

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
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Kelly Keel, *Interim Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

September 18, 2023

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

Re: TCEQ Docket No. 2023-0846-DIS; Madera Municipal Utility District No. 1 of
Denton County; Request filed regarding Internal Control No. D-01092023-007.

Dear Ms. Gharis:

Transmitted herewith for filing with the Texas Commission on Environmental Quality (Commission or TCEQ) are the following items to be filed as backup materials for the October 11, 2023, agenda on hearing requests for the creation of Madera Municipal Utility District No. 1 of Denton County:

1. Technical memo prepared by staff;
2. Temporary Directors' Affidavits; and
3. Notice of District Petition.

Please do not hesitate to contact me if you have any questions regarding these materials. Thank you for your attention to this matter.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Fernando Salazar Martinez".

Fernando Salazar Martinez
Staff Attorney
Environmental Law Division

Enclosures

Attachment 1

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Justin P. Taack, Manager
Districts Section


7/27/2023

Date: May 31, 2023

Thru: Michael Briscoe, Team Lead
Districts Section

From: James Walker
Districts Creation Review Team

Subject: Petition by TCCI Range-Mead 2021, LLC and Hines Acquisitions, LLC for Creation of Madera Municipal Utility District No. 1 of Denton County; Pursuant to Texas Water Code Chapters 49 and 54.
TCEQ Internal Control No. D-01092023-007 (TC)
CN: 606096311 RN: 111636312

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received a petition within the application requesting approval for the creation of Madera Municipal Utility District No. 1 of Denton County (District). The petition was signed by Tommy Cansler as the director of TCCI Management Corp., a Texas corporation, a manager of TCCI Range-Mead 2021, LLC, a Texas limited liability company and Robert Witte as the senior managing director of Hines Interests Limited Partnership, a Delaware limited partnership, a partner of Hines Acquisitions, LLC, a Delaware limited liability company (Petitioners). Hines Acquisitions, LLC, a Delaware limited liability company entered into an earnest money contract to purchase all of the land and desires to be considered as a Petitioner. The petition states that the Petitioners hold title to a majority in value of the land in the proposed District and it further states that there is one lienholder, Veritex Community Bank, on the land in the proposed District and information provided indicates that the aforementioned entity has consented to the petition.

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 54 of the Texas Water Code (TWC).

Location and Access

The proposed District is located in Denton County, Texas, southwest of the City of Justin (City). The proposed District is entirely within the extraterritorial jurisdiction of the City. The proposed District is located west of the intersection of Range Road and Boss Range Road, approximately 2.5 miles southwest of the City. The existing Range Road will be improved and expanded to serve as the primary east-west access road for the proposed District.

Metes and Bounds Description

The proposed District contains 539.203 acres of land. The metes and bounds description of the proposed District has been reviewed and checked by TCEQ's staff and has been found to form an acceptable closure.

City Consent

In accordance with Local Government Code Section 42.042 and TWC Section 54.016, the Petitioners submitted a petition to the City, requesting the City's consent to the creation of the District. After more than 90 days passed without receiving consent, the Petitioners submitted a petition to the City to provide water or sewer services to the District. The 120-day period for reaching a mutually agreeable contract as established by TWC Section 54.016(c) expired and the information provided indicates that the Petitioners and the City have not executed a mutually agreeable contract for service. Pursuant to TWC Section 54.016(d), failure to execute such an agreement constitutes authorization for the Petitioner to initiate proceedings to include the land within the district.

County Notification

In accordance with TWC Section 54.0161, a certified letter, dated February 8, 2023, was sent to the Commissioners Court of Denton County which provided notice of the proposed District's pending creation application and provided them an opportunity to make their recommendations. To date, the county has not responded to this notification.

Statements of Filing Petition

Evidence of filing a copy of the petition with the City Secretary's office, the Denton County Clerks' office, the TCEQ's Dallas/Fort Worth regional office, the Texas state representative, and the Texas state senator was included in the application.

Type of Project

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

Developer Qualifications

Application material indicates that TCCI Range-Mead 2021, LLC, a Texas limited liability company, owns the entirety of the land within the proposed District. The manager of TCCI Range-Mead 2021, LLC is TCCI Management Corp, a Texas corporation. Tommy Cansler is the sole member and director of TCCI Management Corp. Tommy Cansler is a landowner and developer in the Dallas/Fort Worth Metroplex. He has over 40 years of experience in residential land development and engineering. He has completed multiple MUDs in and around the Dallas/Fort Worth Metroplex. The most recent projects completed are Belmont, Lakehaven, Montgomery Farms, Legends Ranch, and Wright Farm.

Certificate of Ownership

By signed certificate dated September 19, 2022, the Denton Central Appraisal District has certified that the appraisal rolls indicate that the Petitioner is the owner of all of the land in the proposed District. It is noted that subsequent to the appraisal district certificate, the developer deeded a lot to each of the directors in order to meet director qualifications, which does not affect the Petitioner's majority value.

Temporary Director Affidavits

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

Blake Bradley

Karena Beth Hauter

Jason Michael Kaiser

Thomas Jackson Sewell

Hayden Stephen Sieling

Each of the above persons named is qualified, as required by 30 TAC Section 293.32(a), to serve as a temporary director of the proposed District as each (1) is at least 18 years old, (2) is a resident of the State of Texas, and (3) either owns land subject to taxation within the proposed District or is a qualified voter within the proposed District. Additionally, as required by TWC Section 54.022, the majority are residents of the county in which the proposed District is located, a county adjacent to the county in which the proposed District is located, or if the proposed District is located in a county that is in a metropolitan statistical area designated by the United States Office of Management and Budget or its successor agency, a county in the same metropolitan statistical area as the county in which the proposed District is located.

