

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



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

June 28, 2024

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. 2024-0135-DIS; Circle S Middle Municipal Utility District;
Request filed regarding Internal Control No. D-08232023-047.

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 July 17, 2024, agenda on hearing requests for the creation of Circle S Middle Municipal Utility District:

- Technical memo prepared by staff;
- Temporary Directors' Affidavits; and
- 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 cursive script, reading "Allie Soileau".

Allie Soileau, Staff Attorney
Environmental Law Division

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

To: Justin P. Taack, Manager 
Districts Section
12/5/2023

Date: December 5, 2023

Through: Daniel Finnegan, Team Lead
Districts Bond Team

From: Dennis Mostowy, P.E.
Districts Bond Team

Subject: Petition by Circle S Midlothian, LLC for Creation of Circle S Middle Municipal Utility District of Ellis County; Pursuant to Texas Water Code Chapters 49 and 54.
TCEQ Internal Control No. D-08232023-047 (TC)
CN: 606174803 RN: 111797585

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received a petition within the application requesting approval for the creation of Circle S Middle Municipal Utility District of Ellis County (District). The petition was signed by Rick Miskimon, Managing Member of Circle S Midlothian, LLC, a Texas limited liability company (Petitioner). The petition states that: (1) the Petitioner is the owner of the majority in value of the land to be included in the proposed District; (2) there is one lienholder, AgTexas Farm Credit Services, on the property to be included in the proposed District and the aforementioned entity has consented to the creation of the District; and (3) the proposed District will contain approximately 407.5 acres of land located wholly within Ellis County, Texas.

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 approximately six and half miles southeast of the City of Midlothian central business district, just South of FM Road 875, and approximately one mile west of the intersection of FM Road 875 and Norrell Road. The proposed District is within the extraterritorial jurisdiction (ETJ) of the City. Access to the District will be from FM Road 875.

Metes and Bounds Description

The proposed District contains one tract of land, consisting of 407.5 acres. The metes and bounds legal description has been checked by the 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, a petition was submitted 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 Petitioners to initiate proceedings for creation of the District and inclusion of the land within the district.

County Notification

In accordance with TWC Section 54.0161, as amended in 2013, a certified letter, dated August 28, 2023, was sent to the Commissioners Court of Ellis County, and in which, provided notice of the proposed District's pending creation application and provided the County an opportunity to make a recommendation. On November 17, 2023, the County filed a contested hearing request.

Statements of Filing Petition

Evidence of filing the petition with the Ellis County Clerk's Office, TCEQ's Dallas/Fort Worth Regional office, the Texas state representative, and the Texas state senator has been provided.

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

Rick Miskimon will be the developer of the land within the proposed District. Information provided supports that Mr. Miskimon has considerable experience in development in the Dallas/Fort Worth area.

Certificate of Ownership

By affidavit dated June 27, 2023, the Ellis Appraisal District has certified that its tax rolls indicate that the Petitioner is the owner of the majority of the value of the property in the proposed District.

Temporary Director Affidavits

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

Michael L. Bradford	Eric DeBorde	Paul Fuller
Michael D. Gonzales, Jr.	Charles R. Hill, Jr.	

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 citizen 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 October 12, 2023, and October 19, 2023, in *Midlothian Mirror*, a newspaper regularly published or circulated in Ellis County, the county in which the proposed District is proposed to be located. Proper notice of the application was posted on October 10, 2023, on the bulletin boards used for posting legal notices in the Ellis County Courthouse. 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 on November 20, 2023.

B. ENGINEERING ANALYSIS

The creation engineering report indicates the following:

Availability of Comparable Service

The engineering report indicates the proposed District is located within the water CCN of Mountain Peak Special Utility District (MPSUD). The proposed District is not located within the CCN of any wastewater treatment providers. No other comparable water or wastewater services are available in the area.

Water Supply

The engineering report states that the proposed District will receive retail water service from MPSUD to serve its ultimate development. The proposed district will connect to an existing water line.

