Jon Niermann, *Chairman* Catarina Gonzales, *Commissioner* Bobby Janecka, *Commissioner* Kelly Keel, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

February 12, 2024

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

Re: Application for the Creation of White Oaks Municipal Utility District of Denton County; TCEQ Docket No. 2023-1587-DIS

Dear Ms. Gharis:

I have enclosed for filing the "Executive Director's Response to Hearing Requests." Please let me know if you have any questions.

Sincerely,

Fernando Salazar Martinez Staff Attorney Environmental Law Division

Enclosure cc: Mailing List

P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-1000 • tceq.texas.gov

TCEQ DOCKET NO. 2023-1587-DIS

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APPLICATION FOR THE CREATION OF WHITE OAKS MUNICIPAL UTILITY DISTRICT OF DENTON COUNTY BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS <u>I. SUMMARY</u>

The Executive Director recommends that the Commission find that the following individuals and entities are affected persons and grant the hearing requests of Capital Properties 2017, LLC and BNR 2012 Holding Company, LLC, Terry L. and Mark A. Atchison, Ron Bourland, Kenneth and Joyce DeWitt, Phillip and Kelley Eggers, Darlene Freeman, Mark Hodak, Mark Kinney, Julie Lantrip, Courtney Linde, Robert and Helen McGraw, Joleen Moden, Matthew Pence, Jason Pool, Paul Queen, Joe and Megan Schmidt, David and Bonnie Silva, Luther and Wanda Slay, Nancy and John Tague, and Philip Wilson.

The Executive Director recommends that the Commission find that all other requestors are not affected persons and deny their hearing requests.

II. INTRODUCTION

The Executive Director (ED) of the Texas Commission on Environmental Quality (TCEQ or Commission) files this Response to Hearing Requests on the Petition by White Oaks Ranch Land, LP, a Texas limited liability partnership (Petitioner), for the creation of White Oaks Municipal Utility District of Denton County (District). The TCEQ received hearing requests from the individuals and entities listed in Attachment A.

The amended Petition states that: (1) the Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there are no lienholders on the property to be included in the proposed District; (3) the proposed District will contain approximately 378.944 acres located within Denton County, Texas; and (4) all of the land within the proposed District is outside of the corporate limits and extraterritorial jurisdiction of any municipality and is located in Denton County.

The proposed District is located outside the corporate limits and extraterritorial jurisdiction of any city, town, or village. Therefore, city consent is not required under Local Government Code § 42.042 and Tex. Water Code § 54.016. In accordance with

Tex. Water Code § 54.0161, a certified letter, dated October 12, 2022, 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. Evidence of filing a copy of the petition with 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.

According to the amended Petition, the proposed District would contain approximately 379 acres located within Denton County, Texas, located south of FM 455, north of St. John Road, and west of US 377 generally southwest of the City of Pilot Point. Based on information provided, the proposed district is not located within the corporate limits or extraterritorial jurisdiction of any city, town, or village, and is solely within unincorporated Denton County. Access to the proposed District will be provided from US 377 by traveling west on FM 455 or St. John Road.

The amended Petition further states that the proposed District will: (1) purchase, construct, acquire, improve, or extend inside or outside of its boundaries any and all works, improvements, facilities, plants, equipment, and appliances necessary or helpful to supply and distribute water for municipal, domestic, and commercial purposes; (2) collect, transport, process, dispose of and control domestic and commercial wastes; (3) gather, conduct, divert, abate, amend and control local storm water or other local harmful excesses of water in the District; (4) design, acquire, construct, finance, improve, operate, and maintain macadamized, graveled, or paved roads and turnpikes, or improvements in aid of those roads; (5) and purchase, construct, acquire, improve, or extend inside or outside of its boundaries such additional facilities, systems, plants, and enterprises as shall be consonant with the purposes for which the proposed District is created.

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

Included with the ED's Response to Hearing Requests is: a numbered list of all individuals and entities that filed requests for a contested case hearing (Requests) with the Commission (Attachment A); two maps of the proposed District with the hearing requestors (Requestors) numbered and depicting the Requestors' distances relative to the proposed District (Attachment B); and an appendix containing the distances of the Requestors relative to the proposed District (Attachment C). Please note that the following Requestors were not included on the maps or in the appendix: Italo Donato and Zahira Munoz, and Steve Schmidt.

III. PROCEDURAL HISTORY

The Petitioner filed an application with the TCEQ for the creation of the District and it was declared administratively complete on October 3, 2022. The Notice of District Petition was published in the *Denton-Record Chronicle*, a newspaper generally circulated in Denton County, where the District is proposed to be located, on January 28 and February 5, 2023. The Notice of District Petition was also posted on the bulletin board used for posting legal notices in the Denton County Courthouse on January 24, 2023.

The TCEQ received approximately 83 comments opposing the creation of the district and approximately 61 requests for a contested case hearing. The period to request a contested case hearing ended on March 7, 2023. The Office of the Chief Clerk sent notice of the agenda setting for the Commission's consideration of the hearing requests on March 6, 2024.

IV. CREATION OF MUNICIPAL UTILITY DISTRICTS

A. District Purpose

A municipal utility district (MUD) may be created under and subject to the authority, conditions, and restrictions of Article XVI, Section 59, of the Texas Constitution.¹ The District in this case is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54 of the Tex. Water Code.

A MUD may be created for the following purposes:

(1) the control, storage, preservation, and distribution of its storm water and floodwater, the water of its rivers and

¹ TeX. WATER CODE § 54.011.

streams for irrigation, power, and all other useful purposes;

- (2) the reclamation and irrigation of its arid, semiarid, and other land needing irrigation;
- (3) the reclamation and drainage of its overflowed land and other land needing drainage;
- (4) the conservation and development of its forests, water, and hydroelectric power;
- (5) the navigation of its inland and coastal water;
- (6) the control, abatement, and change of any shortage or harmful excess of water;
- (7) the protection, preservation, and restoration of the purity and sanitary condition of water within the state; and
- (8) the preservation of all natural resources of the state.²

The Commission has jurisdiction to hear this case and create the District.³

B. Required Findings

The Commission must grant or deny a MUD creation application in accordance with Tex. Water Code § 54.021. In order to grant an application, the Commission must find that organization of the district as requested is feasible and practicable and is necessary and would be a benefit to the land to be included in the district.⁴ If the Commission fails to make these findings, it shall refuse to grant the petition.⁵

In determining if a project is feasible and practicable and if it is necessary and would be a benefit to the land included in the district, the Commission shall consider:

- (1) the availability of comparable service from other systems, including but not limited to water districts, municipalities, and regional authorities;
- (2) the reasonableness of projected construction costs, tax rates, and water and sewer rates; and

² TEX. WATER CODE § 54.012.