Notice Requirements

Proper notice of the application was published on February 25 and March 4, 2023, in the *Denton Record Chronicle*, a newspaper regularly published or circulated in Denton County, the county in which the district is proposed to be located. Proper notice of the application was posted on February 24, 2023, in the Denton County Courthouse, the place where legal notices in Denton County are posted. Accordingly, the notice requirements of 30 TAC Section 293.12(b) have been satisfied. The opportunity for the public to request a contested case hearing (comment period) expired April 3, 2023.

B. ENGINEERING ANALYSIS

The creation engineering report indicates the following:

Availability of Comparable Service

The proposed District is currently partially located within the Certificate of Convenience and Necessity (CCN) of Aqua Texas, Inc. and partially within the Town of Northlake's CCN. The Petitioner, on behalf of the proposed District, is currently in the process of petitioning to be released from Aqua Texas' CCN and the Town of Northlake's CCN as the water providers do not have the capacity to serve the projected development of the proposed District. The City has indicated it has sufficient capacity to serve the projected development within the proposed District. Therefore, it is anticipated that the proposed District will receive retail water service from the City. No other comparable water services are available in the area.

The proposed District is located within the wastewater service CCN of the City. The proposed District's wastewater system will gravity flow into collector mains and into the City's regional gravity main that will transport the flows to the City's wastewater treatment plant. No other comparable wastewater services are available in the area.

All water, wastewater, and storm sewer projects for the proposed District will be designed and constructed in accordance with applicable ordinances and rules adopted by the City, TCEQ, and Denton County. All water and wastewater plans will be submitted to the TCEQ as required for review and approval prior to construction.

Water Supply and Distribution Improvements

The District is anticipated to receive retail water service from the City. Water service cannot be provided by the City within the area contained within Aqua Texas' CCN and the Town of Northlake's CCN unless that area of the proposed District is released from Aqua Texas' and the Town of Northlake's CCN. Offsite water line improvements will consist of upsizing an existing 8" waterline in Boss Range Road and extending a 12" waterline to the proposed District along Range Road in order to serve the proposed District. The developer or homebuilder will be required to pay a connection fee to the City for each water connection. The proposed water distribution system will consist of a network of arterial and interconnecting loop mains. The water supply and distribution system will be designed on a projection of the water demand conditions based on service connection and the pressure at which it must be supplied. It is estimated that the District will contain 1,570 ESFCs at ultimate development, requiring 549,500 gallons per day of water supply capacity, using 350 gallons per day per connection. The design of the proposed system will meet or exceed the minimum standards established by the TCEQ.

Wastewater Treatment and Collection Improvements

It is estimated that the District will contain 1,570 ESFCs at ultimate development, requiring 471,000 gallons per day of wastewater treatment capacity, using 300 gallons per day per connection. The proposed District is located within the wastewater CCN of the City. Wastewater from the proposed District will be treated by the City's wastewater treatment plant. As part of a regional wastewater improvement project, the West Side Sewer System, the City plans to build a large collector main that will serve the proposed District and surrounding areas. The developer or homebuilder will be required to pay a connection fee to the City for each wastewater service connection. The City's wastewater treatment plant will serve the ultimate build-out demands of the proposed District.

The proposed wastewater collection system will consist of a network of wastewater lines that gravity flow into collector mains and into the City's regional gravity main that will transport the flows to the City's wastewater treatment plant. The wastewater system will be designed to meet or exceed the minimum State requirements for the land uses and development plan.

Storm Water Drainage System and Drainage Improvements

The storm water runoff within the proposed District will be collected in curb and gutter streets into flumes or inlets which will convey the flows overland or via underground culverts, respectively. Storm water from the proposed storm system will typically outfall into detention ponds prior to discharging into Trail Creek, a tributary of Lake Grapevine. The detention system will be designed to carry runoff from a 100-year storm event. Design of the storm sewer system will be based on requirements of the City and Denton County.

Road Improvements

Application material indicates the proposed District will have two main points of access, on the west and east side of its boundaries on Range Road. The District will fund the main entrances, collector road, and local streets. The developer will construct a network of collector roads and local streets to provide access to areas of the proposed District depending on land use.

Topography/Land Elevation

The topography of the proposed District is open rural land with areas of shrubs and trees. The tract consists of several large areas cleared for agricultural use. The approximate elevation ranges from 740 feet above mean sea level (msl) in the southwestern portion to 650 feet above msl in the northeastern portion. The developer has no plans to significantly alter land elevations or the natural topography on land in the proposed District. Proposed lots are anticipated to maintain a natural state whenever possible. Elevations may be lowered or raised as needed to provide positive drainage. Design of street improvements based on existing natural grades will be optimized to minimize excavation. Flumes and existing draws will be used to convey runoff into creek beds with minimal excavation. Therefore, development of the proposed District should not have any adverse effects on land elevation.

Floodplain

According to Federal Emergency Management Agency Flood Insurance Rate Map No. 48121C0480G, revised April 18, 2011, approximately 102.5 acres within the proposed District lies within the 100-year floodplain. There are no plans to remove areas from the floodplain. The floodplain will be contained within drainage easements and open space.

Subsidence

The proposed District will receive its water from the City, which receives water from the Upper Trinity Regional Water District (UTRWD). The UTRWD utilizes surface water from Lakes Louisville and Chapman and ground water from the Trinity and Hickory Aquifers. The proposed District is not anticipated to have effects on subsidence.