Water Distribution Improvements

The proposed District will include a distribution system consisting of 8-inch to 12-inch water lines. All water supply and distribution system improvements to serve the proposed District will be designed in accordance with criteria established by the TCEQ and Ellis County.

Wastewater Treatment Improvements

Wastewater treatment for the District will be provided by an onsite wastewater treatment plant constructed by the proposed District. All wastewater treatment system improvements to serve the proposed District will be designed in accordance with criteria established by the TCEQ and Ellis County.

Wastewater Collection

The proposed District will provide wastewater collection to its residents via a gravity collection system. The proposed District is proposing to construct wastewater treatment system consisting of 8-inch 36-inch wastewater lines.

Storm Water Drainage

Storm water runoff within the proposed District will be collected in curbed streets into flumes or inlets which will convey the flows overland or via underground culverts, respectively. Storm water from the proposed storm sewer system will typically outfall into detention ponds prior to discharging into the tributaries of Boggy Branch and Spring Branch, and ultimately to

Cottonwood Creek. The design of the storm sewer system will be based on requirements of Ellis County and the TCEQ.

Road Improvement

Application material indicates the proposed District will fund roadway improvements within its boundary and off-site. The District proposes to construct main entrances, collector roads, and internal collector roads to provide access to planned development. The roads will be designed in accordance with Ellis County design criterion.

Topography/ Floodplain / Elevation

The land within the proposed District is mainly comprised of farm and ranch land with minimal trees with elevations ranging from approximately 600 feet above mean sea level to 650 feet above mean sea level.

The proposed District is partially within the 100-year floodplain as shown on the Federal Emergency Management Agency Flood Insurance Rate Map (FIRM) No. 48139C0150F, effective June 3, 2013.

The proposed District will construct underground utility and storm water systems and detention ponds having minimal effect on land elevations within the region.

Dam Safety Analysis

The Dam Safety Section of the TCEQ has conducted a review of the proposed creation of the subject District and has concluded that there is one exempt dam near the southwest corner (north of Murr Road) within the proposed Circle S East MUD of Ellis County boundaries.

The inspection letter states that historic aerial views of the embankment show the reservoir extending into the proposed Circle S Middle MUD boundaries. If the exempt dam embankment is to remain, it is recommended that a hydraulic and hydrologic study be performed for the dam in its existing state (or with any proposed modifications), to determine if the embankment will impound any water, including temporarily during a flood event. If the embankment will impound water, homes should not be constructed below the top of dam elevation along the impounded water.

Impact on Natural Resources

The creation of the proposed District is expected to have no unreasonable effects on land elevation, subsidence, groundwater levels, or groundwater or surface water quality.

C. SUMMARY OF COSTS

WATER, WASTEWATER, AND DRAINAGE

<u>CONSTRUCTION COSTS</u>	District's ⁽¹⁾ <u>Share</u>
A. Developer Contribution Items	
1. Water	\$ 6,500,217
2. Wastewater	4,066,372
3. Drainage and Detention	9,223,575
4. Erosion Control & Earthwork	1,129,982

5. Contingencies (Item Nos. 1 – 4)	2,092,015
6. Engineering (Item Nos. 1 – 4)	<u>2,092,015</u>
Total Developer Contribution Items	\$ 25,104,176
B. District Items	
1. Wastewater Trunkline	\$ 455,831
2. Wastewater Treatment Plant	1,831,801
3. Land Acquisition	300,000
4. Contingencies (Item Nos. 1 – 3)	228,763
5. Engineering (Item Nos. 1 – 3)	<u>228,763</u>
Total District Items	\$ 3,045,158
TOTAL CONSTRUCTION COSTS (75.06% of Bond Issue Requirement)	\$ 28,149,334
<u>NONCONSTRUCTION COSTS</u>	
A. Legal Fees	\$ 937,500
B. Fiscal Agent Fees	750,000
C. Interest	
1. Capitalized Interest (24 months at 4%)	3,000,000
2. Developer Interest	2,251,947 ⁽²⁾
D. Bond Discount (3%)	1,125,000
E. Creation Costs and Operating Expenses	375,000
F. Bond Issuance Expenses	379,969
G. Bond Application Report Costs	400,000
H. Attorney General Fee (0.10%)	37,500
I. TCEQ Bond Issuance Fee (0.25%)	<u>93,750</u>
TOTAL NONCONSTRUCTION COSTS	\$ 9,350,666
TOTAL BOND ISSUE REQUIREMENT	\$ 37,500,000

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.