³ TEX. WATER CODE § 54.014.

⁴ TEX. WATER CODE § 54.021(a); 30 TEX. ADMIN. CODE § 293.13(b)(1).

⁵ TEX. WATER CODE § 54.021(d); 30 TEX. ADMIN. CODE § 293.13(a).

- (3) whether or not the district and its system and subsequent development within the district will have an unreasonable effect on the following:
 - (A) land elevation;
 - (B) subsidence;
 - (C) groundwater level within the region;
 - (D) recharge capability of a groundwater source;
 - (E) natural run-off rates and drainage;
 - (F) water quality; and
 - (G) total tax assessments on all land located within a district.⁶

The Commission, however, must exclude the areas that it finds would not be benefited by the creation of the district and must redefine the boundaries of the proposed district according to its findings.⁷

V. EVALUATION PROCESS FOR HEARING REQUESTS

As the application was declared administratively complete after September 1, 1999, it is subject to the requirements of Title 30, Chapter 55, Subchapter G, Sections 55.250-55.256 of the Tex. Admin. Code. The Commission, the Executive Director, the Petitioner, or affected persons may request a contested case hearing on this application.⁸ The Commission must evaluate the hearing requests and may take one of the following actions:

- determine that the hearing requests do not meet the rule requirements and act on the application;
- (2) determine that the hearing requests do not meet the rule requirements and refer the application to a public meeting to develop public comment before acting on the application;
- (3) determine that the hearing requests meet the rule requirements and refer the application to the State

⁶ TEX. WATER CODE § 54.021(b).

⁷ 30 Tex. Admin. Code § 293.13(b)(2); Tex. Water Code § 54.021(c).

⁸ 30 Tex. Admin. Code § 55.251(a).

Office of Administrative Hearings ("SOAH") for a hearing; or

(4) refer the hearing requests to SOAH for a hearing on whether the hearing requests meet the rule requirements.⁹

The regulations provide that a hearing request made by an affected person must be in writing and must be filed with the Office of the Chief Clerk within the time provided in the Notice of District Petition.¹⁰ These two requirements are mandatory. The affected person's hearing request must also substantially comply with the following:

- give the name, address, and daytime telephone number of the person who files the request;
- (2) identify the person's personal justiciable interest affected by the application, including a brief, but specific, written statement explaining in plain language the requestor's location and distance relative to the activity that is the subject of the application and how and why the requestor believes he or she will be affected by the activity in a manner not common to members of the general public;
- (3) request a contested case hearing; and
- (4) provide any other information specified in the public notice of application.¹¹

An affected person's personal justiciable interest must be related to a legal right, duty, privilege, power, or economic interest affected by the application belonging to the requestor and not an interest common to members of the general public.¹² The regulations give the Commission flexibility to determine affected person status by considering any relevant factor, including the following:

⁹ 30 Tex. Admin. Code § 55.255(a).

¹⁰ 30 TEX. ADMIN. CODE § 55.251(b) and (d).

¹¹ 30 TEX. ADMIN. CODE § 55.251(c).

¹² 30 Tex. Admin. Code § 55.256(a).

- whether the interest claimed is one protected by the law under which the application will be considered;
- (2) distance restrictions or other limitations imposed by law on the affected interest;
- (3) whether a reasonable relationship exists between the interest claimed and the activity regulated;
- (4) likely impact of the regulated activity on the health and safety of the person, and on the use of property of the person; and
- (5) likely impact of the regulated activity on use of the impacted natural resource by the person.
- (6) For governmental entities, their statutory authority over or interest in the issues relevant to the application.¹³

VI. HEARING REQUESTS

A. Analysis of Hearing Requests the Executive Director Recommends the Commission Grant

In their requests, Capital Properties 2017, LLC and BNR 2012 Holding Company, LLC (Requestor No. 36), Terry L. and Mark A. Atchison (Requestor No. 4), Ron Bourland (Requestor No. 30), Kenneth and Joyce DeWitt (Requestor No. 13), Phillip and Kelley Eggers (Requestor No. 15), Darlene Freeman (Requestor No. 16), Mark Hodak (Requestor No. 18), Mark Kinney (Requestor No. 21), Julie Lantrip (Requestor No. 22), Courtney Linde (Requestor No. 24), Robert and Helen McGraw (Requestor No. 26), Joleen Moden (Requestor No. 30), Matthew Pence (Requestor 23), Jason Pool (Requestor No. 33), Paul Queen (Requestor No. 35), Joe and Megan Schmidt (Requestor No. 39), David and Bonnie Silva (Requestor No. 41), Luther and Wanda Slay (Requestor No. 42), Nancy and John Tague (Requestor No. 44), and Philip Wilson (Requestor No. 48) have all provided the requisite information pursuant to 30 Tex. Admin. Code § 55.251(c)(1)-(4). Further, these requests raised concerns that are within the Commission's jurisdiction to consider in the context of a district's creation.

¹³ 30 Tex. Admin. Code § 55.256(c).

In these requests, the Requestors stated that the proposed District is not feasible, practicable, or necessary and would not benefit the land sought to be included therein. According to these requests, all of the land sought to be included in the proposed District is located within: the geographical boundaries of Certificate of Convenience and Necessity (CCN) No. 11856 (water) and No. 20930 (sewer) held by Mustang Special Utility District (Mustang SUD); the jurisdictional boundaries of the Upper Trinity Regional Water District (UTRWD), an existing regional provider of comparable water and wastewater services; and the jurisdictional boundaries of the Lake Ray Roberts Planning & Zoning Commission (LRRPZC), which imposes zoning restrictions that would prohibit the density of homes planned by the proposed District. For these reasons, the Requestors contend that the proposed District is not feasible, practicable, or necessary and would not benefit the land sought to be included therein under Tex. Water Code § 54.021(a) and (b).

