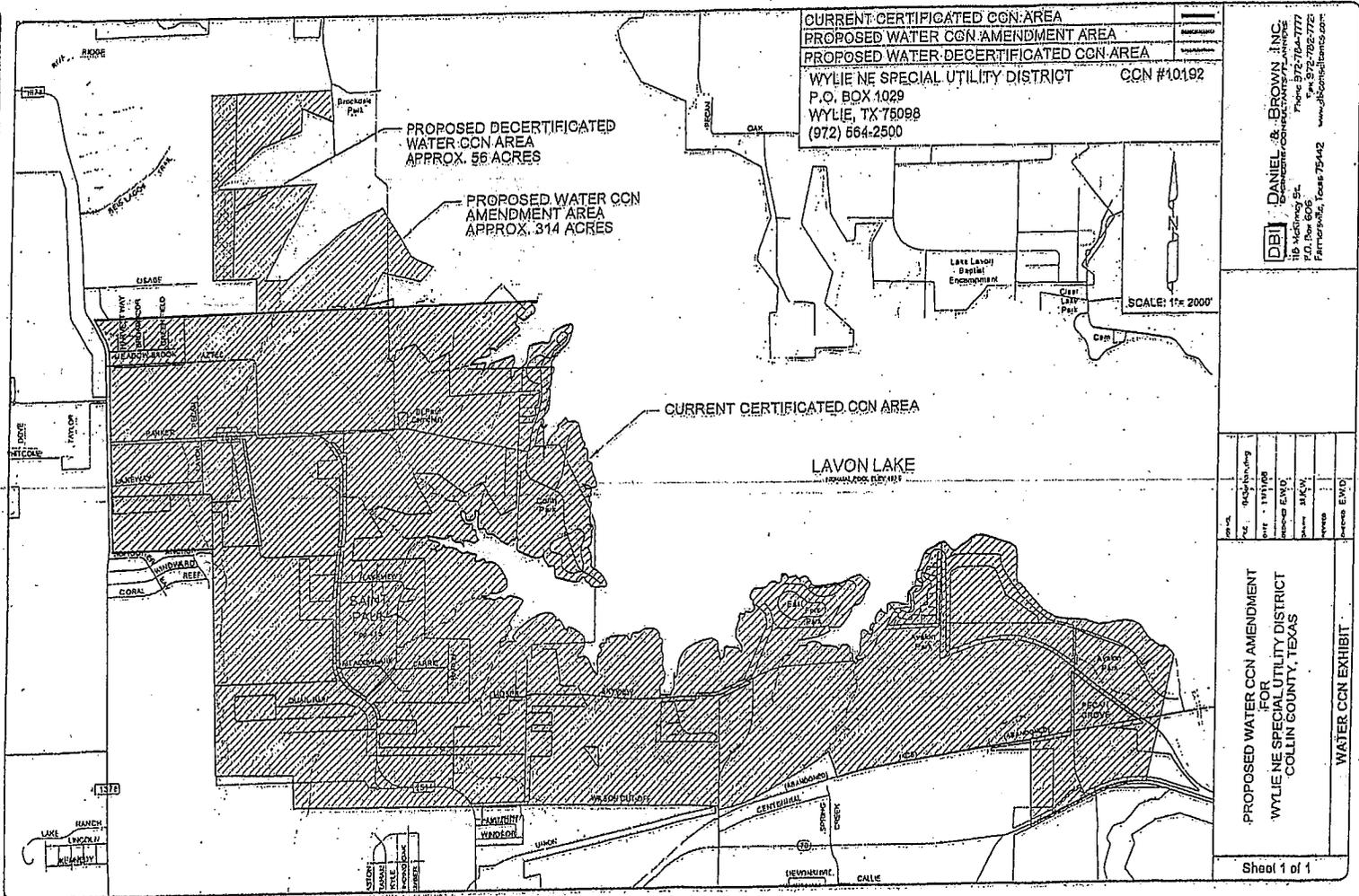
by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

