

TCEQ DOCKET NO. 2026-0181-DIS

**APPLICATION FOR THE
CREATION OF GRAND MEADOWS
MUNICIPAL UTILITY DISTRICT OF
KAUFMAN COUNTY**

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**BEFORE THE TEXAS
COMMISSION ON
ENVIRONMENTAL QUALITY**

EXECUTIVE DIRECTOR'S RESPONSE TO HEARING REQUESTS

I. INTRODUCTION

The Executive Director (ED) of the Texas Commission on Environmental Quality (TCEQ or Commission) files this Response to Hearing Requests on the petition by TD Wheeler Development LLC, Managing Member of Texas Grand Land II, LLC (Petitioner) for the creation of Grand Meadows Municipal Utility District of Kaufman County (District).

The District would contain approximately 130.893 acres located within Kaufman County. The proposed District is located in Kaufman County, Texas. The location of the District is depicted in the included map (Attachment A). None of the land within the proposed District lies wholly within the corporate limits or extraterritorial jurisdiction of any city or town.

The Petition states that the proposed District will:

(1) construct, maintain and operate operation of a waterworks system, including the purchase and sale of water, for domestic and commercial purposes; (2) construct, maintain, and operation of a sanitary sewer collection, treatment and disposal system, for domestic and commercial purposes; (3) control, abate, and amend local storm waters or other harmful excesses of water; and (4) construct, install, maintain, purchase and operation of drainage and roadway facilities and improvements; (5) construct, install, maintain, purchase and operation of facilities, systems, plants and enterprises of such additional facilities as shall be consonant with the purposes for which the District is organized. Additionally, it is further purposed that the proposed District be granted road powers pursuant to Texas Water Code, Section 54.234.

The Petition 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.

The District will be considered a "developer project" as defined by 30 TEX. ADMIN. CODE § 293.44(a). Therefore, developer cost participation in accordance with 30 TEX. ADMIN. CODE § 293.47 will be required.

As discussed below, the ED recommends granting the City of Waxahachie's (the City) and Ellis County's (the County) hearing requests.

Included with the ED's response is Attachment A (map of the proposed District in relation to the County).

II. PROCEDURAL HISTORY

The Petitioner filed an application with the TCEQ for the creation of the District and it was declared administratively complete on June 5, 2025. The Notice of District Petition was published on July 3 and July 10, 2025, in the *Forney Messenger*, a newspaper regularly published or circulated in Kaufman County, the county in which the district is proposed to be located. The Notice of District Petition was also posted on June 25, 2025, on the bulletin boards used for posting legal notices in the Kaufman County Clerk's Office. The TCEQ received 1 timely request for a contested case hearing. The period to request a contested case hearing ended on August 11, 2025.

The Office of the Chief Clerk sent notice of the agenda setting for the Commission's consideration of the hearing request on February 25, 2026.

III. CREATION OF MUNICIPAL UTILITY DISTRICTS

A. District Purpose

A municipal utility district (MUD) may be created under and subject to the authority, conditions, and restrictions of Article XVI, Section 59, of the Texas Constitution. TEX. WATER CODE § 54.011. The District in this case is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code.

A MUD may be created for the following purposes:

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

TEX. WATER CODE § 54.012. The Commission has jurisdiction to hear this case and create the District. TEX. WATER CODE § 54.014.

B. Required Findings

The Commission must grant or deny a MUD creation application in accordance with TEX. WATER CODE § 54.021. In order to grant an application, the Commission must find that organization of the district as requested is feasible and practicable and is necessary and would be a benefit to the land to be included in the district. TEX. WATER CODE § 54.021(a); 30 TEX. ADMIN. CODE § 293.13(b)(1). If the Commission fails to

make these findings, it shall refuse to grant the petition. TEX. WATER CODE § 54.021(d); 30 TEX. ADMIN. CODE § 293.13(a).

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

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

TEX. WATER CODE § 54.021(b).

The Commission, however, must exclude the areas that it finds would not be benefited by the creation of the district and must redefine the boundaries of the proposed district according to its findings. 30 TEX. ADMIN. CODE § 293.13(b)(2); TEX. WATER CODE § 54.021(c).