Additionally, these Requestors have identified various interests they believe would be affected by the proposed District in a manner not common to the general public, such as activities, operations, or businesses related to horse breeding, agriculture, ranching, and raising livestock on their properties. While these stated concerns regarding these interests alone are beyond the statutory authority and scope for the Commission to consider when evaluating a petition for district creation, the Requestors have related their concerns and interests to the criteria in Tex. Water Code § 54.021(b)(3)(A)-(G). As described in these requests, the Requestors stated that the proposed district would have an unreasonable effect on land elevation, groundwater level within region, recharge capability of a groundwater source, natural run-off rates and drainage, and water quality.

As illustrated in Appendix A, these Requestors are also located within close proximity to the proposed District's boundaries, which increases the likelihood that they will be affected in a way not common to members of the general public. Their locations, in conjunction with their stated concerns, demonstrate that these requestors have a personal justiciable interest in this matter. Accordingly, the Executive Director respectfully recommends that the Commission find that these Requestors are affected persons and grant these hearing requests.

B. Analysis of Hearing Requests the Executive Director Recommends the Commission Deny

As discussed in more detail below, these hearing requests did not meet the requirements of 30 Tex. Admin. Code §§ 55.251 and 55.256 because they either: did not contain a statement identifying an interest related to a state legal right, duty, privilege, power, or economic interest affected by the application; did not demonstrate how the requestors will be affected by the activity in a manner not common to members of the general public; or otherwise stated concerns that are not within the jurisdiction of or criteria for the Commission to consider in the context of a district creation.

For instance, many of the hearing requests raise concerns about anticipated adverse impacts from typically associated with wastewater treatment facilities (WWTFs). However, concerns about a proposed wastewater treatment facility do not provide a basis for demonstrating affected person status in the district application matter now before the Commission. Requestors expressing concern about the impacts of WWTFs may submit comments and hearing requests on the TPDES application when appropriate.

1. Governmental Entities and Elected Officials

Analysis of Denton County Lake Ray Roberts Planning and Zoning Commission's Request

R. Scott Alagood, Chair of the Lake Ray Roberts Planning and Zoning Commission (LRRPZC) (Requestor No. 2), submitted a timely request on behalf of LRRPZC. The hearing request contained the name, address, and office phone number of LRRPZC pursuant to 30 Tex. Admin. Code § 55.251(c)(1). LRRPZC requested a contested case hearing pursuant to 30 Tex. Admin. Code § 55.251(c)(3). LRRPZC also provided the TCEQ Internal Control Number as required in the notice and pursuant to 30 Tex. Admin. Code § 55.251(c)(4).

In its request, LRRPZC claims that the proposed District contains a portion of land subject to the Denton County Lake Ray Roberts Land Use Ordinance (Ordinance), which was adopted by the Denton County Commissioners Court in December of 1994. LRRPZC states that the ordinance governs any structures and land located within the area bounded by the shoreline of Lake Ray Roberts at its take elevation line of six hundred and forty-five feet mean sea level (645 MSL) and a line 5,000 feet from and following said take line except any land lying within a city's corporate limits. LRRPZC states that the purpose of the Ordinance is to promote the general welfare, health, morals, recreation, and safety of Denton County residents and visitors of the area. LRRPZC states that the regulations have been designed to avoid undue concentration of population, lessen congestion on roadways, prevent overcrowding of land, and promote fire safety through the facilitation of parks, schools, transportation, water, and sewage facilities.

LRRPZC states that at the time of original adoption of the ordinance, property that was undeveloped was zoned as "agriculture," and when developed, must conform to the zoning classification adopted by the Ordinance. LRRPZC claims that the parcels located within the proposed District, subject to the Ordinance, are currently zoned as "agriculture." LRRPZC claims that the land use dictated for this area allows either 4-acre Residential Medium lots or 5-acre Residential Estate lots. LRRPZC states that lots smaller than 4 acres, in the area subject to the ordinance, would be out of conformance with and contrary to the stated goals of the Ordinance. LRRPZC stated that in the pursuit of complete transparency for the residents and landowners within the Lake Ray Roberts Zoning District and Denton County, it is requesting a contested case hearing so that interested parties may participate in the process.

However, LRRPZC's request does not contain a statement that articulates how it believes it is affected in a manner not common to members of the general public by the proposed District as required by 30 Tex. Admin. Code § 55.256(c). While the request raises concerns related to a violation of the Ordinance, this concern is not relevant or material to the creation of the proposed District. Specifically, the request does not contain a statement specifically articulating that the proposed District is not feasible, practicable, and necessary and would be a benefit to the land included in the District as provided in Tex. Water Code § 54.021(a). Also, the request does not contain a statement referring to the criteria in Texas Water Code § 54.021(b). As mentioned above, LRRPZC's concerns related to the Ordinance is not material or relevant to the criteria the Commission may consider when evaluating a petition for district creation. Moreover, the request does not contain a statement identifying a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the application not common to members of the general public as required by 30 Tex. Admin. Code § 55.256(a). For instance, one of the factors of 30 Tex. Admin. Code § 55.256(c) the Commission may consider when determining affectedness is a governmental entity's statutory authority over or interest in the issues relevant to the application.¹⁴ However, LRRPZC's request does not provide any particular reference, other than reference to the Ordinance, to its statutory authority under state law over issues contemplated by this application that would be affected by the Petition for Creation of the proposed District now before the Commission.¹⁵ As such, the Executive Director recommends that the Commission finds that LRRPZC is not an affected person pursuant to the criteria found in 30 Tex. Admin. Code § 55.256 and recommends denying its hearing request.

Analysis of Ryan Williams's (Denton County Commissioner of Precinct 1) Request

Ryan Williams, Denton County Commissioner for Precinct 1 (Requestor No. 47), submitted a timely hearing request on behalf of himself in his capacity as County Commissioner and on behalf of his constituents. The hearing request included his name, address of his office, and phone number as required in the notice and pursuant to 30 Tex. Admin. Code § 55.251(c)(1). He requested a contested case hearing on behalf of himself in his official capacity and on behalf of his constituents pursuant to 30 Tex. Admin. Code § 55.251(c)(3). He also provided the TCEQ Internal Control Number as required in the notice and pursuant to 30 Tex. Admin. Code § 55.251(c)(4).