ROADS

<u>CONSTRUCTION COSTS</u>	District's ⁽¹⁾ <u>Share</u>
A. Roads	\$ 9,719,794
B. Contingencies	971,979
C. Engineering	971,979
D. Land Acquisition for ROW	<u>450,000</u>
TOTAL CONSTRUCTION COSTS (76.67% of Bond Issue Requirement)	\$ 12,113,752

NONCONSTRUCTION COSTS

A. Legal Fees	\$ 395,000
B. Fiscal Agent Fees	316,000
C. Interest	
1. Capitalized Interest (24 months at 4%)	1,264,000
2. Developer Interest	969,100 ⁽²⁾
D. Bond Discount (3%)	474,000
E. Bond Application Report Costs	100,000
F. Bond Issuance Expenses	152,348
G. Attorney General Fee (0.10%)	<u>15,800</u>
TOTAL NONCONSTRUCTION COSTS	\$ 3,686,248

TOTAL BOND ISSUE REQUIREMENT **\$ 15,800,000**

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 District and the land included within the District. Eligibility of costs may be subject to TCEQ review to 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 projected in the following table:

<u>Development</u>	<u>Acres</u>	<u>ESFCs⁽¹⁾</u>
Single-family Residential	197.50	1,395
School	13.07	25
Floodplain	100.69	0
Open Space/Detention/Amenity	31.70	2
Right of Way	62.77	0
WWTP/Lift Station	<u>1.77</u>	<u>0</u>
Totals	407.50	1,422

(1) Equivalent Single-Family Connections

Market Study

A market study, prepared by RSI Residential Strategies, dated April 2023 has been submitted in support of the creation of the proposed District. The market study indicates that the proposed District is located in an area of undeveloped land and residential development. The study indicates single-family homes within the study's subject community will be on 50-foot lots and priced between \$315,000 and \$375,000 and are expected to be absorbed at a rate of approximately 116 to 208 homes per year during the first five years of District construction. Build-out of the proposed District is anticipated to be five years.

Project Financing

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

<u>Development Type</u>	<u>No. of Units</u>	<u>Average Unit Value</u>	<u>Total Value at Build Out</u>
50' Residential Lot	1,395	\$345,000	\$481,275,000
TOTAL AV			\$481,275,000

Considering an estimated bond issue requirement of \$53,300,000 (\$37,500,000 utilities and \$15,800,000 roads), 100% District financing, a bond coupon rate of 4%, a 28-year bond life, The average annual debt service requirement would be approximately \$3,198,692 (\$2,250,487 utilities and \$948,205 roads). Assuming a 98% collection rate and an ultimate AV of \$481,275,000, a tax rate of approximately \$0.68 (\$0.48 for utilities and \$0.20 for roads) per \$100 AV would be necessary to meet the annual debt service requirement. The District also anticipates levying a maintenance tax of \$0.05 per \$100 AV resulting in a District combined tax rate of \$0.73 per AV.

The total year 2022 overlapping tax rates on land within the proposed District are shown in the following tables:

<u>Taxing Jurisdiction</u>	<u>Tax Rates</u>
Proposed District Debt Service	\$ 0.730000
Ellis County	0.273001
Midlothian ISD	1.294600
Ellis County FM Lateral Road	0.022866
Ellis County ESD #2	<u>0.099500</u>
Total tax per \$100 AV	\$ 2.419967

Based on the proposed District tax rate and the year 2022 overlapping tax rate on land within the proposed District, the project is considered economically feasible.