Dam Safety Analysis

The TCEQ Dam Safety Program personnel reviewed the location of the District and confirmed by letter dated October 4, 2022, that there are no dam safety issues associated with the proposed District.

Groundwater Levels/Recharge

The proposed District anticipates receiving water service from the City. The City is located within the boundary of the North Texas Groundwater Conservation District. The District should have little to no effect on groundwater levels in the region. The proposed District is also located near the Trinity and Hickory Aquifers. Runoff from the proposed District will generally follow existing topographical flow patterns; therefore, development of the proposed District is expected to not have any adverse impact on aquifer recharge rates.

Natural Run-off and Drainage

Runoff from the proposed District will be computed based on current County regulations and hydrologic data. Any increase on natural runoff rates will be mitigated through construction of detention ponds which will collect the runoff prior to outfalling into Trail Creek. Development of the proposed District will increase natural runoff rates when compared to the present undeveloped state of the land; however, the detention ponds will be designed to mitigate any effect on downstream runoff rates.

Water Quality

No adverse effect of the water quality of ground or surface water is anticipated as a result of this development. The treatment and disposal of wastewater from the proposed District will be provided by the City in compliance with the terms of the waste discharge permit obtained from the TCEQ.

C. SUMMARY OF COSTS

WATER, WASTEWATER, AND DRAINAGE

<u>Construction Costs</u>	<u>District Share</u> ⁽¹⁾
A. Developer Contribution Items	
1. Water Distribution System	\$ 2,959,885
2. Wastewater Collection System	3,542,198
3. Stormwater Drainage System	5,569,486
4. Erosion Control	304,390
5. Contingencies	1,856,394
6. Engineering Costs	<u>1,485,115</u>
Total Developer Contribution Items	\$ 15,717,468
B. District Items	
1. Water Impact Fees (\$4,761 per ESFC (1,562 ESFCs))	\$ 7,436,682
2. Wastewater Impact Fees (\$4,761 per ESFC (1,562 ESFCs))	7,436,682
3. Offsite Water Extension	2,000,000
4. Land Acquisition Costs	<u>236,300</u>
Total District Items	\$ 17,109,664
 TOTAL CONSTRUCTION COSTS (76.34% of BIR)	 \$ 32,827,132
 <u>Non-Construction Costs</u>	
A. Legal Fees	\$ 1,290,000
B. Fiscal Agent Fees	1,075,500
C. Interest Costs	
1. Capitalized Interest (1 year @ 5%)	2,150,000
2. Developer Interest (2 years @ 5% of Construction Costs)	3,282,713 ⁽²⁾
D. Bond Discount (3%)	1,290,000
E. Bond Issuance Expenses	309,155
F. Creation/Organization Costs	150,000
G. Bond Application Report Costs	325,000
H. Administrative and Operations	150,000
I. Attorney General Fee (0.1%)	43,000
J. TCEQ Bond Issuance Fee (0.25%)	<u>107,500</u>
TOTAL NON-CONSTRUCTION COSTS	\$ 10,172,868

TOTAL W, WW, & D BOND ISSUE REQUIREMENT **\$ 43,000,000**

Notes: (1) Assumes 100% funding of anticipated developer contribution items, where applicable.
(2) Based on developer advancing funds approximately two years prior to reimbursement.

Eligibility of costs for District funding and 30% developer contribution requirements will be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

ROAD IMPROVEMENTS

<u>Construction Costs</u>	<u>District Share</u> ⁽¹⁾
1. Paving	\$ 9,768,986
2. Contingencies	976,899
3. Engineering	<u>976,899</u>
TOTAL CONSTRUCTION COSTS (78.15% of BIR)	\$ 11,722,784

Non-Construction Costs

A. Legal Fees	\$ 450,000
B. Fiscal Agent Fees	375,000
C. Interest Costs	
1. Capitalized Interest (1 year @ 5%)	750,000
2. Developer Interest (2 years @ 5% of Construction Costs)	1,172,278 ⁽²⁾
D. Bond Discount (3%)	450,000
E. Bond Engineering Costs	25,000
F. Bond Issuance Expenses	39,939
G. Attorney General Fee (0.1%)	<u>15,000</u>
TOTAL NON-CONSTRUCTION COSTS	\$ 3,277,217

TOTAL ROAD BOND ISSUE REQUIREMENT **\$ 15,000,000**

Notes: (1) Assumes 100% funding of anticipated developer contribution items, where applicable.
(2) Based on developer advancing funds approximately two years prior to reimbursement.

A preliminary layout of roads proposed for funding has been provided, and they appear to benefit the proposed District and the land included within the proposed District. TCEQ's review of eligibility of costs may be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

D. ECONOMIC ANALYSIS

Land Use

The land use for the proposed District is intended to accommodate single-family residential development. Planned ultimate development in the proposed District, as shown in the land use plan provided in the engineering report, is as follows:

<u>Land Use</u>	<u>Acreage</u>	<u>ESFCs</u>
Single Family/Residential	414.5	1,562
Floodplain	102.5	3
Right-of-way	9.3	0
Gas Well Pad Site	8.6	0
Amenity Center	<u>4.3</u>	<u>5</u>
Total	539.2	1,570

Market Study

A market study, prepared in April 2022 by Residential Strategies, Inc., was submitted in support of the creation of the proposed District. The proposed District is expected to include approximately 1,562 equivalent single-family connections on a tract totaling approximately 539.203 acres. The home values are expected to be approximately \$375,000 for 40-foot lots, \$425,000 for 50-foot lots, and \$467,500 for 60-foot lots. The study indicates single-family homes for that price range within the study's market area are expected to be absorbed at a rate of approximately 237 homes/year over the first five years.

