Brooke T. Paup, *Chairwoman* Bobby Janecka, *Commissioner* Catarina R. Gonzales, *Commissioner* Kelly Keel, *Executive Director*



Garrett T. Arthur, Public Interest Counsel

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

January 31, 2025

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

RE: IN THE MATTER OF THE PETITION FOR CREATION OF BARTLETT FARM MUNICIPAL UTILITY DISTRICT OF WILLIAMSON COUNTY TCEQ DOCKET NO. 2025-0084-DIS

Dear Ms. Gharis:

Enclosed for filing is the Office of Public Interest Counsel's Response to Request for Hearing in the above-entitled matter.

Sincerely,

Sheldon P. Wayne, Attorney Assistant Public Interest Counsel

cc: Mailing List

TCEQ Public Interest Counsel, MC 103 • P.O. Box 13087 • Austin, Texas 78711-3087 • 512-239-6363 • Fax 512-239-6377

DOCKET NO. 2025-0084-DIS

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PETITION FOR THE CREATION OF BARTLETT FARM MUNICIPAL UTILITY DISTRICT OF WILLIAMSON COUNTY BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

OFFICE OF PUBLIC INTEREST COUNSEL'S RESPONSE TO REQUEST FOR HEARING

To the Members of the Texas Commission on Environmental Quality:

The Office of Public Interest Counsel (OPIC) of the Texas Commission on Environmental Quality (TCEQ or the Commission) files this Response to Request for Hearing in the above-entitled matter.

I. Introduction

A. Summary of Position

Preliminarily, OPIC notes that the TCEQ Chief Clerk's office received one request for a contested case hearing in this matter from Williamson County. For the reasons discussed herein, OPIC respectfully recommends that the Commission grant the County's hearing request, and refer this matter to the State Office of Administrative Hearings (SOAH) for a contested case hearing.

B. Background

Bartlett Farm, LLC (Petitioner) filed a petition for the creation of Bartlett Farms Municipal Utility District of Williamson County (the District) pursuant to Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code (TWC); Title 30 of the Texas Administrative Code (TAC), Chapter 293; and the procedural rules of the TCEQ. The application was declared administratively complete on April 3, 2024. On May 12 and 19, 2024, the Notice of District Petition was published in the *Sunday Sun*. On May 7, 2024, the Williamson County Clerk posted the notice on the County's website. According to the notice, the proposed District would contain approximately 188 acres, would be located in Williamson County, and none of the land to be included within the proposed district is within the corporate limits or extraterritorial jurisdiction (ETJ) of any city. The comment and contested case hearing request periods ended on June 18, 2024.

II. Applicable Law

A municipal utility district (MUD or a district) may be created under and subject to the authority, conditions, and restrictions of Article XVI, Section 59, of the Texas Constitution. Tex. Water Code § 54.011. Chapters 49 and 54 of the TWC and the Commission's administrative rules found at Title 30, Chapter 293, of the TAC govern petitions to create a MUD. A district shall 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 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.

TWC § 54.012.

To create a MUD, a petition requesting creation shall be filed with the Commission. TWC § 54.014. The petition shall be signed by a majority in value of the holders of title of the land within the proposed district, as indicated by the tax rolls of the central appraisal district. *Id.* Among other things, the petition shall: (1) describe the boundaries of the proposed district by metes and bounds or by lot and block number; (2) state the general nature of the work proposed to be done, the necessity for the work, and the cost of the project as then estimated by those filing the petition; and (3) include a name of the district which shall be generally descriptive of the locale of the district. TWC § 54.015. *See also* 30 TAC § 293.11(a) and (d).

If all of the district is proposed to be located outside corporate limits of a municipality, the commissioners court of the county in which the district is to be located may review the petition for creation and other evidence and information relating to the proposed district that the commissioners consider necessary. TWC § 54.0161(a). If the commissioners court votes to make a recommendation to the Commission, the commissioners court shall submit to the Commission, at least 10 days before the date set for the hearing on the petition, a written opinion stating whether or not the county would recommend the creation of the proposed district and stating any findings, conclusions, and other information that the commissioners court thinks would assist the Commission in making a final determination on the petition. TWC § 54.0161(b). The Commission shall consider the written opinion submitted by the county commissioners. TWC § 54.0161(c).