Water and Wastewater Rates

According to information provided, the following single-family water rate is anticipated:

Water:	Residential	
	\$22.84	Monthly Base Fee
	\$4.00 per thousand gallons	1 to 5,000 gallons
	\$4.60 per thousand gallons	5,001 to 10,000 gallons
	\$5.40 per thousand gallons	10,001 to 20,000 gallons
	\$6.00 per thousand gallons	20,001 to 30,000 gallons
	\$7.60 per thousand gallons	30,001 to 40,000 gallons
	\$8.40 per thousand gallons	40,001 to 50,000 gallons
	\$10.60 per thousand gallons	>50,001 gallons

Wastewater:	\$60.75	Monthly Flat Fee
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Based on the above rates, the estimated monthly fee for 10,000 gallons of water use would be \$126.59 (\$65.84 for water and \$60.75 for wastewater) for residential customers.

Comparative Water District Tax Rates

A combined projected tax rate of \$0.73 per \$100 AV for the proposed District is considered reasonable and acceptable for this type of development, according to the Preliminary Engineering Report. 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, would be a benefit to the land within the proposed District, and would be necessary as a means to finance utilities and to provide utility service to future customers.
2. Based on a review of the preliminary engineering report; market study; the proposed District's water, wastewater, drainage and road facilities; a combined projected tax rate of \$0.73 per \$100 AV; the proposed District obtaining a 4.0% 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 Circle S Middle Municipal Utility District of Ellis 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 requirements imposed by the TCEQ and the general laws of the State of Texas 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 to serve as temporary directors until permanent directors are elected and qualified:

Michael L. Bradford	Eric DeBorde	Paul Fuller
Michael D. Gonzales, Jr.	Charles R. Hill, Jr.	

H. ADDITIONAL INFORMATION

The petitioner’s professional representatives are:

Attorney:	Mr. Ross Martin – Winstead, PC
Engineer:	Mr. Ken Heroy, P.E. – Jones-Heroy & Associates, Inc.
Market Analyst:	Ms. Cassie Gibson - Residential Strategies, Inc.

AFFIDAVIT OF TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF ELLIS §

BEFORE ME, the undersigned duly constituted authority of the State and County aforesaid, on this day personally appeared Paul Fuller , who expressed a desire to be appointed a Director of the Circle S Middle Municipal Utility District (hereinafter the "District") and who on oath did state:

1. I am at least eighteen (18) years of age, a resident of the State of Texas, and own land subject to taxation within the District. I am a resident of Ellis County, being the county in which the District is located.

2. I am not now and have no present plans to be a developer of property in the District as defined in Section 49.052(d), Texas Water Code, as amended (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, alleys or parks or other portions intended for public use, or the 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.

4. I am not an employee of any developer of property within the District or any other Director, or any attorney, engineer or manager of the District, or other person providing professional services to the District or a developer of property in the District in connection with 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 within the District.

6. 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.

7. I am not a party to a contract with or along with the District (except, possibly for the purchase of public services furnished by the District to the public generally) or a contract with or along with a developer of property in the District relating to the District or property within the District (except, possibly, a contract limited solely to the purpose of purchasing or conveying real property in the District for the purpose of qualifying as a Director).

8. 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.

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 agency, that by law notice of its meetings must be posted, and that, subject to certain exceptions, its meetings must be open to the public and its records must be available for inspection by the public at all reasonable times.

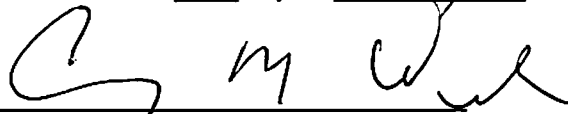
11. I am aware that the District will be subject to the continuing supervision of the Texas Commission on Environmental Quality and I will fully cooperate with said Commission.