Project Financing

Per the engineering report, the projected taxable assessed valuation (AV) for the proposed District is as follows:

<u>Development Description</u>	<u>Lots</u>	<u>Developed Unit Value (per home per lot)</u>	<u>Total Buildout Value</u>
40-foot single-family lots	305	\$ 375,000	\$ 114,375,000
50-foot single-family lots	624	\$ 425,000	\$ 265,200,000
60-foot single-family lots	633	\$ 467,500	<u>\$ 295,927,500</u>
Total Assessed Valuation			\$ 675,502,500

Considering the issuance of a total of \$58,000,000 (\$43,000,000 for utilities and \$15,000,000 for roads) in bonds, assuming 100% financing, a coupon bond interest rate of 5%, and a 25-year bond life, the average annual debt service requirement would be \$4,115,243 (\$3,050,956 for utilities plus \$1,064,287 for roads). Assuming a 98% collection rate and an ultimate AV of \$675,502,500, a projected ultimate tax rate of approximately \$0.64 (\$0.47 for utilities and \$0.17 for roads) per \$100 AV was indicated to be necessary to meet the annual debt service requirements for the proposed District. An additional \$0.05 per \$100 AV is projected to be levied for maintenance and operating expenses, for a combined proposed District tax rate of \$0.69.

Based on the information provided and assuming 100% financing, the total year 2021 overlapping tax rates on land within the proposed District are shown as follows:

<u>Taxing Jurisdiction</u>	<u>Tax Rates (Denton County)</u>	(1)
Madera MUD No. 1 of Denton County (District)	\$ 0.690000	(2)(3)
Denton County	\$ 0.233086	
Northwest ISD	\$ <u>1.292000</u>	
TOTAL TAX per \$100 AV:	\$ 2.215086	

Notes: (1) Tax rate per \$100 assessed valuation.

- (2) Represents \$0.47 for utilities, \$0.17 for roads, and \$0.05 for operation and maintenance tax.
- (3) Assuming 100% funding of anticipated developer contribution items, where applicable.

Based on the proposed District tax rate and the year 2021 overlapping tax rate on land within the proposed District, and assuming 100% financing, the project is considered economically feasible.

Water and Wastewater Rates

According to information provided, the City will provide retail water and wastewater services to the proposed District's customers. The estimated monthly fee for 10,000 gallons of water and wastewater would be \$131.47.

Comparative Water District Tax Rates

A tax rate of \$0.69 (\$0.47 for utilities, \$0.17 for roads, and \$0.05 for operation and maintenance tax) for the proposed District is comparable to other districts in the target market area. Based on the requirements of 30 TAC Section 293.59, this project is considered economically feasible.

E. SPECIAL CONSIDERATION

Request for Road Powers

A request for approval of road powers was included in the petition for creation of the proposed District. Pursuant to TWC Section 54.234, approval of road powers may be requested at the time of creation. The engineering report provided with the application included a summary of the estimated costs. The proposed roads appear to benefit the proposed District, and financing appears feasible.

F. CONCLUSIONS

1. Based on TCEQ policy, compliance with TCEQ rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, practicable, a benefit to the land within the proposed District, and 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, drainage facilities, and road facilities; a combined projected tax rate of \$0.69 per \$100 AV when assuming 100% financing; the proposed District obtaining a 5% 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 TCEQ.

G. RECOMMENDATIONS

1. Grant the petition for creation of Madera Municipal Utility District No. 1 of Denton County.
2. Grant the District's request to acquire road powers in accordance with TWC Section 54.234 and 30 TAC Sections 293.11(d)(11), 293.201, and 293.202 subject to the requirement imposed by the TCEQ and the general laws of the state relating to the exercise of such powers.
3. 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 TCEQ in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for TCEQ consideration."

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

Blake Bradley

Karena Beth Hauter

Jason Michael Kaiser

Thomas Jackson Sewell

Hayden Stephen Sieling

H. ADDITIONAL INFORMATION

The Petitioner's professional representatives are:

Attorney: Ms. Mindy Koehne - Coats Rose, P.C

Creation Engineer: Mr. Chris S. Ulmann, P.E. - Jones-Heroy & Associates, Inc.

Attachment 2

AFFIDAVIT FOR CONSIDERATION OF
APPOINTMENT AS TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF Tarrant §

BEFORE ME, the undersigned authority of the State and County aforesaid, on this day personally appeared Blake Bradley, a resident of Tarrant County, Texas, being a county adjacent to the county in which Madera Municipal Utility District No. 1 of Denton County (hereinafter the "District") is located, who desires to be appointed a director of the District, to serve until his successor is elected or appointed and who on oath did state:

1. I am at least eighteen years of age, a resident citizen of the State of Texas, and own land subject to taxation within the District.

2. I am not a developer of property in the District (a person who owns land located within the District who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, etc. for public use or use of purchasers or owners of lots fronting thereon or adjacent thereto).

3. I am not, to the best of my knowledge, related within the third degree of affinity (marriage) or consanguinity (blood) to a developer of property within the District, or to any of the other temporary directors of the District, or to the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

4. I am not an employee of any developer of property within the District or any other temporary director, the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

5. I am not serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the District or a developer of property in the District in connection with the District or property located in the District.

6. I am presently a Project Manager at LJA Engineering. This employment is my main source of income.

7. I do not, at the present time, plan to live in the District. I do plan to retain ownership of my land in the District for the indefinite future, but I anticipate that I will eventually offer it for resale.

