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May 20, 2024

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

***VIA EMAIL AND ELECTRONIC FILING***

Re: Petition for Creation of Burford Ranch Municipal Utility District (Expedited); Pursuant to  
Texas Water Code Chapters 49 and 54  
TCEQ: 2024-0667-DIS  
TCEQ Internal Control No. D-08252023-054  
CN: 606176048 RN: 111799953

Dear Ms. Gharis,

On behalf of our client, 05 Ranch Investments, LLC, attached for filing is 05 Ranch Investments, LLC's Response to Williamson County's Request for a Contested Case Hearing in the above-entitled matter.

Respectfully,



David J. Klein

Cc: Mailing List

**TCEQ DOCKET NO. 2024-0667-DIS**

**PETITION FOR CREATION OF  
BURFORD RANCH MUNICIPAL  
UTILITY DISTRICT**

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**BEFORE THE  
TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY**

**05 RANCH INVESTMENTS, LLC’S RESPONSE TO WILLIAMSON COUNTY’S  
REQUEST FOR A CONTESTED CASE HEARING**

TO THE HONORABLE COMMISSIONERS OF THE TEXAS COMMISSION ON  
ENVIRONMENTAL QUALITY:

05 Ranch Investments, LLC (“Petitioner”, pursuant to 30 Texas Administrative Code (“*TAC*”) § 55.254(e), files this Response to Williamson County’s Request for a Contested Case Hearing (“*Response*”) in the above-referenced matter, and in support thereof, would respectfully show the following:

**I. PROCEDURAL HISTORY**

On August 25, 2023, Petitioner filed an application with the Texas Commission on Environmental Quality (“*TCEQ*”) to create Burford Ranch Municipal Utility District (the “*District*”) in Williamson County (the “*Application*”). On August 28, 2023, an administrative review of the Application had been conducted, and the Application was declared administratively complete. Williamson County (“*County*”) submitted a response to the submission of the Application and requested a contested case hearing on December 5, 2023 (the “*Request*”), opposing the creation of the District. In a letter from the Chief Clerk at the Commission dated May 8, 2024, the Petitioner was given until May 20, 2024 to file a response to the Request. Therefore, this Response is timely filed.

## II. RESPONSE

The TCEQ should deny the County's Request because the allegations contained therein regarding roads, law enforcement, fire/ems, and animal control allegations are not issues that are regulated by the TCEQ and do not make the County an affected person with a justiciable interest. Specifically, the County's allegations are outside the jurisdiction of the TCEQ and are not considered by the TCEQ when reviewing a district creation application.

Availability of a contested case hearing to a protestant of a district creation application is governed by 30 TAC §§ 55.250-55.256 and is controlled by several basic requirements. First, and foremost, only the Commission, the Executive Director, the applicant, or an affected person when authorized by law may request a contested case hearing as provided by 30 TAC § 55.251(a). A hearing request must include several elements, including that it must be in writing, identify a personal justiciable interest, and be timely filed no later than 30 days after publication of the notice as provided by 30 TAC § 55.251(c)-(d). However, even if a hearing request includes all of the other required elements, the Commission may not grant a hearing request unless the Commission first determines that the request was filed by an affected person as provided by 30 TAC § 55.255(b)(2). To that end, an affected person is one who has a personal justiciable interest related to a legal right, duty, privilege, power, or economic interest affected by the application. 30 TAC § 55.25(a). An interest common to members of the general public does not qualify as a personal justiciable interest. *Id.*