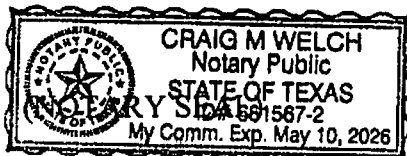
12. I am not presently an officer, director or official of the State of Texas or any other district, city, county or school district or political subdivision of this State.

13. 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 or 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.


Paul Fuller

SWORN TO AND SUBSCRIBED BEFORE ME this 18 day of July, 2022.


Notary Public in and for
The State of Texas



AFFIDAVIT OF TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF TARRANT §

BEFORE ME, the undersigned duly constituted authority of the State and County aforesaid, on this day personally appeared Charles R. Hill Jr., who expressed a desire to be appointed a Director of the Circle S Middle Municipal Utility District of Ellis County (hereinafter the "District") and who on oath did state:

1. I am at least eighteen (18) years of age, a resident of the State of Texas, and own land subject to taxation within the District. I am a resident of Ellis County, being the county in which the District is located.

2. I am not now and have no present plans to be a developer of property in the District as defined in Section 49.052(d), Texas Water Code, as amended (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, alleys or parks or other portions intended for public use, or the 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.

4. I am not an employee of any developer of property within the District or any other Director, or any attorney, engineer or manager of the District, or other person providing professional services to the District or a developer of property in the District in connection with 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 within the District.

6. 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.

7. I am not a party to a contract with or along with the District (except, possibly for the purchase of public services furnished by the District to the public generally) or a contract with or along with a developer of property in the District relating to the District or property within the District (except, possibly, a contract limited solely to the purpose of purchasing or conveying real property in the District for the purpose of qualifying as a Director).

8. 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.

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 agency, that by law notice of its meetings must be posted, and that, subject to certain exceptions, its meetings must be open to the public and its records must be available for inspection by the public at all reasonable times.

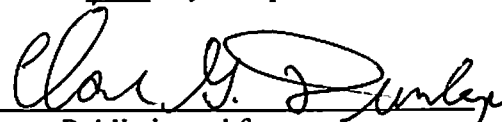
11. I am aware that the District will be subject to the continuing supervision of the Texas Commission on Environmental Quality and I will fully cooperate with said Commission.

12. I am not presently an officer, director or official of the State of Texas or any other district, city, county or school district or political subdivision of this State.

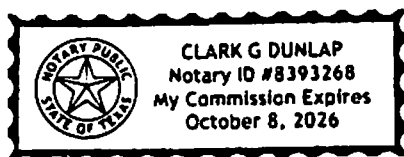
13. I hereby affirm that, if appointed, I will faithfully execute the duties of the office of Director of the District and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States, and of the State of Texas; and I hereby affirm that I have not directly or 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.


Charles R. Hill Jr.

SWORN TO AND SUBSCRIBED BEFORE ME this 16 day of April, 2023.


Notary Public in and for
The State of Texas

(NOTARY SEAL)



AFFIDAVIT OF TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF ELLIS §

BEFORE ME, the undersigned duly constituted authority of the State and County aforesaid, on this day personally appeared Eric DeBorde, who expressed a desire to be appointed a Director of the Circle S Middle Municipal Utility District (hereinafter the "District") and who on oath did state:

1. I am at least eighteen (18) years of age, a resident of the State of Texas, and own land subject to taxation within the District. I am a resident of Ellis County, being the county in which the District is located.

2. I am not now and have no present plans to be a developer of property in the District as defined in Section 49.052(d), Texas Water Code, as amended (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, alleys or parks or other portions intended for public use, or the 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.

4. I am not an employee of any developer of property within the District or any other Director, or any attorney, engineer or manager of the District, or other person providing professional services to the District or a developer of property in the District in connection with 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 within the District.

6. 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.

7. I am not a party to a contract with or along with the District (except, possibly for the purchase of public services furnished by the District to the public generally) or a contract with or along with a developer of property in the District relating to the District or property within the District (except, possibly, a contract limited solely to the purpose of purchasing or conveying real property in the District for the purpose of qualifying as a Director).

8. 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.

