

TCEQ DOCKET NO. 2026-0189-DIS

APPLICATION FOR THE CREATION OF WILLIAMSON COUNTY MUNICIPAL UTILITY DISTRICT NO. 67 §
§
§
§ BEFORE THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

EXECUTIVE DIRECTOR’S RESPONSE TO A HEARING REQUEST

I. INTRODUCTION

The Executive Director of the Texas Commission on Environmental Quality (“TCEQ” or “Commission”) files this Response to a Hearing Request on the Petition by Pinehurst Builders, LLC (“Petitioner”) for the creation of Williamson County Municipal Utility District No. 67 (“District”).

The Petition states that: (i) Petitioner holds title to the majority value in the land; (ii) there is one lienholder, Heartland Bank and Trust Company, and it has consented to the petition; (iii) the proposed District will contain 50.133 acres located in central Williamson County, Texas, approximately 4.5 miles southeast of the City of Georgetown, and less than one mile west of State Highway 130, and (iv) the land is not situated within the corporate limits or extraterritorial jurisdiction of any city in Texas. Access to the proposed District will be provided by County Road 105.

The Petition further states that the general nature of the work proposed by the District will be the purchase, design, construction, acquisition, improvement, extension, ownership, operation, maintenance, repair, conveyance, financing, and issuance of bonds for: (i) an adequate and efficient water works and sanitary sewer system for domestic purposes; (ii) works, improvements, facilities, plants, equipment, and appliances helpful or necessary to provide more adequate drainage for the District, and to control, abate, and amend local storm waters or other harmful excesses of waters; (iii) park and recreational facilities; (iv) roads and improvements in aid of roads; and (v) such other additional facilities, systems, plants, and enterprises as may be consistent with any or all of the purposes for which the District is created.

The Petition continues, stating that the work is necessary because there is not currently an adequate waterworks, sewer, drainage, storm sewer, parks and recreation, or roadway systems for the proposed accompanying development of primarily single-family residences.

Included with the ED’s response is a TCEQ-generated map of the proposed District.

II. PROCEDURAL HISTORY

The Petitioner filed an application for the creation of the District on July 15, 2025, and the application was declared administratively complete on July 17, 2025. The Petitioner published the Notice of District Petition in the *Williamson County Sun*, a newspaper generally circulated in Williamson County, where the District is proposed to be located, on August 20, 2025, and August 27, 2025. On August 15, 2025, the Notice of Application was posted at the place for posting legal notices at the Williamson County Courthouse. The TCEQ received one letter on September 23, 2025, opposing the creation of the District. The period to request a contested case hearing ended on September 26, 2025.

The Office of the Chief Clerk sent notice of the agenda setting for the Commission's consideration of the hearing request on April 15, 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. 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 benefit from 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).

IV. THE EVALUATION PROCESS FOR HEARING REQUESTS

This application 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 applicant, or affected persons may request a contested case hearing on this application.¹ 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.²

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

¹ 30 TEX. ADMIN. CODE § 55.251(a).

² 30 TEX. ADMIN. CODE § 55.255(a)

requester's location and distance relative to the activity that is the subject of the application and how and why the requester 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.³

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 requester and not an interest common to members of the general public.⁴ The regulations allow the Commission to determine affected person status by considering any relevant factor, including but not limited to 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.⁵

Government entities may be affected persons, if they have state statutory authority over issues contemplated by the application.⁶

V. THE HEARING REQUEST AND ANALYSIS

Williamson County, through its representative Steven Snell, submitted a timely request which contained the name, address, and phone number of the person filing pursuant to 30 TAC § 55.251(c)(1). According to the petition, the proposed District will be located entirely within Williamson County. Williamson County requested a contested case hearing pursuant to 30 TAC § 55.251(c)(3) and included the internal control number in its request, as required by 30 TAC § 55.251(c)(4).

In its request Williamson County discussed its authority over: 1) road construction;⁷ 2) order and rulemaking authority for roads;⁸ 3) infrastructure planning;⁹ 4) building and

³ 30 TEX. ADMIN. CODE § 55.251(c).

⁴ 30 TEX. ADMIN. CODE § 55.256(a).