The Commission shall grant the petition if it conforms to the requirements of § 54.015 and the project is feasible, practicable, necessary, and further, would be a benefit to the land to be included in the district. TWC § 54.021(a). In determining if the project is feasible, practicable, necessary, and beneficial 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
- (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.

TWC § 54.021(b).

If the Commission finds that not all of the land proposed to be included in the district will be benefited by the creation of the district, it shall exclude all land not benefited and redefine the proposed district's boundaries accordingly. TWC § 54.021(c). If the petition does not conform to the requirements of TWC § 54.015 or the project is not feasible, practicable, necessary, or a benefit to the land in the district, the Commission shall deny the petition. TWC § 54.021(d). The rights, powers, privileges, authority, and functions of a district shall be subject to the continuing right of supervision by the Commission. TWC § 54.024.

The applicant must publish notice of the petition to create a district once

a week for two consecutive weeks in a newspaper regularly published or circulated in the county where the district is proposed to be located not later than the 30th day before the date of the Commission's decision on the application. TWC §§ 49.011(b) and 54.018. Additionally, the applicant must post notice of the petition on the bulletin board used for posting legal notices in each county in which all or part of the proposed district is to be located. 30 TAC § 293.12(b)(2).

The Commission shall hold a public hearing if requested by the Commission, Executive Director, or an "affected person" under the factors in 30 TAC, Chapter 55. TWC § 49.011(c). *See also* 30 TAC § 55.250 (applying rules governing contested case hearings to applications declared administratively complete after September 1, 1999). Affected persons must file their hearing requests during the 30 days following the final notice publication date. TWC § 49.011(c); 30 TAC § 293.12(c).

A hearing requestor must make the request in writing within the time period specified in the notice and identify the requestor's personal justiciable interest affected by the application, specifically explaining 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." 30 TAC § 55.251(b)-(d).

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. An interest common to members of the general public does not qualify as a personal justiciable interest." 30 TAC § 55.256(a). Governmental entities with authority under state law over issues contemplated by the application may be considered affected persons. 30 TAC § 55.256(b). Relevant factors to be considered in determining whether a person is affected include, but are not limited to:

(1) 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, safety, and use of property of the person;
- (5) likely impact of the regulated activity on use of the impacted natural resource by the person; and
- (6) for governmental entities, their statutory authority over or interest in the issues relevant to the application.

30 TAC § 55.256(c).

The Commission shall grant a request for a contested case hearing if: (1) the request is made by the applicant or the ED; or (2) the request is made by an affected person, complies with the requirements of § 55.251, is timely filed with the chief clerk, and is made pursuant to a right to hearing authorized by law. 30 TAC § 55.255(b).

III. Discussion

On June 14, 2024, TCEQ received a timely request for a contested case hearing in this matter from the Williamson County Commissioners Court on behalf of Williamson County. In its request, the County states that it has authority over various functions that may be affected by the proposed District, including transportation, emergency services, and health and safety. As examples, the County cites a number of Texas Local Government Code and Transportation Code provisions that provide the County with authority related to roads and drainage, infrastructure planning, the fire code, and emergency management within its borders.¹ The County notes that the District is seeking road powers and stresses that the number of newly created MUDs has strained County resources. It proposes that if the District is created, the District, rather than Williamson County, should be required to bear the fiscal burden associated with road maintenance and other costs related to the District. The County provides exemplar paragraphs regarding roads, law enforcement, animal control, and emergency services that it argues the District should be required to agree to as a condition of creation. OPIC notes that the proposed District will be located wholly within Williamson County.

By Commission rule, governmental entities with authority under state law over issues contemplated by the application may be considered affected persons. 30 TAC § 55.256(b). The District is located within Williamson County, and the County, acting through its commissioners court, is expressly empowered by statute to review the District petition and provide an opinion on its creation for Commission consideration. *See* TWC § 54.0161. Inclusion as a party in a contested case hearing will allow for the County to fully explore issues related to

¹ See Tex. Local Gov't Code §§ 232.001-232.011 (road regulation within subdivisions), § 232.101 *et seq.* (infrastructure planning in certain counties), § 233.061 *et seq.* (fire code in unincorporated area), § 418.001 *et seq.* (emergency management); Tex. Transportation Code § 251.003 (construction and maintenance of public roads), § 254.001 *et seq.* (drainage on public roads).

the District's creation, and present evidence and argument that it thinks will assist the Commission in making a final determination on the petition.