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 agency, that by law notice of its meetings must be posted, and that, subject to certain exceptions, its meetings must be open to the public and its records must be available for inspection by the public at all reasonable times.

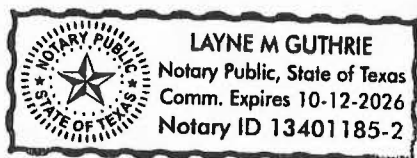
11. I am aware that the District will be subject to the continuing supervision of the Texas Commission on Environmental Quality and I will fully cooperate with said Commission.


12. I am not presently an officer, director or official of the State of Texas or any other district, city, county or school district or political subdivision of this State.

13. 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 or 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.


Eric DeBorde

SWORN TO AND SUBSCRIBED BEFORE ME this 8th day of May, 2023




Notary Public in and for
The State of Texas

(NOTARY SEAL)

AFFIDAVIT OF TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF NAVARRO §

BEFORE ME, the undersigned duly constituted authority of the State and County aforesaid, on this day personally appeared Michael L. Bradford, who expressed a desire to be appointed a Director of the Circle S Middle Municipal Utility District of Ellis County (hereinafter the "District") and who on oath did state:

1. I am at least eighteen (18) years of age, a resident of the State of Texas, and own land subject to taxation within the District. I am a resident of Navarro County, being a county adjacent to the county in which the District is located.

2. I am not now and have no present plans to be a developer of property in the District as defined in Section 49.052(d), Texas Water Code, as amended (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, alleys or parks or other portions intended for public use, or the 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.

4. I am not an employee of any developer of property within the District or any other Director, or any attorney, engineer or manager of the District, or other person providing professional services to the District or a developer of property in the District in connection with 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 within the District.

6. 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.

7. I am not a party to a contract with or along with the District (except, possibly for the purchase of public services furnished by the District to the public generally) or a contract with or along with a developer of property in the District relating to the District or property within the District (except, possibly, a contract limited solely to the purpose of purchasing or conveying real property in the District for the purpose of qualifying as a Director).

8. 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.

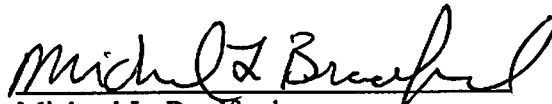
9. I am generally familiar with the responsibilities of a Director of a municipal utility district. I realize that as a Director I will be a public official charged with the responsibility of serving the best interests of the present and future property owners, taxpayers and residents of the District.

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

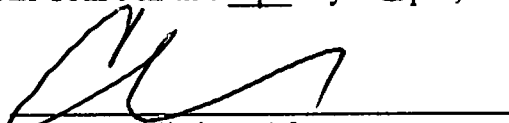
11. I am aware that the District will be subject to the continuing supervision of the Texas Commission on Environmental Quality and I will fully cooperate with said Commission.

12. I am not presently an officer, director or official of the State of Texas or any other district, city, county or school district or political subdivision of this State.

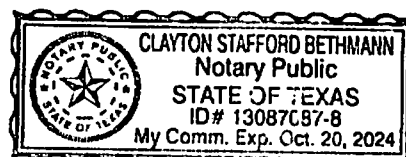
13. I hereby affirm that, if appointed, I will faithfully execute the duties of the office of Director of the District and will to the best of my ability preserve, protect and defend the Constitution and laws of the United States, and of the State of Texas; and I hereby affirm that I have not directly or 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.


Michael L. Bradford

SWORN TO AND SUBSCRIBED BEFORE ME this 1 day of ^{May}~~April~~, 2023.


Notary Public in and for
The State of Texas

(NOTARY SEAL)



AFFIDAVIT OF TEMPORARY DIRECTOR

THE STATE OF TEXAS §
 §
COUNTY OF ELLIS §

BEFORE ME, the undersigned duly constituted authority of the State and County aforesaid, on this day personally appeared Michael D. Gonzales Jr., who expressed a desire to be appointed a Director of the Circle S Middle Municipal Utility District (hereinafter the "District") and who on oath did state:

1. I am at least eighteen (18) years of age, a resident of the State of Texas, and own land subject to taxation within the District. I am a resident of Kaufman County, being a county adjacent to the county in which the District is located.