C. City Consent

TCEQ regulations require all district creation applications to contain “a certified copy of the action of the governing body of any municipality in whose extraterritorial jurisdiction the proposed district is located, consenting to the creation of the proposed district, under Local Government Code, § 42.042.” 30 TEX. ADMIN. CODE § 293.11(a)(2). Commission Rules further state that “[i]f the governing body of any such municipality fails or refuses to grant consent, the petitioners must show that the provisions of Local Government Code, § 42.042, have been followed.” *Id.*

MUDs are also subject to the city consent requirements of TEX. WATER CODE § 54.016, which states that “[n]o land within the corporate limits of a city or within the extraterritorial jurisdiction of a city, shall be included in a district unless the city grants its written consent, by resolution or ordinance, to the inclusion of the land within the district in accordance with Section 42.042, Local Government Code, and this section.” TEX. WATER CODE § 54.016(a); LOC. GOVT. CODE § 42.042(a). If the city fails or refuses to give consent within 90 days after receipt of a written request, the land owners in the area “may petition the governing body of the city and request the city to make available to the land the water or sanitary sewer service contemplated to be provided by the district.” TEX. WATER CODE § 54.016(b); LOC. GOVT. CODE, § 42.042(b). If the landowners and the city then fail to execute a “mutually agreeable contract” for the provisions of the requested services within 120 days after receipt of the petition, “the failure shall constitute authorization for the inclusion of the land in the district under the provisions of this section.” TEX. WATER CODE § 54.016(c); LOC. GOVT. CODE § 42.042(c). The Texas Water Code goes on to state that:

If the city fails or refuses to grant permission for the inclusion of land in a district or to execute a mutually agreeable contract providing for the water or sanitary sewer service requested within the time limits contained within Subsection (b) or (c) of this section, the applicant may petition the commission for creation of the district or inclusion of the land in a district. The commission shall allow creation or inclusion of the land in a proposed district upon a finding that the city either does not have the reasonable ability to serve or has failed to make a legally binding commitment with sufficient funds available to provide water and wastewater service adequate to serve the proposed development at a reasonable cost to the landowner. The commitment shall provide that construction of the facilities necessary to serve the land shall be commenced within two years, and shall be substantially complete within four and one-half years from the date the petition was filed with the city.

TEX. WATER CODE § 54.016(d).

IV. EVALUATION PROCESS FOR HEARING REQUESTS

As the application was declared administratively complete after September 1, 1999, it is subject to the requirements of Title 30, Chapter 55, Subchapter G, Sections 55.250-55.256 of the Texas Administrative Code. The Commission, the Executive Director, the Petitioner, or affected persons may request a contested case hearing on this application. 30 TEX. ADMIN. CODE § 55.251(a). The Commission must evaluate the hearing requests and may take one of the following actions:

- (1) determine that the hearing requests do not meet the rule requirements and act on the application;
- (2) determine that the hearing requests do not meet the rule requirements and refer the application to a public meeting to develop public comment before acting on the application;
- (3) determine that the hearing requests meet the rule requirements and refer the application to the State Office of Administrative Hearings (“SOAH”) for a hearing; or
- (4) refer the hearing requests to SOAH for a hearing on whether the hearing requests meet the rule requirements.

30 TEX. ADMIN. CODE § 55.255(a).

The regulations provide that a hearing request made by an affected person must be in writing and must be filed with the Office of the Chief Clerk within the time provided in the Notice of District Petition. 30 TEX. ADMIN. CODE § 55.251(b) and (d). These two requirements are mandatory. The affected person’s hearing request must also substantially comply with the following:

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

- (3) request a contested case hearing; and
- (4) provide any other information specified in the public notice of application.