⁵ 30 TEX. ADMIN. CODE § 55.256(c)(1)-(6).

⁶ 30 TEX. ADMIN. CODE § 55.256(b).

⁷ TEX. LOCAL GOV'T CODE § 232.001-011

⁸ TEX. LOCAL GOV'T CODE § 251.003

⁹ TEX. LOCAL GOV'T CODE § 232.101-232.110

set back lines;¹⁰ 5) fire code in unincorporated areas;¹¹ 6) emergency management;¹² 7) general control over roads, highways, and bridges;¹³ and 8) drainage on public roads.¹⁴

Under both 30 TAC §§ 55.256(b) & (c)(6), governmental entities with authority over issues relevant to the application may be considered affected persons. Thus, in order for a governmental entity to be an affected person, that entity's statutory authority must be relevant to at least one of the issues the Commission may consider as part of the review of the application.

In this matter, the County cites to its general powers under the Transportation Code and Local Government Code to regulate roads, drainage, and public infrastructure as the basis for its interest in the application. Notably, the County has made multiple nearly identical requests for other MUD applications within the county over the past calendar year. The applicant's preliminary engineering report states that all road projects for the proposed District will be designed and constructed in accordance with applicable ordinances and rules adopted by the County and the TCEQ. Thus, it appears that the District would still have to comply with county platting and road regulations even if the application is approved. Pursuant to TWC § 54.234(d)(1), if the commission issues an order approving the petition and grants road powers to the District, the District may undertake a road project if the municipality or county with platting jurisdiction has approved the plans and specifications of the road project. Accordingly, the approval of a MUD application does not take away the MUD's obligation to maintain the proposed roads. Nor does the MUD application or a hearing thereon provide an opportunity for litigating this obligation.

TCEQ rules provide a non-exclusive list of factors to be considered in evaluating hearing requests, including "whether the interest claimed is one protected by the law under which the application will be considered" and "whether a reasonable relationship exists between the interest claimed and the activity regulated."¹⁵ While the County's hearing request identifies a statutory interest, it does not sufficiently explain how the creation would affect that interest and should therefore be denied. Additionally, the primary concern expressed in the County's hearing request relates to the sharing of costs between the developer and the County, and the financial impact the proposed development may have on the County. The County also mentions that the petitioner has not entered into a Consent and Development Agreement with the County. However, these issues, as well as the other issues raised by the County, are not within the scope of what TCEQ may consider pursuant to TWC § 54.021 when evaluating a MUD creation petition.

¹⁰ TEX. LOCAL GOV'T CODE § 233.031-233.037

¹¹ TEX. LOCAL GOV'T CODE § 233.061-233.067

¹² TEX GOV'T CODE § 418.

¹³ TEX. TRANSP. CODE § 251.016.

¹⁴ TEX. TRANSP. CODE § 254.

¹⁵ 30 TAC § 55.256(c)(1) and (3).

VI. RECOMMENDATION

The Executive Director recommends that the Commission find that Williamson County is not an affected person, deny its hearing request, and create the District.

Should the Commission grant the County's hearing request, the Executive Director recommends the Commission send this matter to SOAH for a contested case hearing.

Respectfully submitted,

Texas Commission on Environmental Quality

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VII. CERTIFICATE OF SERVICE

I certify that on March 23, 2026, the “Executive Director’s Response to Hearing Requests” for the creation of Williamson County Municipal Utility District No. 67 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.



Kayla Murray, Staff Attorney
Environmental Law Division

MAILING LIST
Williamson County Municipal Utility District 67
DOCKET NO. 2026-0189-DIS; INTERNAL CONTROL NO. D-07152025-032