2. I am not now and have no present plans to be a developer of property in the District as defined in Section 49.052(d), Texas Water Code, as amended (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, alleys or parks or other portions intended for public use, or the 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.

4. I am not an employee of any developer of property within the District or any other Director, or any attorney, engineer or manager of the District, or other person providing professional services to the District or a developer of property in the District in connection with 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 within the District.

6. 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.

7. I am not a party to a contract with or along with the District (except, possibly for the purchase of public services furnished by the District to the public generally) or a contract with or along with a developer of property in the District relating to the District or property within the District (except, possibly, a contract limited solely to the purpose of purchasing or conveying real property in the District for the purpose of qualifying as a Director).

8. 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.

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.

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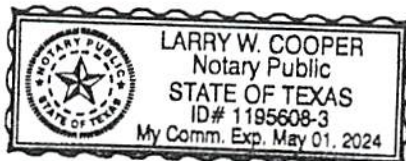
11. I am aware that the District will be subject to the continuing supervision of the Texas Commission on Environmental Quality and I will fully cooperate with said Commission.


12. I am not presently an officer, director or official of the State of Texas or any other district, city, county or school district or political subdivision of this State.

13. 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 or 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.


Michael D. Gonzales Jr.

SWORN TO AND SUBSCRIBED BEFORE ME this 9th day of May, 2023. CWC




Notary Public in and for
The State of Texas

(NOTARY SEAL)

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF DISTRICT PETITION TCEQ Internal Control No. D-08232023-047

PETITION. Circle S Midlothian, LLC, a Texas limited liability company, (Petitioner) filed a petition for creation of Circle S Middle Municipal Utility District of Ellis County (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, Section 59 of the Constitution of the State of Texas; Chapters 49 and 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 Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there is one lienholder, AgTexas Farm Credit Services, on the property to be included in the proposed District and the aforementioned entity has consented to the creation of the District; (3) the proposed District will contain approximately 407.5 acres of land, more or less, located within Ellis County, Texas; and (4) all of the land to be included within the proposed District is located within the extraterritorial jurisdiction of the City of Midlothian (City).

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

The petition further states that the proposed District will: (1) construct, maintain, and operate a waterworks system, including the purchase and sale of water, for domestic and commercial purposes; (2) construct, maintain, and operate a sanitary sewer collection, treatment, and disposal system, for domestic and commercial purposes; (3) construct, install, maintain, purchase, and operate drainage and roadway facilities and improvements; and (4) construct, install, maintain, purchase, and operate such additional facilities, systems, plants, and enterprises as shall be consistent with the purposes for which the District is created. It further states that the planned residential and commercial development of the area and the present and future inhabitants of the area will be benefited by the above-referenced work, which will promote the purity and sanitary condition of the State's waters and the public health and welfare of the community.

According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioner, from the information available at this time, that the cost of said project will be approximately \$53,300,000 (\$37,500,000 for water, wastewater, and drainage facilities and \$15,800,000 for road facilities).

In accordance with Local Government Code § 42.042 and Texas Water Code § 54.016, a petition was submitted to the City, requesting the City's consent to the creation of the District. After more than 90 days passed without receiving consent, a petition was submitted to the City to provide water and sewer services to the District. The 120-day period for reaching a mutually agreeable contract as established by the Texas Water Code § 54.016(c) expired and information provided indicates that the Petitioner 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 Petitioner to proceed to the TCEQ for inclusion of the land into the 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.