Additionally, a relevant factor for determining whether governmental entities qualify as affected persons is their statutory authority over or interest in the issues relevant to the application. *See* 30 TAC § 55.256(c)(6). Here, the County has identified interests, including transportation, emergency services, and health and safety, which implicate criteria that are relevant to the Commission's decision in this matter. For instance, the District's effects on water quality may have resultant effects on health and safety within the County. *See* TWC § 54.021(b)(3)(F). Additionally, as discussed above, Williamson County has statutory authority related to roads, law enforcement, and emergency services that may be affected by the District's creation.

Considering the proposed District's location within Williamson County, combined with the County's statutory authority over issues that may be affected by the District's creation, OPIC finds that the County's interests are sufficiently distinct from those held by the general public as required by 30 TAC § 55.256(a). Therefore, based on Williamson County's identified statutory authority over and interest in issues that are relevant to the creation of the District, OPIC concludes that the County has demonstrated that it qualifies as an affected person and respectfully recommends that the Commission grant its hearing request.

IV. Conclusion

For the reasons set forth above, OPIC respectfully recommends the Commission find that Williamson County is an affected person, grant its hearing request, and refer this matter to SOAH for a contested case hearing.

Respectfully submitted,

Garrett T. Arthur Public Interest Counsel

By:

Sheldon P. Wayne Assistant Public Interest Counsel State Bar No. 24098581 P.O. Box 13087, MC 103 Austin, Texas 78711-3087 (512) 239-3144

CERTIFICATE OF SERVICE

I hereby certify that on January 31, 2025, the Office of Public Interest Counsel's 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.

Sheldon P. Wayne

MAILING LIST BARTLETT FARM MUD OF WILLIAMSON COUNTY TCEQ DOCKET NO. 2025-0084-DIS

<u>FOR THE APPLICANT</u> via electronic mail:

Anthony Corbett McLean & Howard 4301 Bull Creek Road, Suite 150 Austin, Texas 78731 tcorbett@mcleanhowardlaw.com

Eric Vann Quiddity Engineering Suite 280 101 East Old Settlers Boulevard Round Rock, Texas 78664 <u>evann@quiddity.com</u>

<u>FOR THE EXECUTIVE DIRECTOR</u> via electronic mail:

Kayla Murray, Staff Attorney Texas Commission on Environmental Quality Environmental Law Division MC-173 P.O. Box 13087 Austin, Texas 78711-3087 Tel: 512/239-0600 Fax: 512/239-0606 kayla.murray@tceq.texas.gov

Darryl Smith, Technical Staff Texas Commission on Environmental Quality Water Supply Division MC-152 P.O. Box 13087 Austin, Texas 78711-3087 Tel: 713/767-3500 Fax: 512/239-2214 darryl.smith@tceq.texas.gov

Ryan Vise, Director Texas Commission on Environmental Quality External Relations Division Public Education Program MC-108 P.O. Box 13087 Austin, Texas 78711-3087 Tel: 512/239-4000 Fax: 512/239-5678 pep@tceq.texas.gov

<u>FOR ALTERNATIVE DISPUTE</u> <u>RESOLUTION</u> via electronic mail:

Kyle Lucas, Attorney Texas Commission on Environmental Quality Alternative Dispute Resolution MC-222 P.O. Box 13087 Austin, Texas 78711-3087 Tel: 512/239-0687 Fax: 512/239-4015 kyle.lucas@tceq.texas.gov

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

Docket Clerk Texas Commission on Environmental Quality Office of Chief Clerk MC-105 P.O. Box 13087 Austin, Texas 78711-3087 Tel: 512/239-3300 Fax: 512/239-3311 https://www14.tceq.texas.gov/epic/eFilin g/

REQUESTER(S):

Bill Gravell, Jr. County Judge, Williamson County 3151 Southeast Inner Loop Georgetown, Texas 78626

Bill Gravell, Jr. County Judge, Williamson County 710 South Main Street Georgetown, Texas 78626