Here, the TCEQ should deny the County's Request because it is not an "affected person" as such term is defined in the Texas Water Code ("TWC") § 5.115(a-1) and 30 TAC § 55.256. The scope of the TCEQ's review of a district creation application does not take into consideration the contentions of the County in its Request. Specifically, when processing a district creation application, the TCEQ does not decide whether or not to grant that application based upon (i) the

post-creation maintenance of roads, (ii) the funding of costs to a county for law enforcement, (iii) the existence of a contract with a county concerning fire and EMS services, or (iv) the existence of a contract with a county for animal control services. TCEQ rule 30 TAC § 293.11(a) and (d), the subsections providing the contents of an application, do not require a petitioner to include contracts for law enforcement, fire/ems, or animal control services. Further, the TCEQ Executive Director's technical review memorandum does not address those issues. This position is evidenced in this docket. See Attachment 1, the TCEQ Executive Director's technical review memorandum. As to district that seeks to obtain road powers, it is true that the TCEQ requires an application to provide the specific information contemplated under 30 TAC § 293.202(b). However, the TCEQ's processing of a request for road powers under such regulation does not entail the concerns stated by the County in the Request. Petitioner need only provide a cost estimate for the design, acquisition, construction, operation, maintenance, and improvement of roads under 30 TAC § 293.202(b), and the TCEQ's review does not delve into the specific provisions of a contract between a district and county for such matters. By analogy, just as a hearing request of a landowner alleging an impact on land value in a Texas Pollutant Discharge Elimination System Permit application is outside the jurisdiction of the TCEQ and would not merit granting a hearing request, the County's allegations regarding roads, law enforcement, fire/ems, and animal control services in its Request are outside the scope of the TCEQ's review of a district creation application. For these reasons, the Request should be denied.

Further, the interests cited by the County in its Request are common to members of the general public and, as such, do not qualify as a personal justiciable interests as required by TWC § 5.115(a) and 30 TAC § 55.256(a). The County's Request argued against the creation of the District on the sole basis of the potential cost of the development to the taxpayers of Williamson

County. In its Request, the County contends that, "...new residents of the County, such as those residing within the proposed District, should not shift the cost of development onto the current residents..." 30 TAC § 55.256(b). The TCEQ has found, however, that alleged injuries, "couched in terms of potentialities or events that "may" happen are "mere speculation, and as such, it falls short of establishing a justiciable interest and standing."<sup>1</sup>

[To] have such an interest, the complainant must show that a concrete, particularized, actual or imminent injury faces him due to the decision; a hypothetical or speculative injury is not enough.<sup>2</sup>

Thus, the County failed to demonstrate a concrete, particularized, actual, or imminent injury in its Request. The County is an entity separate and apart from its taxpayers and, therefore, it failed to provide any evidence of a cognizable injury to the County itself. As such, its Request should be denied.

Alternatively, even if this Commission is persuaded by the argument that tax rates for County residents is a personal justiciable interest of the County, then the County failed to provide a single number to evidence that the creation of the District would result in a tax increase to the citizens of Williamson County. The County makes no reference to the current tax rate, provides no explanation as to how much, if at all, the proposed District would raise taxes, shows no calculation as to how such increased number was reached, if one exists, or how the County calculated such number.

### **III. LIMITED SCOPE AND MAXIMUM DURATION OF HEARING**

Should the TCEQ Commissioners decide to refer this case to the State Office of Administrative Hearings for a contested case hearing, given the limited number and scope of issues

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<sup>1</sup> *Texas Disposal Systems Landfill, Inc. v. Texas Comm'n on Env'tl. Quality*, 259 S.W.3d 361, 363-64 (Tex.App.— Amarillo 2008, no pet.)

<sup>2</sup> *Id.*

Petitioner believes may be appropriate in this case, the maximum expected duration of a hearing on this Application should be no longer than 180 days from the first date of the preliminary hearing until the proposal for decision is issued. Additionally, any order of referral to the State Office of Administrative Hearings should expressly direct that the Administrative Law Judge shall not consider any matters outside of the Commission's jurisdiction under the Texas Water Code.

#### **IV. CONCLUSION AND PRAYER**

For the foregoing reasons, Petitioner respectfully requests that the TCEQ Commissioners deny Williamson County's request for a contested case hearing, grant the 05 Ranch Investments, LLC's application for the creation of the Burford Municipal Utility District, and grant 05 Ranch Investments, LLC all other relief to which it is entitled.