30 TEX. ADMIN. CODE § 55.251(c).

An affected person's personal justiciable interest must be related to a legal right, duty, privilege, power, or economic interest affected by the application belonging to the requestor and not an interest common to members of the general public. 30 TEX. ADMIN. CODE § 55.256(a). The regulations give the Commission flexibility to determine affected person status by considering any relevant factor, including the following:

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

30 TEX. ADMIN. CODE § 55.256(c).

V. HEARING REQUESTS

Analysis of Kaufman County's Hearing Request

Judge Jakie Allen, on behalf of Kaufman County, submitted a timely request which contained his name, address, and phone number pursuant to 30 TEX. ADMIN. CODE § 55.251(c)(1). He requested a contested case hearing pursuant to 30 TEX. ADMIN. CODE § 55.251(c)(3). He also provided the internal control number as required in the notice and pursuant to 30 TEX. ADMIN. CODE § 55.251(c)(4).

However, Judge Allen failed to identify the County's personal justiciable interests pursuant to 30 TEX. ADMIN. CODE § 55.251(c)(2). While he described that the proposed District lies fully within Kaufman County, he failed to raise any issues that the Commission may consider while evaluating an application for a MUD. As such, the Executive Director finds that Kaufman County is not an affected person pursuant to the criteria in 30 TEX. ADMIN. CODE § 55.256 and recommends the Commission deny its hearing request.

VI. Recommendation

The Executive Director recommends that the Commission deny the hearing request of Kaufman County and grant the creation petition.

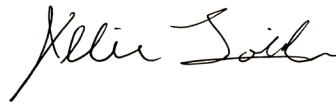
Respectfully submitted,

TEXAS COMMISSION ON ENVIRONMENTAL
QUALITY

Kelly Keel, Executive Director

Phillip Ledbetter, Director
Office of Legal Services

Amy L Browning, Acting Deputy Director
Environmental Law Division

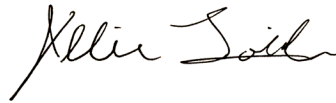


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REPRESENTING THE EXECUTIVE DIRECTOR OF
THE TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY

VII Recommendation

I certify that on March 9, 2026, the “Executive Director’s Response to Hearing Requests” for the creation of Grand Meadows Municipal Utility District of Kaufman County was filed with the TCEQ’s Office of the Chief Clerk, and a copy was served to all persons listed on the attached mailing list via hand delivery, facsimile transmission, inter-agency mail, electronic submittal, or by deposit in the U.S. Mail.



Allie Soileau, Staff Attorney
Environmental Law Division

MAILING LIST
Grand Meadows Municipal Utility District of Kaufman County
DOCKET NO. 2026-0181-DIS; INTERNAL CONTROL NO. D-05292025-090

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REQUESTER

Jakie Allen, County Judge
Kaufman County
PO Box 729
Kaufman, Texas 75142

INTERESTED PERSON

The Honorable Keith Bell
State Representative
Texas House Of Representatives District 4
PO Box 12910 Room E2.410
Austin, Texas 78711