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



CURRENT CERTIFICATED C&N AREA
 PROPOSED WATER C&N AMENDMENT AREA
 PROPOSED WATER DECERTIFICATED C&N AREA
 WYLIE NE SPECIAL UTILITY DISTRICT C&N #10192
 P.O. BOX 1029
 WYLIE, TX 75098
 (972) 664-2500

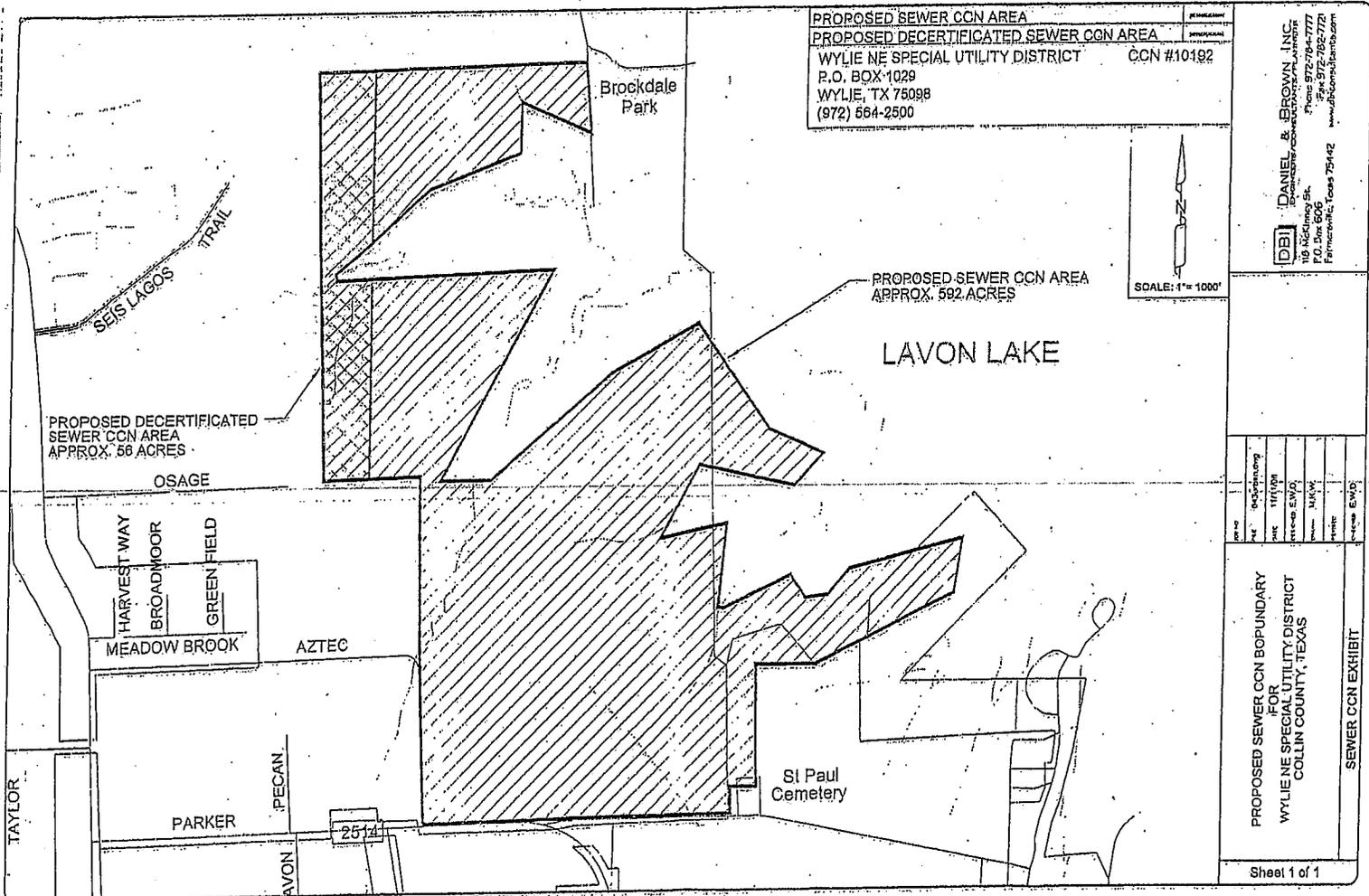
DBI DANIEL & BROWN, INC.
 ENGINEERS, ARCHITECTS, PLANNERS
 118 Audinway St.
 Fort Worth, Texas 75442
 Phone: 972-754-7777
 Fax: 972-752-7772
 www.danielbrown.com