Respectfully Submitted,

**LLOYD GOSSELINK ROCHELLE &  
TOWNSEND, P.C.**

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**ATTORNEYS FOR 05 RANCH  
INVESTMENTS, LLC**

**CERTIFICATE OF SERVICE**

I hereby certify that on May 20, 2024, the original of the 05 Ranch Investments, LLC Response to Request for Hearing was filed with the Chief Clerk of the TCEQ and a copy was served on all persons listed on the attached mailing list via electronic mail, and/or by deposit in the U.S. Mail.



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David J. Klein

**MAILING LIST**  
**BURFORD RANCH MUNICIPAL UTILITY DISTRICT**  
**TCEQ DOCKET NO. 2024-0667-DIS**

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REQUESTER(S):  
Via U.S. Mail

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820 Gessner Road, Suite 1570  
Houston, Texas 77024

**Attachment 1**

**Technical Review Memorandum**

# Texas Commission on Environmental Quality

## TECHNICAL MEMORANDUM

**To:** Justin P. Taack, Manager *for* *1/5/2024*  
Districts Section

**Date:** January 5, 2024

**Thru:** Michael Briscoe, Team Lead  
Districts Creation Review Team

**From:** James Walker  
Districts Creation Review Team

**Subject:** Petition by 05 Ranch Investments, LLC for Creation of Burford Ranch Municipal Utility District; Pursuant to Texas Water Code Chapters 49 and 54.  
TCEQ Internal Control No. D-08252023-054 (TC)  
CN: 606176048 RN: 111799953

### **A. GENERAL INFORMATION**

The Texas Commission on Environmental Quality (TCEQ) received a petition within the application requesting approval for the creation of Burford Ranch Municipal Utility District (District). The petition was signed by Robert M. Tiemann as the president of RT3 Management, LLC, a Texas limited liability company, a general partner of Tiemann Legacy, LP, a Texas limited partnership, a member of 05 Ranch Investments, LLC, a Texas limited liability company (Petitioner). The petition states that the Petitioner holds title to all of the land in the proposed District and it further states that there are no lienholders on the land in the proposed District.

The District is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59 of the Texas Constitution, and Chapters 49 and 54 of the Texas Water Code (TWC).

#### **Location and Access**

The proposed District is located in Williamson County, Texas, approximately 1 mile northwest of the City of Coupland (City). The proposed District is located along the south side of County Road 454 (CR 454) just east of its intersection with State Highway 95. The proposed District is partially in the extraterritorial jurisdiction of the City, and a portion is not within the corporate limits or extraterritorial jurisdiction of any city. Access to the proposed District will be provided by CR 454 and State Highway 95.

#### **Metes and Bounds Description**

The proposed District contains 232.00 acres of land. The metes and bounds description of the proposed District has been reviewed and checked by TCEQ's staff and has been found to form an acceptable closure.

### City Consent

In accordance with Local Government Code Section 42.042 and TWC Section 54.016, 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 Petitioner 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 Petitioner and the City have not executed a mutually agreeable contract for service. Pursuant to TWC Section 54.016(d), failure to execute such an agreement constitutes authorization for the Petitioner to initiate proceedings for creation of the District and inclusion of the land within the district.

### County Notification

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

### Statements of Filing Petition

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

### Type of Project

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

### Developer Qualifications

Application material indicates that the property will be developed by Rowe Lane Development, Ltd. Rowe Lane Development, Ltd. has over 120 years of cumulative real estate experience in the development of over 10,000 single-family lots and creation or involvement in 14 Water Control and Improvement Districts (WCIDs) and MUDs.

### Certificate of Ownership

By signed certificate dated June 21, 2023, the Williamson Central Appraisal District has certified that the appraisal rolls indicate that the Petitioner is the owner of all of the land in the proposed District.