Attachment A

For Creation of Grand Meadows MUD of Kaufman County

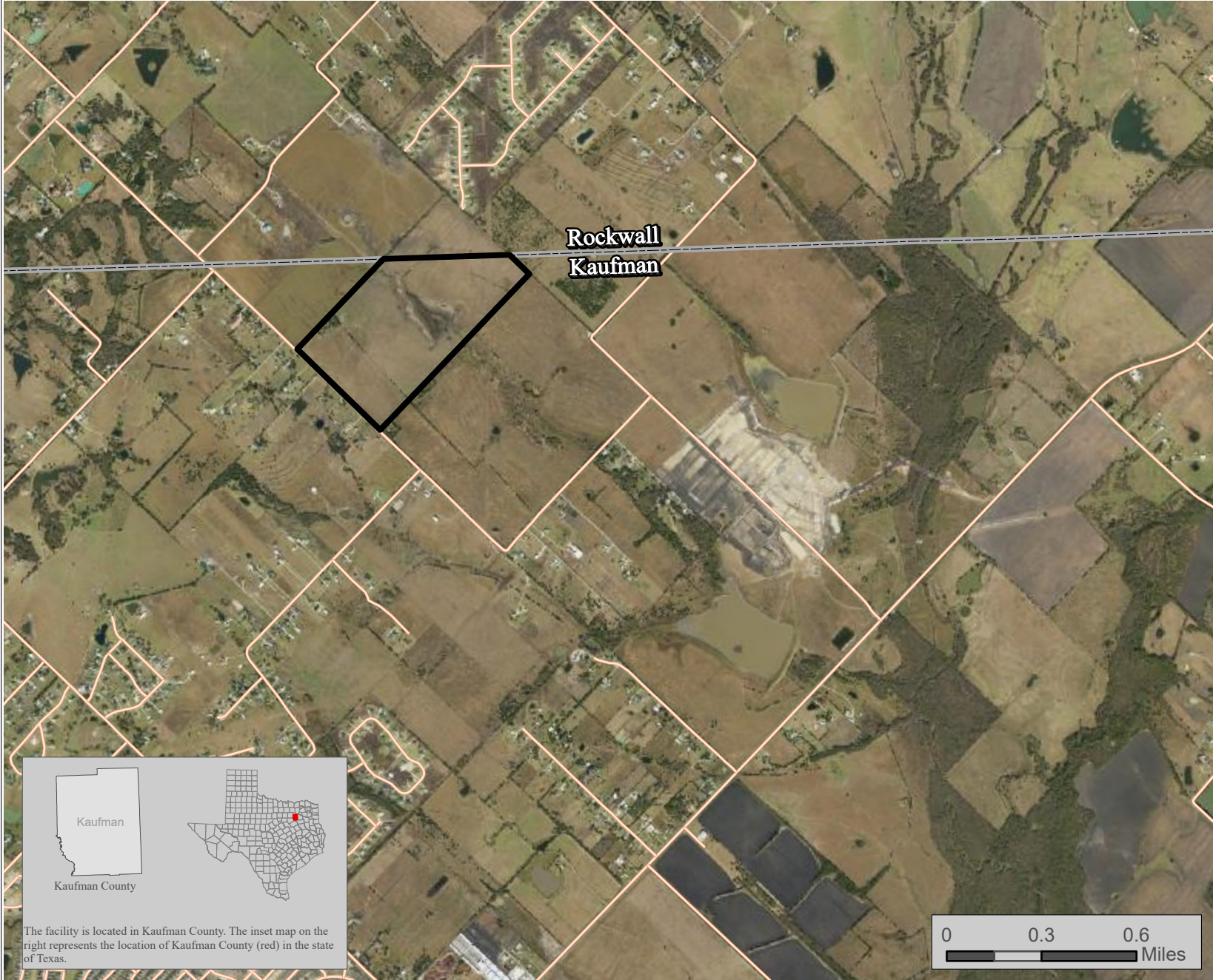
TCEQ Internal Control No. D-05292025-090

Map Requested by TCEQ Office of Legal Services
for Commissioners' Agenda

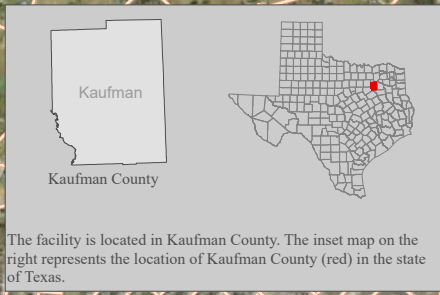


*Protecting Texas by
Reducing and
Preventing Pollution*

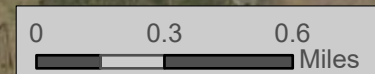
Texas Commission on Environmental Quality
GIS Team (Mail Code 197)
P.O. Box 13087
Austin, Texas 78711-3087
Date: 3/2/2026
CRF 0135679
Cartographer: mattoh



- Proposed MUD District Boundary
- County Boundary
- County Road



The facility is located in Kaufman County. The inset map on the right represents the location of Kaufman County (red) in the state of Texas.



Source: This map was requested by the Office of Legal Services (OLS) and is based on information provided in the application and hearing requests. The applicant provided site location information and the hearing requestors provide physical addresses. The map is a visual representation and approximation.

This map was generated by the Information Resources Division of the Texas Commission on Environmental Quality. This product is for informational purposes and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries. For more information concerning this map, contact the Information Resource Division at (512) 239-0800.