SCALE: 1" = 2000'

DATE	DESCRIPTION
11/11/09	PRELIMINARY
01/14/10	REVISED
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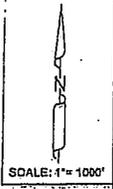
PROPOSED WATER C&N AMENDMENT
 WYLIE NE SPECIAL UTILITY DISTRICT
 COLLIN COUNTY, TEXAS

WATER C&N EXHIBIT



PROPOSED SEWER CCN AREA
PROPOSED DECERTIFICATED SEWER CCN AREA
 WYLIE NE SPECIAL UTILITY DISTRICT CCN #10192
 P.O. BOX 1029
 WYLIE, TX 75098
 (972) 564-2500

DBI DANIEL & BROWN, INC.
 ENGINEERS, ARCHITECTS & PLANNERS
 118 McKinney St.
 P.O. Box 606
 Farmersville, Texas 75442
 Phone: 972-784-7777
 Fax: 972-782-7772
 www.dbiengineers.com



DATE	DESCRIPTION

PROPOSED SEWER CCN BOUNDARY
 FOR
 WYLIE NE SPECIAL UTILITY DISTRICT
 COLLIN COUNTY, TEXAS
 SEWER CCN EXHIBIT

COATS | ROSE

A Professional Corporation

ANGELA M. STEPHERSON
OF COUNSEL

astepherson@coatsrose.com
Direct Dial
(972) 982-8455
Fax
(972) 982-8451

December 28, 2009

VIA OVERNIGHT DELIVERY

LaDonna Castañuela
TCEQ Chief Clerk (MC 105)
12100 Park 35 Circle, Building F
Austin, Texas 78753

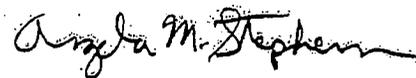
Re: Application for Creation of Collin County Water Control and Improvement District No. 3
Docket No. 2009-1573-DIS; TCEQ Internal Control No. 11032008-D01

Dear Ms. Castañuela:

Enclosed for filing please find the original and seven copies of Applicant's Response to Hearing Request in the above-referenced matter. This document was also filed electronically with your office, under Filing Confirmation Number 736566692009362. Copies of the response have also been served today on all persons on the mailing list.

Thank you for your assistance.

Very truly yours,



Angela M. Stepherson

Enclosures

cc: Mailing List

RECEIVED
TCEQ WATER SUPPLY
2009 DEC 30 AM 9:09

Two Lincoln Centre, 5420 LBJ Freeway, Suite 1300 Dallas, Texas 75240
Phone: 972-982-8450 Fax: 972-982-8451
Web: www.coatsrose.com

HOUSTON | CLEAR LAKE | AUSTIN | DALLAS | SAN ANTONIO | NEW ORLEANS

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COATS | ROSE

ANGELA M. STEPHERSON
OF COUNSEL
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(972) 982-8451

HOUSTON
CLEARLAKE/GALVESTON CO.
SAN ANTONIO
DALLAS
AUSTIN
NEW ORLEANS

June 4, 2009

VIA OVERNIGHT DELIVERY

Ruben Soto
TCEQ Districts Review Team (MC 152)
Building F
12100 Park 35 Circle
Austin, Texas 78753

Re: Collin County Water Control and Improvement District No. 3; Internal Control No.
11032008-D01

Dear Mr. Soto:

In response to your e-mail dated May 6, 2009, at this time it appears that the City of Wylie does assert that a portion of the proposed District is within its extraterritorial jurisdiction. As provided by 30 Texas Administrative Code Section 293.11(a)(2), enclosed please find the following documentation evidencing compliance with Texas Local Government Code Section 42.042:

1. Request for Consent to the Creation of a Water Control and Improvement District to the City of Wylie; and
2. Petition for Water and Sanitary Sewer Services to the City of Wylie, along with evidence of posting and publication.