### Temporary Director Affidavits

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

Adam Hughes

Derek Felderhoff

Jason Combs

Nicholas Bludau

Santo Brocato

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

#### Notice Requirements

Proper notice of the application was published on October 29 and November 5, 2023, in the *Taylor Press*, a newspaper regularly published or circulated in Williamson County, the county in which the district is proposed to be located. Proper notice of the application was posted on October 25, 2023, in the Williamson County Courthouse, the place where legal notices in Williamson County are posted. Accordingly, the notice requirements of 30 TAC Section 293.12(b) have been satisfied. The opportunity for the public to request a contested case hearing (comment period) expired December 5, 2023.

#### **B. ENGINEERING ANALYSIS**

The creation engineering report indicates the following:

##### Availability of Comparable Service

The proposed District is located within the Certificate of Convenience and Necessity (CCN) of Manville Water Supply Corporation (WSC) and will receive retail water service from Manville WSC. No other comparable water services are available in the area. The proposed District will have lots at least an acre in size and wastewater disposal will be provided by individual septic systems owned and operated by the homeowners. The proposed District will not be constructing any wastewater facilities. All water, drainage, and road projects for the proposed District will be designed and constructed in accordance with ordinances and rules adopted by the County and TCEQ. All water plans will be submitted to the TCEQ as required for review and approval prior to construction.

##### Water Supply and Distribution Improvements

Per the engineering report, it is estimated that the District will contain 111 equivalent single-family connections (ESFCs) at ultimate development. The proposed District is located within the CCN of Manville WSC. Manville WSC will provide retail water services to all areas of the proposed District. The District or homebuilders will be required to pay connection fees to Manville WSC for each water service connection. The proposed District will construct offsite waterlines to connect its water system to existing Manville WSC lines along State Highway 95. The proposed internal water distribution system will consist of 8-inch interconnecting loop mains providing service to all lots in the proposed District. The design of the water supply and distribution system will be based on a projection of the water demand conditions based on service connections, and the pressure at which it must be supplied. The proposed system design will meet or exceed the minimum standards established by the TCEQ.

### Wastewater Collection and Treatment Improvements

The proposed District is not located within the wastewater CCN of any entity. The proposed District will have lots at least an acre in size and wastewater disposal will be provided by individual septic systems owned and operated by the homeowners. The proposed District will not construct any wastewater facilities.

### Storm Water Drainage System and Drainage Improvements

The storm water runoff within the proposed District will be collected in roadside ditches, which will convey the flows overland or via underground culverts. Impervious cover associated with development is anticipated to be less than 20%. Also, the proposed development is directly adjacent to a portion of Brushy Creek that is defined as a "Detention Exempt Stream Reach" in the Williamson County Subdivision Regulations. Therefore, detention should not be required. Stormwater from the proposed drainage system will discharge into tributaries of Brushy Creek and then to the San Gabriel River and eventually to the Brazos River. The drainage system will be designed for up to a 100-year storm event. The design will be required to comply with Williamson County design standards.

### Road Improvements

Application material indicates the proposed District will have two main points of access from CR 454. The proposed District will have one additional main point of access from State Highway 95. The proposed District will fund the main entrances and local streets. The developer will construct a network of collector roads and local streets to provide access to areas of the District depending on land use. All roadway facilities will be designed in accordance with criteria established by Williamson County.

### Recreational Facilities

The proposed District will construct recreational facilities consisting of trails, parks, and landscaping.

### Topography/Land Elevation

The topography of the proposed District consists mainly of farm and ranch land with minimal trees. The approximate elevation ranges from 530 feet above mean sea level (msl) in the northern portion to 490 feet above msl in the southern portion. The developer has no plans to significantly alter land elevations or the natural topography on land in the proposed District. Proposed lots are anticipated to maintain a natural state whenever possible. Elevations may be lowered or raised as needed to provide positive drainage. The design of street improvements based on existing natural grades will be optimized to minimize excavation. Flumes and existing draws will be used to convey runoff into creek beds with minimal excavation. Therefore, the development of the proposed District will not have any unreasonable effect on land elevation.