8. Neither my employer nor I have any business or other connection with the developer of the District, the attorney representing the District or the consulting engineer

for the District in regard to the District and the development therein. I am not a party to a contract with a developer of property within the District relating to the District or to property therein other than as allowed by Texas Water Code §49.052(a)(5)(A).

9. I am generally familiar with the responsibilities of a director of a municipal utility district. I realize that as a director I will be a public official charged with the responsibility of serving the best interests of the present and future property owners, taxpayers and residents of the District.

10. I am aware that the District will be a public entity and that, by law, notice of its meetings must be posted, its meetings must be open to the public and its records available for inspection by the public at all reasonable times.

11. I am aware that the District will be subject to the continuing supervision of, and I will fully cooperate with, the Texas Commission on Environmental Quality.

12. I hereby affirm that, if appointed, I will faithfully execute the duties of the office of director of the District and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States, and of the State of Texas; and I hereby affirm that I have not directly nor indirectly paid, offered or promised to pay, contributed or promised to contribute any money or valuable thing, or promised any public office or employment as a reward to secure this appointment.


Blake Bradley

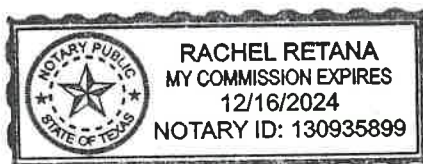
Phone Number: (817) 925-8325

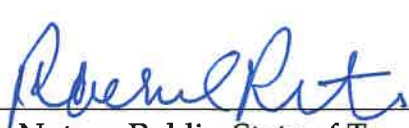
Address: 9079 Winding River Drive
Fort Worth, TX 76118

Before me, the undersigned authority, on this day personally appeared Blake Bradley who desires to be appointed as director of Madera Municipal Utility District No. 1 of Denton County to serve until his successor is elected or appointed, and who being by me duly sworn on his oath deposed and said that every response and statement set forth herein is true and correct.

SWORN TO AND SUBSCRIBED before me this 12th day of December, 2022.

(Notary Seal)




Notary Public, State of Texas

AFFIDAVIT FOR CONSIDERATION OF
APPOINTMENT AS TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF Collin §

BEFORE ME, the undersigned authority of the State and County aforesaid, on this day personally appeared Karena Beth Hauter, a resident of Dallas County, Texas, being a county adjacent to the county in which Madera Municipal Utility District No. 1 of Denton County (hereinafter the "District") is located, who desires to be appointed a director of the District, to serve until her successor is elected or appointed and who on oath did state:

1. I am at least eighteen years of age, a resident citizen of the State of Texas, and own land subject to taxation within the District.

2. I am not a developer of property in the District (a person who owns land located within the District who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, etc. for public use or use of purchasers or owners of lots fronting thereon or adjacent thereto).

3. I am not, to the best of my knowledge, related within the third degree of affinity (marriage) or consanguinity (blood) to a developer of property within the District, or to any of the other temporary directors of the District, or to the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

4. I am not an employee of any developer of property within the District or any other temporary director, the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

5. I am not serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the District or a developer of property in the District in connection with the District or property located in the District.

6. I am presently a Senior Project Manager at BGE, Inc. This employment is my main source of income.

7. I do not, at the present time, plan to live in the District. I do plan to retain ownership of my land in the District for the indefinite future, but I anticipate that I will eventually offer it for resale.

8. Neither my employer nor I have any business or other connection with the developer of the District, the attorney representing the District or the consulting engineer for the District in regard to the District and the development therein. I am not a party to a contract with a developer of property within the District relating to the District or to property therein other than as allowed by Texas Water Code §49.052(a)(5)(A).

9. I am generally familiar with the responsibilities of a director of a municipal utility district. I realize that as a director I will be a public official charged with the responsibility of serving the best interests of the present and future property owners, taxpayers and residents of the District.

10. I am aware that the District will be a public entity and that, by law, notice of its meetings must be posted, its meetings must be open to the public and its records available for inspection by the public at all reasonable times.

11. I am aware that the District will be subject to the continuing supervision of, and I will fully cooperate with, the Texas Commission on Environmental Quality.

12. I hereby affirm that, if appointed, I will faithfully execute the duties of the office of director of the District and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States, and of the State of Texas; and I hereby affirm that I have not directly nor indirectly paid, offered or promised to pay, contributed or promised to contribute any money or valuable thing, or promised any public office or employment as a reward to secure this appointment.

Karena Beth Hauter

Karena Beth Hauter

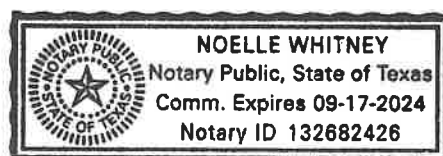
Phone Number: (713) 503-0536

Address: 713 Westover Drive
Richardson, TX 75080

Before me, the undersigned authority, on this day personally appeared Karena Beth Hauter who desires to be appointed as director of Madera Municipal Utility District No. 1 of Denton County to serve until her successor is elected or appointed, and who being by me duly sworn on her oath deposed and said that every response and statement set forth herein is true and correct.

November SWORN TO AND SUBSCRIBED before me this *17* day of *2022*.

(Notary Seal)



[Signature]
Notary Public, State of Texas

AFFIDAVIT FOR CONSIDERATION OF
APPOINTMENT AS TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF DALLAS §

BEFORE ME, the undersigned authority of the State and County aforesaid, on this day personally appeared Jason Michael Kaiser, a resident of Collin County, Texas, being a county adjacent to the county in which Madera Municipal Utility District No. 1 of Denton County (hereinafter the "District") is located, who desires to be appointed a director of the District, to serve until his successor is elected or appointed and who on oath did state:

1. I am at least eighteen years of age, a resident citizen of the State of Texas, and own land subject to taxation within the District.