Under the timeline provided in Section 42.042(c), the City of Wylie was deemed to have given consent as of June 3, 2009, and the creation application may proceed under Section 42.042(f).

Enclosed please find also the Consent of Lienholder to be included in the application. Thank you for your assistance, and please feel free to contact me at (972) 982-8455 if you have any questions.

COATS | ROSE | YALE | RYMAN | LEE
A Professional Corporation

Two Lincoln Centre, 5420 LBJ Freeway, Suite 1300 Dallas, Texas 75240
Phone: 972-982-8450 Fax: 972-982-8451

Web: www.coatsrose.com

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June 4, 2009
Page 2

Very truly yours,


Angela M. Stepherson

Enclosures

COATS | ROSE

A Professional Corporation

ANGELA M. STEPHERSON
OF COUNSEL

astepheron@coatsrose.com
Direct Dial
(972) 982-8455
Fax
(972) 982-8451

September 28, 2009

VIA OVERNIGHT DELIVERY

Ruben Soto
TCEQ Districts Review Team (MC 152)
12100 Park 35 Circle, Building F
Austin, Texas 78753

Re: Collin County Water Control and Improvement District No. 3; Internal Control No.
11032008-D01

Dear Mr. Soto:

Enclosed please find an affidavit regarding the transmission to the City of Wylie of the petition for consent to creation of the above-referenced District and the petition for water and sewer service, both submitted to the City of Wylie in accordance with Texas Local Government Code, Section 42.042.

Very truly yours,


Angela M. Stepherson

Enclosure

cc: Shana Horton, TCEQ Environmental Law Division

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RECEIVED
TCEQ WATER SUPPLY

Two Lincoln Centre, 5420 LBJ Freeway, Suite 1300 Dallas, Texas 75240
Phone: 972-982-8450 Fax: 972-982-8451
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AFFIDAVIT

THE STATE OF TEXAS

§
§
§

COUNTY OF DALLAS

BEFORE ME, the undersigned authority, on this day personally appeared Sandi R. Pustejovsky, who, being first duly sworn by me, upon her oath stated:

1. My name is Sandi R. Pustejovsky.
2. I am more than eighteen (18) years of age and competent to make this affidavit. I have personal knowledge of the facts stated herein.
3. On October 1, 2008 and continuing to the present, I was and have been employed by Hanover Property Company, 5950 Berkshire Lane, Suite 1200, Dallas, Texas 75225.
4. On behalf of Lavon 593 Land Investment Partners, L.P. ("Lavon 593"), I caused a letter dated October 1, 2008 and Request for Consent to the Creation of a Water Control and Improvement District, true and correct copies of which are attached hereto as Exhibit "A," to be transmitted to the City of Wylie on October 9, 2008. Such transmission was via Federal Express in a package assigned Tracking Number 790599347779.
5. Attached hereto as Exhibit "B" is a true and correct copy of the proof of delivery obtained from Federal Express showing delivery to the City of Wylie on October 10, 2008 of the package I transmitted under Tracking Number 790599347779 and containing the documents attached hereto as Exhibit "A."
6. On behalf of Lavon 593 Land Investment Partners, L.P. ("Lavon 593"), I caused a Petition for Water and Sanitary Sewer Services, a true and correct copy of which is attached hereto as Exhibit "C," to be transmitted to the City of Wylie on February 2, 2009. Such transmission was via Federal Express in a package assigned Tracking Number 796306775065.
7. Attached hereto as Exhibit "D" is a true and correct copy of the proof of delivery obtained from Federal Express showing delivery to the City of Wylie on February 3, 2009 of the package I transmitted under Tracking Number 796306775065 and containing the documents attached hereto as Exhibit "C."

WITNESS MY HAND this 9th day of November, 2009.

Sandi R. Pustejovsky
Sandi R. Pustejovsky

SUBSCRIBED AND SWORN BY Sandi R. Pustejovsky before me, the undersigned authority, on this 9th day of November, 2009, to certify which witness my hand and seal of office.

Elaine Odoherly
Notary Public, State of Texas

(SEAL)