### Floodplain

According to Federal Emergency Management Agency Flood Insurance Rate Map No. 48491C0700F, effective December 20, 2019, approximately 46.934 acres of the proposed District are located within the 100-year floodplain. The floodplain area will be incorporated into the larger residential lots.

### Subsidence

The proposed District will receive its water from Manville WSC. Manville WSC's water source is from both groundwater and surface water. Manville WSC obtains any required permits and complies with all TCEQ rules for groundwater use. Therefore, the proposed District will have no effect on subsidence.

### Dam Safety Analysis

The TCEQ Dam Safety Program personnel reviewed the location of the District and confirmed by letter dated August 11, 2023, there are two small ponds within the proposed District boundaries along tributaries to Brushy Creek. One is located near the center of the proposed District and on near the southwest boundary of the proposed District. The ponds will need to be evaluated to determine if they will remain or be removed. If they will remain and are classified as dams in the jurisdiction of the TCEQ, they will need to be evaluated for hydraulic adequacy and hazard classification.

### Groundwater Levels/Recharge

The proposed District will receive its water from Manville WSC. Manville WSC's water source is from both groundwater and surface water. Manville WSC obtains any required permits and complies with all TCEQ rules for groundwater use. The proposed District is not located in the recharge zone of an aquifer. Runoff from the development will drain to existing streams consistent with existing drainage patterns. Therefore, the proposed District will have no effect on subsidence or aquifer recharge rate.

### Natural Run-off and Drainage

Stormwater runoff within the proposed District will be collected in roadside ditches, which will convey the flows overland or via underground culverts. Lots in the proposed District will be 1 acres to 10.5 acres in size, therefore the impervious cover will be less than 20%. All drainage plans will be required to be reviewed by Williamson County and will comply with Williamson County regulations. Therefore, the proposed District will have no unreasonable effect on runoff rates or drainage.

### Water Quality

All drainage projects will be designed to comply with Williamson County regulations, including any regulations related to stormwater quality. All construction within the proposed District will include erosion control measure that comply with the Storm Water Pollution Prevention Plans overseen by the TCEQ. Also, all onsite septic systems will be required to be permitted by the county which should minimize the effects on groundwater quality. Therefore, the proposed District will have no unreasonable effect on water quality.

## **C. SUMMARY OF COSTS**

### **WATER, WASTEWATER, AND DRAINAGE**

<u>Construction Costs</u>	<u>District Share</u> <sup>(1)</sup>
A. Developer Contribution Items	
1. Water Distribution System	\$ 1,132,892

2. Stormwater Drainage System	78,750
3. Erosion Control	145,712
4. Contingencies	203,603
5. Engineering	<u>203,603</u>
Total Developer Contribution Items	\$ 1,764,560
B. District Items	
1. Offsite Water Lines	\$ 142,800
2. Land Acquisition Costs	20,000
3. Contingencies	21,420
4. Engineering	<u>21,420</u>
Total District Items	\$ 205,640
 TOTAL CONSTRUCTION COSTS (69.13% of BIR)	 \$ 1,970,200
 <u>Non-Construction Costs</u>	
A. Legal Fees	\$ 85,500
B. Fiscal Agent Fees	71,250
C. Interest Costs	
1. Capitalized Interest (1 year @ 4.5%)	128,250
2. Developer Interest (2 years @ 4.5% of Construction Costs)	177,318 <sup>(2)</sup>
D. Bond Discount (3%)	85,500
E. Bond Issuance Expenses	48,007
F. Administration and Operations	150,000
G. District Creation Expenses	80,000
H. Bond Application Report Costs	44,000
I. Attorney General Fee (0.1%)	2,850
J. TCEQ Bond Issuance Fee (0.25%)	<u>7,125</u>
TOTAL NON-CONSTRUCTION COSTS	\$ 879,800
 TOTAL W, WW, & D BOND ISSUE REQUIREMENT	 \$ 2,850,000