The Executive Director reviewed the factors found in 30 Tex. Admin. Code § 55.256 for determination of an affected person. Commissioner Williams's request articulated concerns regarding a violation of the Denton County Lake Ray Roberts Land Use Ordinance (Ordinance). The request states that the 1989 Texas Legislature granted Denton County the power to adopt an ordinance in an area of the county within 5,000 feet of the 645-foot elevation take line of Lake Ray Roberts and the Denton County Commissioners Court subsequently adopted the Ordinance in 1995. The request states that portions of the land are within the Lake Ray Roberts Planning & Zoning District (LRRPZC) and claims the proposed District would be out of conformance with the Ordinance, as the applicable zoning requirements require minimum lot sizes of 4 to 5 acres. However, the request does not clearly indicate whether Commissioner Williams

¹⁴ 30 Tex. Admin. Code § 55.256(c)(6).

¹⁵ 30 Tex. Admin. Code §55.256(b).

is also requesting a hearing on behalf of the Denton County Commissioners Court, which according to his request, is the governmental entity that has the statutory authority over and interest in the area subject to the Ordinance. Also, the statements in the request did not address how Commissioner Williams or his constituents¹⁶ would be personally affected by the application or demonstrate that Commissioner Williams or his constituents have a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the application that is not common to members of the general public as required by 30 Tex. Admin. Code § 55.256. Moreover, the concerns raised in the hearing request, specifically regarding a violation of the Ordinance, are not relevant or material to the creation of the proposed District and not among the criteria the Commission may consider when reviewing a MUD petition pursuant to Tex. Water Code 54.021(b). As such, the Executive Director recommends that the Commission find that Commissioner Williams is not an affected person pursuant to the criteria in 30 Tex. Admin. Code § 55.256 and further recommends the Commission deny his hearing request on behalf of himself and his constituents.

2. Requestors that did not demonstrate a personal justiciable interest affected by the Petition per 30 Tex. Admin. Code § 55.256

Donald F. and Bonnie A. Ambrose (Requestor No. 3), Amy Brock (Requestor No. 6), Christina M. Brock (Requestor No. 7), Clint Brock (Requestor No. 8), Lynn Brock (Requestor No. 9), Brian and Bernadine Campbell (Requestor No. 11), Allan D. Donnell and April H. Salisbury (Requestor No. 14), Rowland Selby Funk (Requestor No. 17), Robert Kaiser (Requestor No. 20), Adrianna Midkiff (Requestor No. 27), Dennis and Shaun Mills (Requestors Nos. 28 and 29), Donna Morgan (Requestor No. 31), Steven and Colleen Newton (Requestor No. 32), Dorothy Queen (Requestor No. 34), Jacob and Sue Sentlingar (Requestor No. 40), Bruce and Julie Walker (Requestor No. 45), and Brian Wellmon (Requestor No. 46) all submitted a timely request which contained their name, address, and phone number pursuant to 30 Tex. Admin. Code § 55.251(c)(1). According to the addresses they provided, the properties identified in the requests are located in proximity to the boundary of the proposed District. These individuals also requested

¹⁶ The request filed by Commissioner Williams does not appear to provide reference to any particular constituents other than stating he is requesting a hearing on behalf of himself and the constituents in his precinct.

contested case hearings on the MUD creation pursuant to 30 Tex. Admin. Code § 55.251(c)(3), and they also provided the internal control number as required in the notice and pursuant to 30 Tex. Admin. Code § 55.251(c)(4).

However, while each of these Requestors raised concerns regarding how they believe they would be uniquely affected by the proposed District, the statements in their requests reflected generalized concerns such as impacts from discharges of wastewater treatment facilities, impacts to existing infrastructure, wildlife, property values, air quality, odors, and impacts to their use and enjoyment of their property. These requestors did raise concerns related to groundwater impacts, which is material and relevant to the creation review process; however, the requests did not tie these concerns to the proposed District's activities or anticipated impacts to an interest that was unique to them, such as stating they have a private well on their property they believe would be affected. Moreover, these concerns are mostly associated with the activities of WWTFs rather than that for a MUD creation and the criteria in Tex. Water Code § 54.021(b) the Commission may consider for a MUD creation petition. These requestors also raised concerns regarding road impacts, which is not within the statutory framework for the Commission to consider as part of the creation process. Further, as these generalized concerns are common to members of the general public, these requests did not establish that a reasonable relationship exists as to their concerns raised in their requests and the criteria in Tex. Water Code § 54.021(b) that the Commission may consider for a MUD creation petition. Therefore, because their requests do not identify a personal justiciable interest that would be affected in a manner not common to members of the general public and that is within the Commission's jurisdiction, the Executive Director recommends that the Commission find that these Requestors are not affected persons and further recommends that the Commission denies these hearing requests.

3. Requestors not in close proximity to MUD per 30 TAC § 55.256

Jessica How (Requestor No. 19) submitted a timely request which contained her name, address, and phone number pursuant to 30 Tex. Admin. Code § 55.251(c)(1). She requested contested case hearings on the MUD creation pursuant to 30 Tex. Admin. Code § 55.251(c)(3), and also provided the internal control number as required in the notice and pursuant to 30 Tex. Admin. Code § 55.251(c)(4). However, according to the

address she provided, the property she identified in her requests is not located in close proximity to the boundary of the proposed District and thus the concerns she raised in her request are too attenuated to likely be affected pursuant by the creation of the proposed District and pursuant to 30 Tex. Admin. Code § 55.256. Moreover, the request does not specifically articulate how she would personally be affected. For instance, her request expresses similar generalized concerns as the Requestors in Group 2, such as impacts from discharges of wastewater treatment facilities, impacts to existing infrastructure, wildlife, property values, air quality, odors, and impacts to their use and enjoyment of their property. While her request does raise concerns related to groundwater impacts, which is material and relevant to the creation review process, she did not tie these concerns to the proposed District's activities or anticipated impacts to an interest that is unique to her, such as stating she has a private well on her property she believe would be affected. Moreover, these concerns are mostly associated with the activities of WWTFs rather than that for a MUD creation and does not address the criteria in Tex. Water Code § 54.021(b) that the Commission may consider for a MUD creation petition. Her request also raises concerns regarding road impacts, which is not within the statutory framework for the Commission to consider as part of the creation process. Further, as these generalized concerns are common to members of the general public, her request also does not establish that a reasonable relationship exists as to the concerns raised in their requests and the criteria in Tex. Water Code § 54.021(b) that the Commission may consider for a MUD creation petition pursuant to 30 Tex. Admin. Code § 55.256(c)(3).

According to the GIS satellite maps prepared by the Executive Director's Staff, Ms. How's location is depicted as Location No. 19 on the maps in Attachment B. Based on her location as depicted on these maps, her location demonstrates that her property is not in close proximity to the proposed District. Therefore, the location of the Requestor's property relative to the proposed District further demonstrates that the concerns she raised in her request are too attenuated to establish that a reasonable relationship exists related to creation of the proposed District pursuant to 30 Tex. Admin. Code § 55.256(c)(2) and (3).