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REQUESTER

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INTERESTED PERSON

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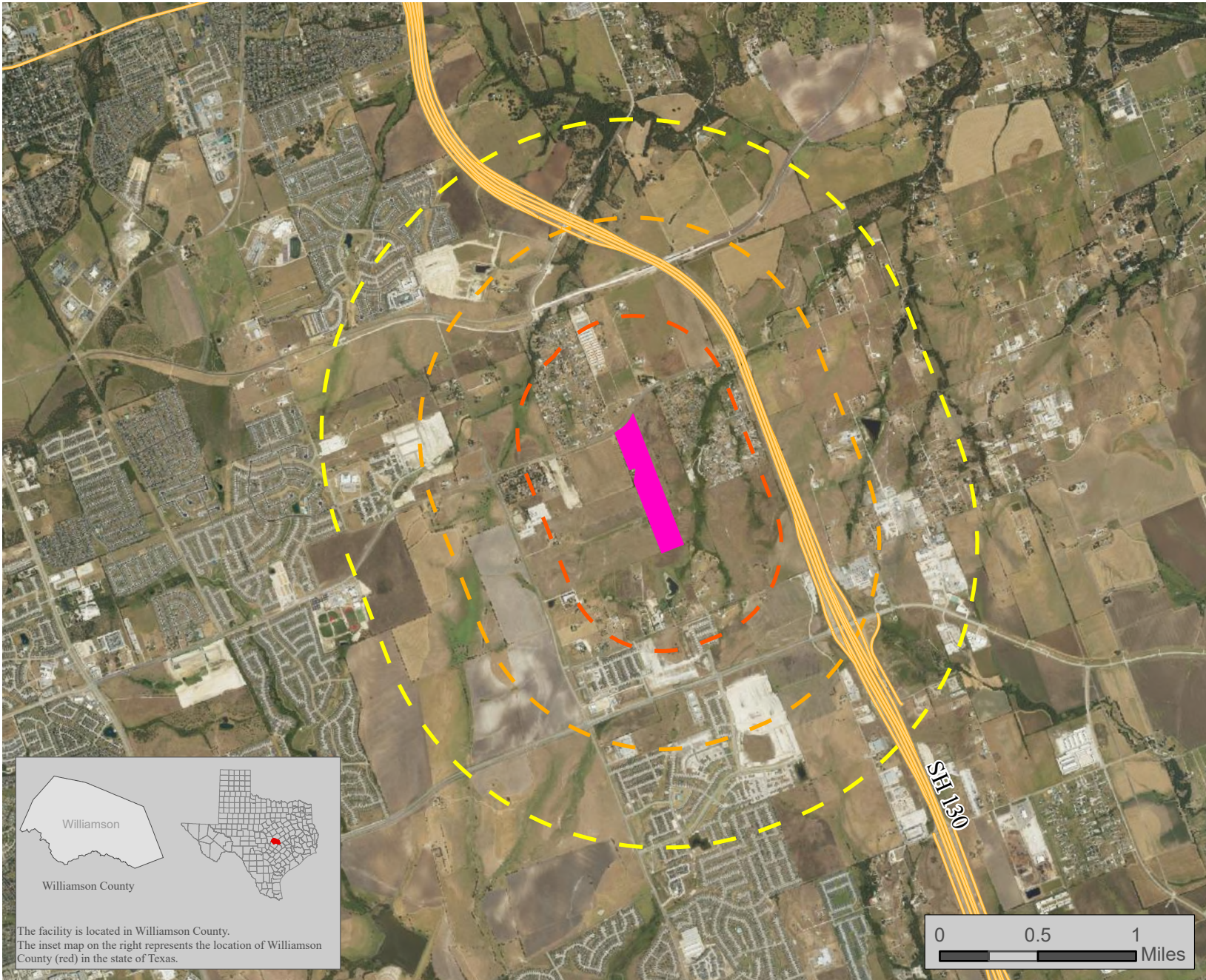
Attachment A

Proposed Williamson County MUD 67



Protecting Texas by
Reducing and
Preventing Pollution

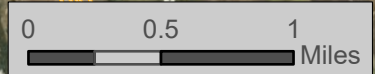
Texas Commission on Environmental Quality
GIS Team (Mail Code 197)
P.O. Box 13087
Austin, Texas 78711-3087
Date: 3/13/2026
CRF 0130388
Cartographer: mattoh



- Site
- 0.5 Mile Radius From Facility Boundary
- 1.0 Mile Radius From Facility Boundary
- 1.5 Mile Radius From Facility Boundary
- Highway
- County Boundary



The facility is located in Williamson County.
The inset map on the right represents the location of Williamson 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.