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

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

### **ROAD IMPROVEMENTS**

<u>Construction Costs</u>	<u>District Share</u> <sup>(1)</sup>
A. Paving	\$ 2,160,342
B. Contingencies	324,051
C. Engineering	324,051
D. Land Cost for Right-of-way	<u>50,000</u>
TOTAL CONSTRUCTION COSTS (78.53% of BIR)	\$ 2,858,444



**Non-Construction Costs**

A. Legal Fees	\$	109,200
B. Fiscal Agent Fees		91,000
C. Interest Costs		
1. Capitalized Interest (1 year @ 4.5%)		163,800
2. Developer Interest (2 years @ 4.5% of Construction Costs)		257,260 <sup>(2)</sup>
C. Bond Discount (3%)		109,200
D. Bond Engineering Costs		10,000
E. Bond Issuance Expenses		37,456
F. Attorney General Fee (0.1%)		<u>3,640</u>
TOTAL NON-CONSTRUCTION COSTS	\$	781,556
 TOTAL ROAD BOND ISSUE REQUIREMENT	 \$	 3,640,000

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

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

**RECREATIONAL IMPROVEMENTS**

<u>Construction Costs</u>		<u>District Share</u> <sup>(1)</sup>
A. Parks, Trails, and Landscaping	\$	1,000,000
B. Contingencies		100,000
C. Engineering		<u>100,000</u>
TOTAL CONSTRUCTION COSTS (75.00% of BIR)	\$	1,200,000
 <u>Non-Construction Costs</u>		
A. Legal Fees	\$	48,000
B. Fiscal Agent Fees		40,000
C. Interest Costs		
1. Capitalized Interest (1 year @ 4.5%)		72,000
2. Developer Interest (2 years @ 4.5% of Construction Costs)		108,000 <sup>(2)</sup>
D. Bond Discount (3%)		48,000
E. Bond Issuance Expenses		36,400
F. Bond Application Report Costs		42,000
G. Attorney General Fee (0.1%)		1,600
H. TCEQ Bond Issuance Fee (0.25%)		<u>4,000</u>
TOTAL NON-CONSTRUCTION COSTS	\$	400,000
 TOTAL RECREATION BOND ISSUE REQUIREMENT	 \$	 1,600,000

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.

#### **D. ECONOMIC ANALYSIS**

##### **Land Use**

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

<u>Land Use</u>	<u>Acreage</u>	<u>ESFCs</u>
Single Family/Residential	170.241	104
Industrial/Warehouse	31.180	7
Open Space	8.692	0
Right-of-way	<u>21.887</u>	<u>0</u>
<b>Total</b>	<b>232.000</b>	<b>111</b>

##### **Market Study**

A market study, prepared in June 2023 by 360° Real Estate Analytics, was submitted in support of the creation of the proposed District. The proposed District is expected to include approximately 104 equivalent single-family connections on a tract totaling approximately 232.00 acres. The lot sizes are expected to range in size from 1 acre to 10.49 acres. The developer estimates the home prices will range from approximately \$550,000 to \$1,000,000. The developer projects to project will sell out over a 3-4 year period.