Therefore, because her request does not identify a personal justiciable interest that would be affected in a manner not common to members of the general public and that is within the Commission's jurisdiction, in addition to the location of her property not being in close proximity to the proposed District, the Executive Director recommends that the Commission find that Jennifer How is not an affected person and further recommends denial of her hearing request.

4. Requestors that did not provide the requisite information per 30 Tex. Admin. Code § 55.251

Robert Adas (Requestor No. 1), Janene Breslin (Requestor No. 5), Kim and Michael Kaley (Requestor No. 10), Jodi Cuccurullo (Requestor No. 12), Allen L. McCracken (Requestor No. 25), Vickie and Frank Rush (Requestor No. 37), and Michael and Debbie Woodruff (Requestors Nos. 49 and 50) all submitted a timely request but did not provide either a name, address, or phone number as required by 30 Tex. Admin. Code § 55.251(c). Specifically, some of the requestors only provided a P.O. Box address, and their distance relative to the proposed District could not be determined. Therefore, the ED should recommend that the Commission deny these hearing requests.

5. Untimely Requests per 30 Tex. Admin. Code § 55.251(c)(4)

The Commission received untimely hearing requests from the following individuals: Italo Donato and Zahira Munoz, Anthony Scamardo (Requestor No. 38), and Steve Schmidt. Commission rule provides that "a hearing request must be filed with the chief clerk within the time period specified in the notice." 30 Tex. Admin. Code § 55.251(d). Here, the notice stated that TCEQ may grant a hearing if a request is filed within 30 days after newspaper publication of the notice. The second publication of this notice occurred on February 5, 2023; therefore, all requests must have been received by March 7, 2023, to be considered timely. Because these requests were received after the deadline for requesting a contested case hearing, the Executive Director must respectfully recommend their denial.

VII. RECOMMENDATION

The Executive Director recommends that the Commission grant the hearing requests of: Capital Properties 2017, LLC and BNR 2012 Holding Company, LLC, Terry L. and Mark A. Atchison, Ron Bourland, Kenneth and Joyce DeWitt, Phillip and Kelley Eggers, Darlene Freeman, Mark Hodak, Mark Kinney, Julie Lantrip, Courtney Linde, Robert and Helen McGraw, Joleen Moden, Matthew Pence, Jason Pool, Paul Queen, Joe and Megan Schmidt, David and Bonnie Silva, Luther and Wanda Slay, Nancy and John Tague, and Philip Wilson.

The Executive Director recommends that the Commission find that all other requestors are not affected persons and deny their hearing requests.

If the Commission chooses to deny all hearing requests, then the Executive Director recommends that the creation petition be granted.

Respectfully submitted,

Texas Commission on Environmental Quality

Kelly Keel, Executive Director

Erin Chancellor, Director Office of Legal Services

Charmaine Backens, Deputy Director Environmental Law Division

Fernando Salazar Martinez, Staff Attorney Environmental Law Division State Bar No. 24136087 P.O. Box 13087, MC-173 Austin, Texas 78711-3087 Phone: (512) 239-3356 Email: <u>Fernando.martinez@tceq.texas.gov</u>

Brudford & Eckhart

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REPRESENTING THE EXECUTIVE DIRECTOR OF THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

VIII. CERTIFICATE OF SERVICE

I certify that on February 12, 2024, the original of the "Executive Director's Response to Hearing Requests" for Creation of White Oaks Municipal Utility District of Denton County, Internal Control No. D-09262022-049, was filed with the Texas Commission on Environmental Quality's Office of the Chief Clerk, and a copy was served to all persons listed on the attached mailing list via hand delivery, electronic delivery, inter-agency mail, or by deposit in the U.S. Mail.