2. I am not a developer of property in the District (a person who owns land located within the District who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, etc. for public use or use of purchasers or owners of lots fronting thereon or adjacent thereto).

3. I am not, to the best of my knowledge, related within the third degree of affinity (marriage) or consanguinity (blood) to a developer of property within the District, or to any of the other temporary directors of the District, or to the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

4. I am not an employee of any developer of property within the District or any other temporary director, the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

5. I am not serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the District or a developer of property in the District in connection with the District or property located in the District.

6. I am presently a Project Manager at Kimley-Horn and Associates, Inc. This employment is my main source of income.

7. I do not, at the present time, plan to live in the District. I do plan to retain ownership of my land in the District for the indefinite future, but I anticipate that I will eventually offer it for resale.

8. Neither my employer nor I have any business or other connection with the developer of the District, the attorney representing the District or the consulting engineer for the District in regard to the District and the development therein. I am not a party to a contract with a developer of property within the District relating to the District or to property therein other than as allowed by Texas Water Code §49.052(a)(5)(A).

9. I am generally familiar with the responsibilities of a director of a municipal utility district. I realize that as a director I will be a public official charged with the responsibility of serving the best interests of the present and future property owners, taxpayers and residents of the District.

10. I am aware that the District will be a public entity and that, by law, notice of its meetings must be posted, its meetings must be open to the public and its records available for inspection by the public at all reasonable times.

11. I am aware that the District will be subject to the continuing supervision of, and I will fully cooperate with, the Texas Commission on Environmental Quality.

12. I hereby affirm that, if appointed, I will faithfully execute the duties of the office of director of the District and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States, and of the State of Texas; and I hereby affirm that I have not directly nor indirectly paid, offered or promised to pay, contributed or promised to contribute any money or valuable thing, or promised any public office or employment as a reward to secure this appointment.


Jason Michael Kaiser

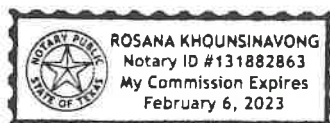
Phone Number: (214) 402-8146

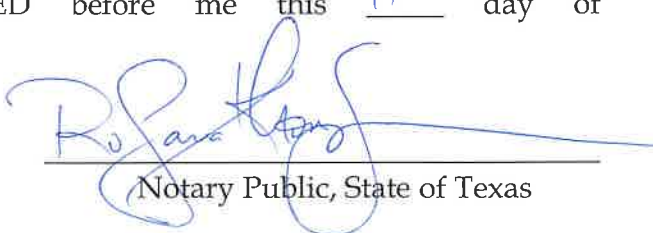
Address: 1813 Berkley Drive
Wylie, TX 75098

Before me, the undersigned authority, on this day personally appeared Jason Michael Kaiser who desires to be appointed as director of Madera Municipal Utility District No. 1 of Denton County to serve until his successor is elected or appointed, and who being by me duly sworn on his oath depose and said that every response and statement set forth herein is true and correct.

SWORN TO AND SUBSCRIBED before me this 17th day of November, 2022.

(Notary Seal)




Notary Public, State of Texas

AFFIDAVIT FOR CONSIDERATION OF
APPOINTMENT AS TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority of the State and County aforesaid, on this day personally appeared Thomas Jackson Sewell, a resident of Dallas County, Texas, being a county adjacent to the county in which Madera Municipal Utility District No. 1 of Denton County (hereinafter the "District") is located, who desires to be appointed a director of the District, to serve until his successor is elected or appointed and who on oath did state:

1. I am at least eighteen years of age, a resident citizen of the State of Texas, and own land subject to taxation within the District.

2. I am not a developer of property in the District (a person who owns land located within the District who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, etc. for public use or use of purchasers or owners of lots fronting thereon or adjacent thereto).

3. I am not, to the best of my knowledge, related within the third degree of affinity (marriage) or consanguinity (blood) to a developer of property within the District, or to any of the other temporary directors of the District, or to the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

4. I am not an employee of any developer of property within the District or any other temporary director, the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

5. I am not serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the District or a developer of property in the District in connection with the District or property located in the District.

6. I am presently a Commercial Real Estate Underwriter at Texas Capital Bank. This employment is my main source of income.

7. I do not, at the present time, plan to live in the District. I do plan to retain ownership of my land in the District for the indefinite future, but I anticipate that I will eventually offer it for resale.

8. Neither my employer nor I have any business or other connection with the developer of the District, the attorney representing the District or the consulting engineer for the District in regard to the District and the development therein. I am not a party to a contract with a developer of property within the District relating to the District or to property therein other than as allowed by Texas Water Code §49.052(a)(5)(A).

9. I am generally familiar with the responsibilities of a director of a municipal utility district. I realize that as a director I will be a public official charged with the responsibility of serving the best interests of the present and future property owners, taxpayers and residents of the District.

10. I am aware that the District will be a public entity and that, by law, notice of its meetings must be posted, its meetings must be open to the public and its records available for inspection by the public at all reasonable times.

11. I am aware that the District will be subject to the continuing supervision of, and I will fully cooperate with, the Texas Commission on Environmental Quality.

12. I hereby affirm that, if appointed, I will faithfully execute the duties of the office of director of the District and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States, and of the State of Texas; and I hereby affirm that I have not directly nor indirectly paid, offered or promised to pay, contributed or promised to contribute any money or valuable thing, or promised any public office or employment as a reward to secure this appointment.