##### **Project Financing**

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

<u>Development Description</u>	<u>Lots</u>	<u>Developed Unit Value (per home per lot)</u>	<u>Total Buildout Value</u>
Standard single-family lots	91	\$ 630,000	\$ 57,330,000
Larger Creekfront single-family lots	13	\$ 855,000	\$ <u>11,115,000</u>
<b>Total Assessed Valuation</b>			<b>\$ 68,445,000</b>

Considering the issuance of a total of \$8,090,000 (\$2,850,000 for utilities, \$3,640,000 for roads, and \$1,600,000 for recreational) in bonds, assuming 100% financing, a coupon bond interest rate of 4.5%, and a 25-year bond life, the average annual debt service requirement would be \$545,581 (\$192,201 for utilities plus \$245,478 for roads plus \$107,902 for recreational). Assuming a 98% collection rate and an ultimate AV of \$68,445,000, a projected ultimate tax rate of approximately \$0.83 (\$0.29 for utilities, \$0.37 for roads, and \$0.17 for recreational) per \$100 AV was indicated to be necessary to meet the annual debt service requirements for the proposed District. An additional \$0.05 per \$100 AV is projected to be levied for maintenance and operating expenses, for a combined proposed District tax rate of \$0.88.

Based on the information provided and assuming 100% financing, the total year 2022 overlapping tax rates on land within the proposed District are shown as follows:

<u>Taxing Jurisdiction</u>	<u>Tax Rates</u> <u>(Williamson County)</u> <sup>(1)</sup>
Burford Ranch MUD (District)	\$ 0.880000 <sup>(2)(3)</sup>
Williamson County	\$ 0.338116
Coupland Independent School District	\$ 0.949708
Williamson County FM/RD	\$ 0.037492
Lower Brushy Creek WCID	\$ 0.017374
Williamson County ESD No. 10	\$ <u>0.100000</u>
<b>TOTAL TAX per \$100 AV:</b>	<b>\$ 2.322690</b>

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

(2) Represents \$0.29 for utilities, \$0.37 for roads, \$0.17 for recreational, and \$0.05 for operation and maintenance tax.

(3) Assuming 100% funding of anticipated developer contribution items, where applicable.

Based on the proposed District tax rate and the year 2022 overlapping tax rate on land within the proposed District, and assuming 100% financing, the project is considered economically feasible.

#### Water and Wastewater Rates

According to information provided, the proposed District will provide retail services to the proposed District's customers. Wastewater disposal will be provided by individual septic systems owned and operated by the homeowners. The estimated monthly fee for 10,000 gallons of water would be \$60.89.

#### Comparative Water District Tax Rates

A tax rate of \$0.88 (\$0.29 for utilities, \$0.37 for roads, \$0.17 for recreational, and \$0.05 for operation and maintenance tax) for the proposed District is comparable to other districts in the target market area. Based on the requirements of 30 TAC Section 293.59, this project is considered economically feasible.

### **E. SPECIAL CONSIDERATION**

#### Request for Road Powers

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

### **F. CONCLUSIONS**

1. Based on TCEQ policy, compliance with TCEQ rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, practicable, a

benefit to the land within the proposed District, and necessary as a means to finance utilities and to provide utility service to future customers.

2. Based on a review of the preliminary engineering report; market study; the proposed District's water, drainage facilities, parks and recreational facilities, and road facilities; a combined projected tax rate of \$0.88 per \$100 AV when assuming 100% financing; the proposed District obtaining a 4.5% bond coupon interest rate; and other supporting data, the proposed District is considered feasible under the feasibility limits prescribed by 30 TAC Section 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the TCEQ.

**G. RECOMMENDATIONS**

1. Grant the petition for creation of Burford Ranch Municipal Utility District.
2. Grant the District's request to acquire road powers in accordance with TWC Section 54.234 and 30 TAC Sections 293.11(d)(11), 293.201, and 293.202 subject to the requirement imposed by the TCEQ and the general laws of the state relating to the exercise of such powers.
3. The Order granting the petition should include the following statements:

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

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

Adam Hughes

Derek Felderhoff

Jason Combs

Nicholas Bludau

Santo Brocato

**H. ADDITIONAL INFORMATION**

The Petitioner's professional representatives are:

Attorney: Mr. Richard Hamala – Tiemann, Shahady & Hamala, PC  
Creation Engineer: Mr. Ken Heroy, P.E. – Jones-Heroy & Associates, Inc.