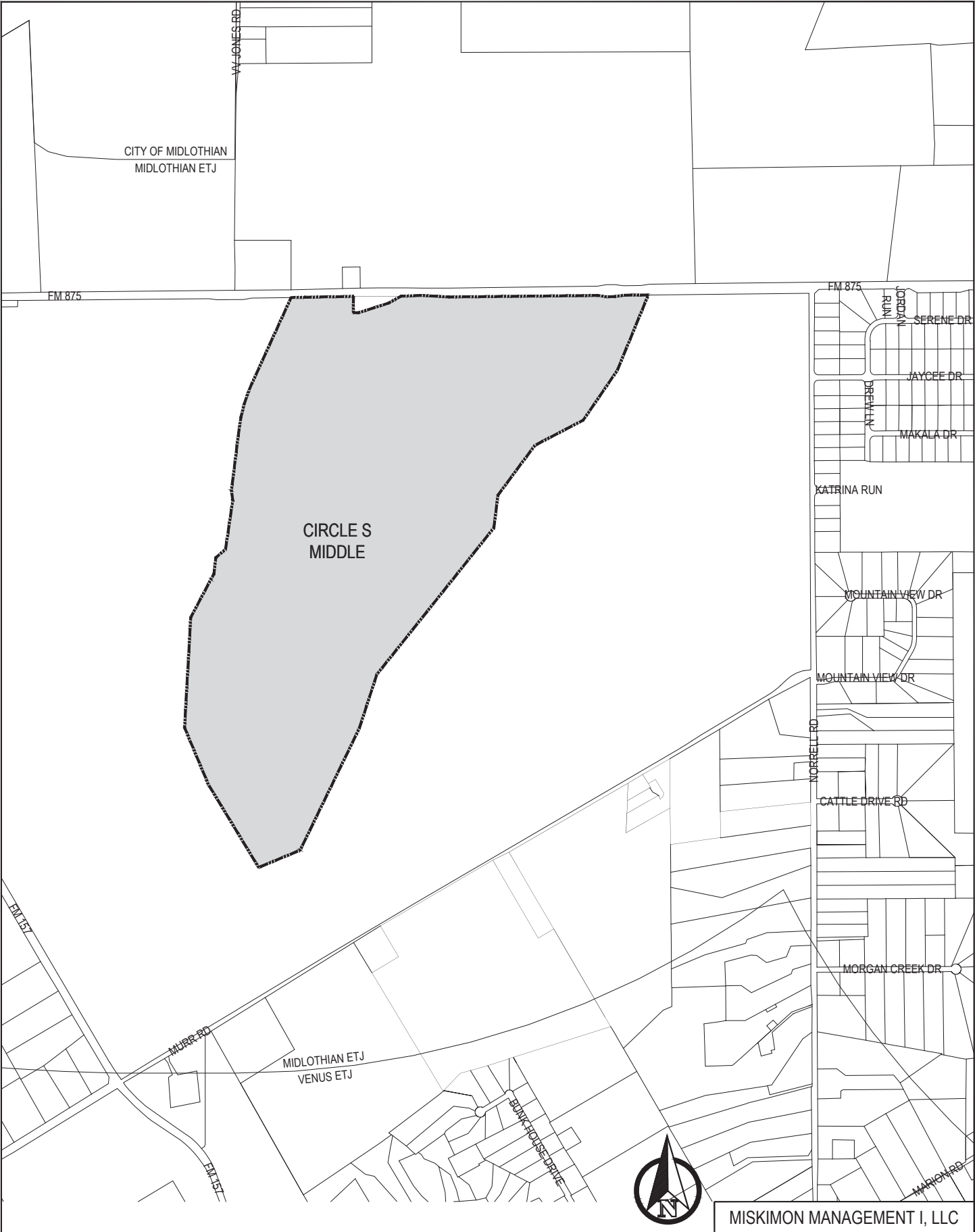
To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request 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: October 2, 2023

EXHIBIT A



SHEET: 1 OF 1	SCALE: 1" = 1000'	DATE: 02/10/2023	CIRCLE S MIDDLE LOCATION MAP	MISKIMON MANAGEMENT I, LLC 5940 S. WEST MCGEE CREEK RD. LANE, OK 74555 TBPE FIRM NO. F-22396
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