Fernando Salazar Martinez, Staff Attorney State Bar No. 24136087

Attachment A

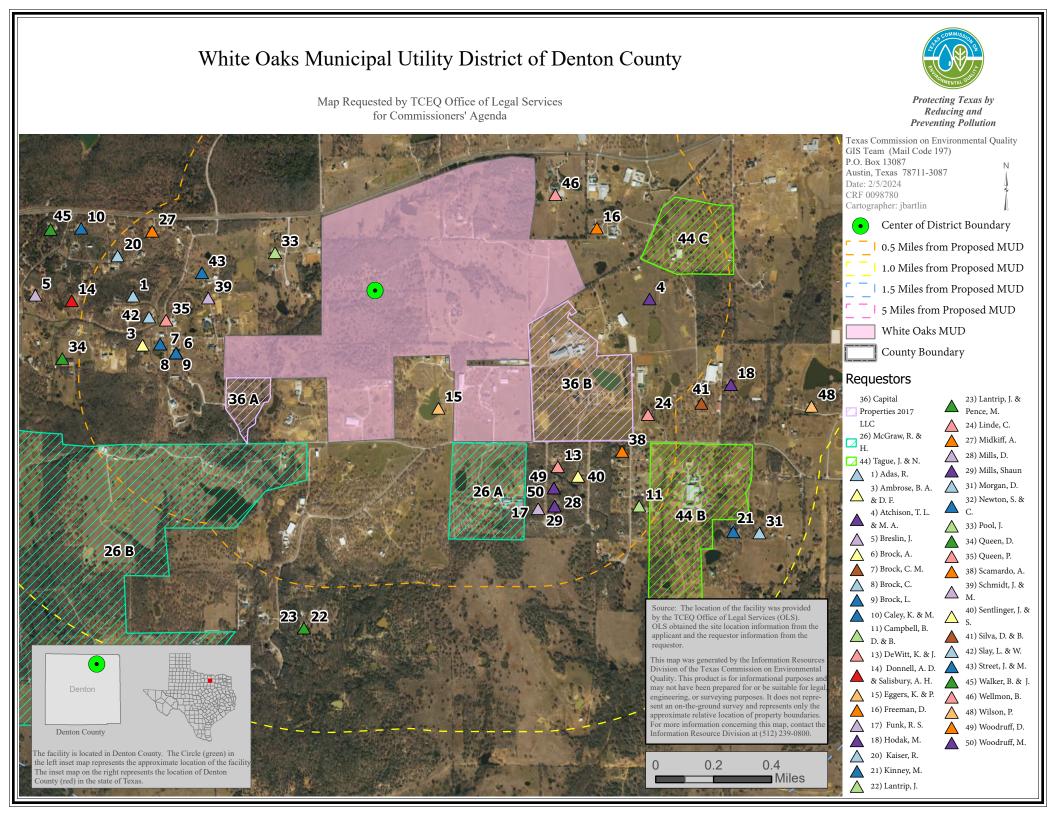
List of Requestors

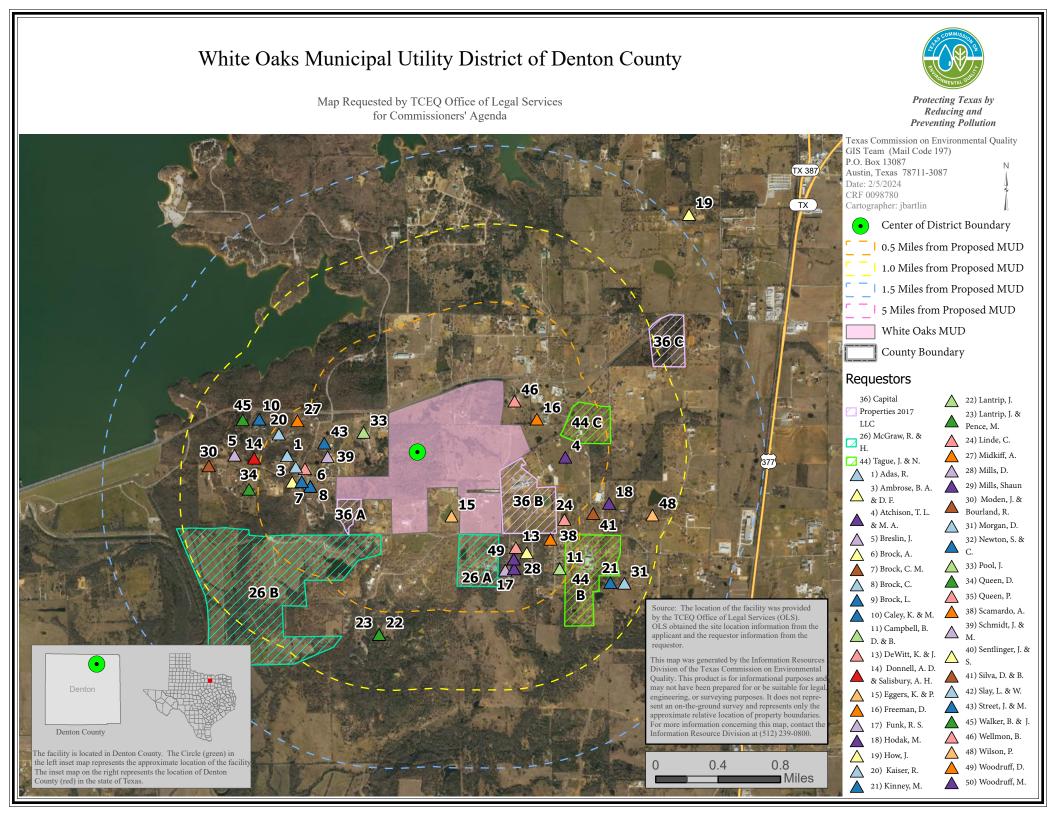
- 1. Robert Adas (Requestor No. 1)
- 2. R. Scott Alagood, on behalf of Lake Ray Roberts Planning and Zoning Commission (LRRPZC) (Requestor No. 2)
- 3. Donald F. and Bonnie A. Ambrose (Requestor No. 3)
- 4. Terry L. and Mark A. Atchison (Requestor No. 4)
- 5. Janene Breslin (Requestor No. 5)
- 6. Amy Brock (Requestor No. 6)
- 7. Christina M. Brock (Requestor No. 7)
- 8. Clint Brock (Requestor No. 8)
- 9. Lynn Brock (Requestor No. 9)
- 10. Kim and Michael Kaley (Requestor No. 10)
- 11. Brian and Bernadine Campbell (Requestor No. 11)
- 12. Jodi Cuccurullo (Requestor No. 12)
- 13. Kenneth and Joyce DeWitt (Requestor No. 13)
- 14. Allan D. Donnell and April H. Salisbury (Requestor No. 14)
- 15. Phillip and Kelley Eggers (Requestor No. 15)
- 16. Darlene Freeman (Requestor No. 16)
- 17. Rowland Selby Funk (Requestor No. 17)
- 18. Mark Hodak (Requestor No. 18)
- 19. Jessica How (Requestor No. 19)
- 20. Robert Kaiser (Requestor No. 20)
- 21. Mark Kinney (Requestor No. 21
- 22. Julie Lantrip (Requestor No. 22)
- 23. Matthew Pence (Requestor No. 23)
- 24. Courtney Linde (Requestor No. 24)
- 25. Allen L. McCracken (Requestor No. 25)
- 26. Robert and Helen McGraw (Requestor No. 26)
- 27. Adrianna Midkiff (Requestor No. 27)
- 28. Dennis and Shaun Mills (Requestors Nos. 28 and 29)
- 29. Joleen Moden and Ron Bourland (Requestor No. 30)
- 30. Donna Morgan (Requestor No. 31)

- 31. Steven and Colleen Newton (Requestor No. 32)
- 32. Jason Pool (Requestor No. 33)
- 33. Dorothy Queen (Requestor No. 34)
- 34. Paul Queen (Requestor No. 35)
- 35. John and Nancy Tague, on behalf of Capital Properties 2017, LLC and BNR 2012 Holding Company, LLC (Requestor No. 36)
- 36. Vickie and Frank Rush (Requestor No. 37)
- 37. Anthony Scamardo (Requestor No. 38)
- 38. Joe and Megan Schmidt (Requestor No. 39)
- 39. Jacob and Sue Sentlingar (Requestor No. 40)
- 40. David and Bonnie Silva (Requestor No. 41)
- 41. Luther and Wanda Slay (Requestor No. 42)
- 42. Jim and Melinda Street (Requestor No. 43)
- 43. Nancy and John Tague (Requestor No. 44)
- 44. Bruce and Julie Walker (Requestor No. 45)
- 45. Brian Wellmon (Requestor No. 46)
- 46. Ryan Williams, Denton County Commissioner for Precinct 1 (Requestor No. 47)
- 47. Philip Wilson (Requestor No. 48)
- 48. Michael and Debbie Woodruff (Requestors Nos. 49 and 50)
- 49. Italo Donato and Zahira Munoz
- 50. Steve Schmidt