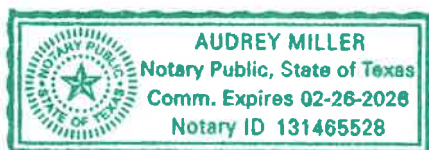


Thomas Jackson Sewell
Phone Number: (713) 252-2218
Address: 7627 Royal Lane
Dallas, TX 75230

Before me, the undersigned authority, on this day personally appeared Thomas Jackson Sewell who desires to be appointed as director of Madera Municipal Utility District No. 1 of Denton County to serve until his successor is elected or appointed, and who being by me duly sworn on his oath deposed and said that every response and statement set forth herein is true and correct.

SWORN TO AND SUBSCRIBED before me this 2nd day of December, 2022.

(Notary Seal)



Notary Public, State of Texas

AFFIDAVIT FOR CONSIDERATION OF
APPOINTMENT AS TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF Dallas §

BEFORE ME, the undersigned authority of the State and County aforesaid, on this day personally appeared Hayden Stephen Sieling, a resident of Dallas County, Texas, being a county adjacent to the county in which Madera Municipal Utility District No. 1 of Denton County (hereinafter the "District") is located, who desires to be appointed a director of the District, to serve until his successor is elected or appointed and who on oath did state:

1. I am at least eighteen years of age, a resident citizen of the State of Texas, and own land subject to taxation within the District.

2. I am not a developer of property in the District (a person who owns land located within the District who has divided or proposes to divide the land into two or more parts for the purpose of laying out any subdivision or any tract of land or any addition to any town or city, or for laying out suburban lots or building lots, or any lots, streets, etc. for public use or use of purchasers or owners of lots fronting thereon or adjacent thereto).

3. I am not, to the best of my knowledge, related within the third degree of affinity (marriage) or consanguinity (blood) to a developer of property within the District, or to any of the other temporary directors of the District, or to the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

4. I am not an employee of any developer of property within the District or any other temporary director, the attorney, engineer or manager of the District or other person providing professional services to the District or property located in the District.

5. I am not serving as an attorney, consultant, engineer, manager, architect, or in some other professional capacity for the District or a developer of property in the District in connection with the District or property located in the District.

6. I am presently Vice President at Hamilton Realty Finance. This employment is my main source of income.

7. I do not, at the present time, plan to live in the District. I do plan to retain ownership of my land in the District for the indefinite future, but I anticipate that I will eventually offer it for resale.

8. Neither my employer nor I have any business or other connection with the developer of the District, the attorney representing the District or the consulting engineer for the District in regard to the District and the development therein. I am not a party to a contract with a developer of property within the District relating to the District or to property therein other than as allowed by Texas Water Code §49.052(a)(5)(A).

9. I am generally familiar with the responsibilities of a director of a municipal utility district. I realize that as a director I will be a public official charged with the responsibility of serving the best interests of the present and future property owners, taxpayers and residents of the District.

10. I am aware that the District will be a public entity and that, by law, notice of its meetings must be posted, its meetings must be open to the public and its records available for inspection by the public at all reasonable times.

11. I am aware that the District will be subject to the continuing supervision of, and I will fully cooperate with, the Texas Commission on Environmental Quality.

12. I hereby affirm that, if appointed, I will faithfully execute the duties of the office of director of the District and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States, and of the State of Texas; and I hereby affirm that I have not directly nor indirectly paid, offered or promised to pay, contributed or promised to contribute any money or valuable thing, or promised any public office or employment as a reward to secure this appointment.

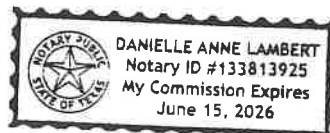


Hayden Stephen Sieling
Phone Number: (214) 415-6690
Address: 3107 Cornell Ave.
Dallas, TX 75205

Before me, the undersigned authority, on this day personally appeared Hayden Stephen Sieling who desires to be appointed as director of Madera Municipal Utility District No. 1 of Denton County to serve until his successor is elected or appointed, and who being by me duly sworn on his oath deposed and said that every response and statement set forth herein is true and correct.

SWORN TO AND SUBSCRIBED before me this 17 day of November, 2022.

(Notary Seal)



Notary Public, State of Texas

Attachment 3

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF DISTRICT PETITION TCEQ INTERNAL CONTROL NO. D-01092023-007

PETITION. TCCI Range-Mead 2021, LLC, a Texas limited liability company, and Hines Acquisitions, LLC, a Delaware limited liability company, (Petitioners) filed a petition for creation of Madera Municipal Utility District No. 1 of Denton County (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, §59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ.

The petition states that: (1) the Petitioners holds title to a majority in value of the land to be included in the proposed District; (2) there is one lienholder, Veritex Community Bank, on the property to be included in the proposed District and information provided indicates that the lienholder consents to the creation of the proposed District; (3) the proposed District will contain approximately 539.203 acres located within Denton County, Texas; and (4) all of the land within the proposed District is within the extraterritorial jurisdiction of the City of Justin.

The territory to be included in the proposed District is depicted in the vicinity map designated as Exhibit "A", which is attached to this document.

The petition further states that the proposed District will: (1) purchase, construct, acquire, maintain, own, operate, repair, improve and extend a waterworks and sanitary sewer system for residential and commercial purposes; (2) construct, acquire, improve, extend, maintain, and operate works, improvements, facilities, plants, equipment, and appliances helpful or necessary to provide more adequate drainage for the proposed District; (3) control, abate, and amend local storm waters or other harmful excesses of waters; and (4) purchase, construct, acquire, improve, maintain, and operate such additional facilities, systems, plants, and enterprises, and road facilities as shall be consonant with all of the purposes for which the proposed District is created.