Attachment B

Satellite Maps of the Proposed District





Attachment C

Appendix of Requestors on Maps

	Requestor Name	Requestor Address	City	State	ZIP	Latitude	Longitude	Distance from Proposed MUD in Miles
1	Robert Adas	10020 Bluffview Cir	Pilot Point	TX	76258	33.357022	-97.020069	0.35
2	R. Scott Alagood	3900 Morse St	Denton	TX	76208	33.204	-97.087302	11.01
3	Bonnie A. and Donald F. Ambrose	9824 Blueridge Cir	Pilot Point	ΤХ	76258	33.354556	-97.019581	0.28
4	Terry L. and Mark A. Atchison	9229 Hub Clark Rd	Pilot Point	TX	76258	33.356181	-96.989205	0.22
5	Janene Breslin	10695 Stagecoach Pass	Pilot Point	TX	76258	33.3572	-97.025907	0.67
6	Amy Brock	13069 Saint John Rd	Pilot Point	TX	76258	33.354117	-97.017592	0.17
7	Christina M. Brock	13069 Saint John Rd	Pilot Point	TX	76258	33.354117	-97.017592	0.17
8	Clint Brock	13069 Saint John Rd	Pilot Point	TX	76258	33.354117	-97.017592	0.17
9	Lynn Brock	13069 Saint John Rd	Pilot Point	TX	76258	33.354117	-97.017592	0.17
10	Kim and Michael Caley	10155 Stage Coach Pass	Pilot Point	TX	76258	33.360485	-97.023063	0.62
11	Brian D. and Bernadine Campbell	9627 Saint Johns Ct	Pilot Point	TX	76258	33.345837	-96.990164	0.43
12	Jodi Cuccurullo	P.O. Box 111401	Carrollton	TX	75011			No Address Provided for Measurement
13	Kenneth and Joyce DeWitt	9481 Yellow Rose Ln	Pilot Point	TX	76258	33.347917	-96.99496	0.12
14	Alan D. Donnell and April H. Salisbury	10783 Stagecoach Pass	Pilot Point	TX	76258	33.35687	-97.023743	0.54
15	Kelly and Phillip Eggers	5800 Granite Pkwy	Plano	TX	75024	33.351	-97.002	0.05
16	Darlene Freeman	8908 Hub Clark Rd	Pilot Point	TX	76258	33.359794	-96.992242	0.11
17	Rowland Shelby Funk	9624 Yellow Rose Ln	Pilot Point	TX	76258	33.345844	-96.996205	0.23
18	Marc Hodak	10654 Saint John Rd	Pilot Point	TX	76258	33.351783	-96.984482	0.60
19	Jessica How	11761 Massey Rd	Pilot Point	TX	76258	33.378409	-96.974737	1.60
20	Robert Kaiser	6435 Valley Creek	Pilot Point	TX	76258	33.359056	-97.020926	0.46
21	Mark Kinney	10763 Saint John Rd	Pilot Point	TX	76258	33.344422	-96.984583	0.76
22	Julie Lantrip	9213 Scenic Dr	Pilot Point	TX	76258	33.340192	-97.010393	0.64
23	Julie Lantrip and Matthew Pence	9213 Scenic Dr	Pilot Point	TX	76258	33.340192	-97.010393	0.64
24	Courtney Linde	11000 Saint John Rd	Pilot Point	TX	76258	33.350402	-96.989489	0.40

Appendix A White Oaks Municipal Utility District of Denton County

	Requestor Name	Requestor Address	City	State	ZIP	Latitude	Longitude	Distance from Proposed MUD in Miles
25	Allen L. McCracken	P.O. Box 1200	Pilot Point	TX	76258			No Address Provided for Measurement
26	Robert and Helen McGraw	32 Braewood Pl	Dallas	TX	75248	(1) 33.3477; (2) 33.3473	(1) -96.9996; (2) -97.0175	26 A: 0 26 B: 0.07
27	Adrianna Midkiff	6716 FM 455 E	Pilot Point	ΤХ	76258	33.360239	-97.018822	0.44
28	Dennis Mills	9605 Yellow Rose Ln	Pilot Point	ΤХ	76258	33.345952	-96.995219	0.23
29	Shaun Mills	9605 Yellow Rose Ln	Pilot Point	ΤХ	76258	33.345952	-96.995219	0.23
30	Joleen Moden and Ron Bourland	9918 Four Horse Trl	Pilot Point	ΤХ	76258	33.356273	-97.028788	0.82
31	Donna Morgan	10491 Saint John Rd	Pilot Point	ΤХ	76258	33.34433	-96.98302	0.85
32	Steven and Colleen Newton	9839 Blueridge Cir	Pilot Point	TX	76258	33.354585	-97.018526	0.22
33	Jason Pool	10334 Parkside Ln	Pilot Point	ΤХ	76258	33.358999	-97.011515	0.16
34	Dorothy Queen	763 Orchard Rd	Whitesboro	ΤХ	76273	33.354	-97.0244	0.56
35	Paul Queen	13371 Saint John Rd	Pilot Point	ΤХ	76258	33.355774	-97.018133	0.21
36	Capital Properties 2017 LLC and BNR 2012 Holding Company LLC	11320 Saint John Rd	Pilot Point	TX	76258	(1) 33.3509; (2) 33.351298; (3) 33.3506	(1) - 97.0132;(2) - 96.993631;(3) -96.9931	36 A: 0 36 B: 0 36 C: 0.93
37	Vickie and Frank Rush					N/A	N/A	N/A
38	Anthony Scamardo	9440 Saint Johns Ct	Pilot Point	TX	76258	33.348597	-96.991096	0.31
39	Joe and Megan Schmidt	12906 Saint John Rd	Pilot Point	TX	76258	33.356824	-97.01558	0.15
40	Jacob and Sue Sentlinger	9520 Oak Meadow Ln	Pilot Point	TX	76258	33.347409	-96.993768	0.20
41	David and Bonnie Silva	10896 Saint John Rd	Pilot Point	TX	76258	33.350887	-96.98628	0.56
42	Luther and Wanda Slay	9951 Bluffview Cir	Pilot Point	TX	76258	33.355954	-97.019147	0.27
43	Jim and Melinda Street	13336 Saint John Rd	Pilot Point	TX	76258	33.358096	-97.015912	0.23

	Requestor Name	Requestor Address	City	State	ZIP	Latitude	Longitude	Distance from Proposed MUD in Miles
44	John and Nancy Tague					(2) 33.3581; (3) 33.3476	(2) -96.9876; (3) -96.9868	44 B: 0.41 44 C: 0.22
45	Bruce and Julie Walker	10184 Stagecoach Pass	Pilot Point	TX	76258	33.360466	-97.024892	0.71
46	Brian Wellmon	8230 FM 455 E	Pilot Point	TX	76258	33.361522	-96.994665	0.07
47	Ryan Williams	1 Courthouse Dr	Denton	ΤХ	76208	33.203819	-97.089884	11.08
48	Philip Wilson	9601 Oak Creek Dr	Pilot Point	ΤХ	76258	33.350592	-96.979701	0.88
49	Debbie Woodruff	9531 Yellow Rose Ln	Pilot Point	ΤХ	76258	33.346856	-96.995233	0.17
50	Michael Woodruff	9531 Yellow Rose Ln	Pilot Point	ΤХ	76258	33.346856	-96.995233	0.17

MAILING LIST White Oaks Municipal Utility District of Denton County Docket No. 2023-1587-DIS; Internal Control No. D-09262022-049

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Kyle Lucas Texas Commission on Environmental Quality Alternative Dispute Resolution, MC-222 P.O. Box 13087 Austin, Texas 78711

<u>FOR THE CHIEF CLERK</u>: via eFilings:

Docket Clerk Texas Commission on Environmental Quality Office of Chief Clerk, MC-105 P.O. Box 13087 Austin, Texas 78711 https://www.tceq.texas.gov/goto/efilings

REQUESTER(S)/INTERESTED PERSON(S):

See attached list.

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Atchison, Mark & Terry L 9229 Hub Clark Rd Pilot Point Tx 76258-6246

Bourland, Ron & Moden, Joleen 9918 Four Horse Trl Pilot Point Tx 76258-7444

Breslin, Janene 10695 Stagecoach Pass Pilot Point Tx 76258-7453

Brock, Amy 13069 Saint John Rd Pilot Point Tx 76258-7452

Brock, Christina M 13069 Saint John Rd Pilot Point Tx 76258-7452

Brock, Clint 13069 Saint John Rd Pilot Point Tx 76258-7452

Brock, Lynn 13069 Saint John Rd Pilot Point Tx 76258-7452

Caley, Kim & Michael 10155 Stagecoach Pass Pilot Point Tx 76258-7469

Campbell, Bernadine & Brian D 9627 Saint Johns Ct Pilot Point Tx 76258-6628

Cuccurullo, Jodi PO Box 111401 Carrollton, TX 75011

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Donnell, Alan D & Salisbury, April H 10783 Stagecoach Pass Pilot Point Tx 76258-7442

Freeman, Darlene 8908 Hub Clark Rd Pilot Point Tx 76258-6208

Funk, Rowland Selby 9624 Yellow Rose Ln Pilot Point Tx 76258-6610

Hodak, Marc 10654 Saint John Rd Pilot Point Tx 76258-6602

How, Jessica 11761 Massey Rd Pilot Point Tx 76258-3616

Kaiser, Robert 6435 Valley Crk Pilot Point Tx 76258-7455

Kinney, Mark 10763 Saint John Rd Pilot Point Tx 76258-6648

Lantrip, Julie 9213 Scenic Dr Pilot Point Tx 76258-7429

Lantrip, Julie & Pence, Matthew 9213 Scenic Dr Pilot Point Tx 76258-7429

Linde, Courtney 11000 Saint John Rd Pilot Point Tx 76258-6665

McCracken II, Allen L PO Box 1200 Pilot Point Tx 76258-1200

Midkiff, Adriana 6716 Fm 455 E Pilot Point Tx 76258-7339

Mills Jr, Dennis 9605 Yellow Rose Ln Pilot Point Tx 76258-6611 Mills, Shaun 9605 Yellow Rose Ln Pilot Point Tx 76258-6611

Morgan, Donna 10491 Saint John Rd Pilot Point Tx 76258-6623

Newton, Steven and Colleen 9839 Blueridge Cir Pilot Point Tx 76258-7451

Pool, Jason 10334 Parkside Ln Pilot Point Tx 76258-4196

Queen, Dorothy 763 Orchard Rd Whitesboro Tx 76273-4505

Queen, Paul 138 Natches Trce Coppell Tx 75019-7903

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Schmidt, Steve 6436 Valley Crk Pilot Point Tx 76258-7454

Sentlingar, Jacob & Sue 9520 Oak Meadow Ln Pilot Point Tx 76258-6663

Slay, Luther & Wanda 9951 Bluffview Circle Pilot Point Tx 76258-0206 PO Box 206 Pilot Point, Tx 76258-0206 Street, Jim & Melinda 13336 Saint John Rd Pilot Point Tx 76258-7406

Walker, Bruce & Julie 10184 Stagecoach Pass Pilot Point Tx 76258-7468

Wellmon, Brian 8230 Fm 455 E Pilot Point Tx 76258-7320

Williams, Ryan 3rd Fl 1 Courthouse Dr Denton Tx 76208-1582

Wilson, Philip 9601 Oak Creek Dr Pilot Point Tx 76258-6249

Woodruff, Debbie 9531 Yellow Rose Ln Pilot Point Tx 76258-6609

Woodruff, Michael 9531 Yellow Rose Ln Pilot Point Tx 76258-6609

Chambers, Maris & Faulk III, William A. Spencer Fane LLP Ste 1200 816 Congress Ave Austin Tx 78701-2442 *Representing the following parties:*

BNR 2012 Holding Company, LLC

Capital Properties 2017, LLC

Eggers, Kelly & Phillip

McGraw, Helen & Robert

Silva, Bonnie & David

Tague, John and Nancy

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Huccaby, James 9530 Yellow Rose Ln Pilot Point Tx 76258-6608

L'heureux, Gretel Mary 9440 Yellow Rose Ln Pilot Point Tx 76258-6606

McDermed, Juanita & Martin Mehrle 9424 Oak Meadow Ln Pilot Point Tx 76258-6612

Renshaw, Todd 13429 Saint John Rd Pilot Point Tx 76258-7476

Russell, Joseph 10385 Saint John Rd Pilot Point Tx 76258-6622