According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioners that the cost of said project will be approximately \$58,000,000 (\$43,000,000 for water, wastewater, and drainage and \$15,000,000 for roads)

The Property depicted in Exhibit "A" is located within the extraterritorial jurisdiction of the City of Justin, Denton County, Texas (the "City"). In accordance with Local Government Code §42.042 and Texas Water Code §54.016, the Petitioners submitted a petition to the City, requesting the City's consent to the creation of the District. After more than 90 days passed without receiving consent, the Petitioners submitted a petition to the City to provide water and sewer services to the proposed District. The 120-day period for reaching a mutually agreeable contract as established by the Texas Water Code §54.016(c) expired and the information provided indicates that the Petitioners and the City have not executed a mutually agreeable contract for service. Pursuant to Texas Water Code §54.016(d), failure to execute such an agreement constitutes authorization for the Petitioners to initiate proceedings to include the land within the proposed District.

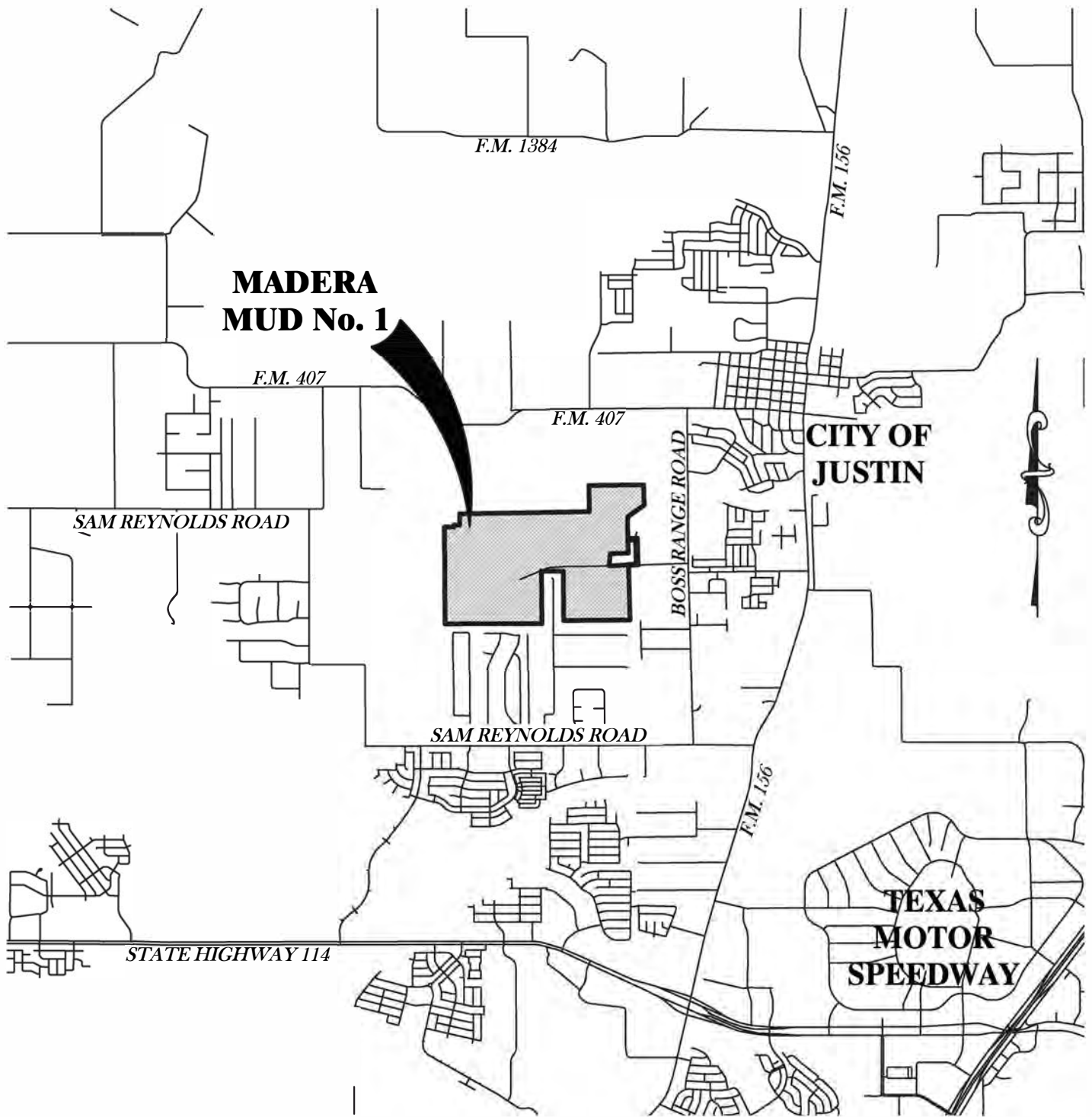
CONTESTED CASE HEARING. The TCEQ may grant a contested case hearing on this petition if a written hearing request is filed within 30 days after the newspaper publication of this notice.

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 which would satisfy your concerns. 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. 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. General information regarding TCEQ can be found at our web site <http://www.tceq.texas.gov/>.

Issued: February 22, 2023



VICINITY MAP

Madera Municipal Utility District No. 1 of Denton County



Job No.:	10967	Scale:	NONE	Sheet
Drafted:	J.N.R.	Checked:	J.N.R.	1
Surveyed on the Ground:	7/5/2022			of
Date Prepared:	9/15/2022			1
Revised:	.	Revised:	.	