

Jon Niermann, *Chairman*
Emily Lindley, *Commissioner*
Bobby Janecka, *Commissioner*
Toby Baker, *Executive Director*



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

August 11, 2021

Mr. Ryan Harper
South Burnet County MUD No. 3
c/o Allen Boone Humphries Robinson, LLP
1108 Lavaca Street, Suite 510
Austin, Texas 78701

Re: South Burnet County Municipal Utility District No. 3, Order approving the Creation of the District

Dear Mr. Harper:

Enclosed is a certified copy of an Order issued by the Texas Commission on Environmental Quality regarding the referenced matter. This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

Should you have a question, please contact Mr. Anand Patel at (512) 239-4734.

Sincerely,

A handwritten signature in cursive script that reads "Cari-Michel La Caille".

Cari-Michel La Caille, Deputy Director
Water Supply Division

CML/avp

Enclosures

ccs: Mailing list

MAILING LIST

South Burnet County Municipal Utility District No. 3
TCEQ Internal Control No. D-10272020-044

Mr. D Ryan Harper
Allen Boone Humphries Robinson, LLP
1108 Lavaca Street, Suite 510
Austin, Texas 78701

Mr. Ken Heroy, P.E.
Jones-Heroy & Associates, Inc.
13915 Mopac Expressway, Suite 408
Austin, Texas 78728

Mr. David Van Soest
TCEQ Region 11
P.O. Box 13087
Austin, Texas 78711-3087

The Honorable Terry Wilson
State Representative District No. 20
P.O. Box 2910
Austin, Texas 78768-2910

The Honorable Dawn Buckingham
Senate District No. 24
P.O. Box 12068
Capitol Station
Austin, Texas 78711

Burnet County
Attn: Janet Parker, County Clerk
220 South Pierce Street
Burnet, Texas 78611

City of Double Horn
Attn: Karen Maxwell, City Secretary
P.O. Box 727
Spicewood, Texas 78669

Capital Area Planning Council
6800 Burleson Road
Building 310, Suite 165
Austin, TX 78744

Texas Commission on Environmental Quality
P. O. Box 13087
Austin, Texas 78711-3087

Todd Galiga, Senior Attorney, Environmental
Law Division, MC-173

Cole Malley, Attorney, Environmental Law
Division, MC-173

Anand Patel, Technical Manager, Districts
Creation Review Team, MC-152

Chris Ulmann, P.E., Districts Section Manager,
MC-152

Chris Jones, Districts Creation Review Team,
MC-152

Kent Steelman, Districts Section, Water
Supply Division, MC-153

Vic McWherter, Office of the Public Interest
Counsel, MC-103

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS
COUNTY OF TRAVIS
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY
OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
DOCUMENT, WHICH IS FILED IN THE PERMANENT RECORDS

AUG 11 2021

OF THE COMMISSION, GIVEN UNDER MY HAND AND THE
SEAL OF OFFICE ON
Lauree Chan
LAUREE CHAN, CLERK
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

AN ORDER GRANTING THE PETITION FOR CREATION OF SOUTH BURNET COUNTY MUNICIPAL UTILITY DISTRICT NO. 3 AND APPOINTING TEMPORARY DIRECTORS

A petition by Toreador Ranch, LLC, a Texas limited liability company (Petitioner) was presented to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) for approval of the creation of South Burnet County Municipal Utility District No. 3 (District) pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapters 49 and 54.

The TCEQ, after having considered the petition, application material, and memorandum from the Executive Director dated July 1, 2021 (Memorandum), attached as Exhibit "B," finds that the petition for creation should be approved.

The TCEQ finds that the creation of the proposed District as set out in the application is feasible, practicable, and necessary, and would be a benefit to the land to be included in the proposed District.

The TCEQ further finds that the proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on land elevation, subsidence, and groundwater level within the region, recharge capability of a groundwater source, natural runoff rates and drainage, water quality, or total tax assessments on all land located within the proposed District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for creation of South Burnet County Municipal Utility District No. 3 have been fulfilled in accordance with TEX. WATER CODE § 54.021 and 30 TEX. ADMIN. CODE §§ 293.11-293.12.

NOW, THEREFORE, BE IT ORDERED BY THE TEXAS COMMISSION ON ENVIRONMENTAL QUALITY THAT:

1. The petition for the creation of South Burnet County Municipal Utility District No. 3 is hereby granted.
2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapters 49 and 54.
3. The District shall have, and shall be subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the TCEQ and the general laws of the State of Texas relating to municipal utility districts, including road powers under TEX. WATER CODE § 54.234, subject to the requirements of the TCEQ and the general laws of the State of Texas relating to the exercise of such powers.

FILED THIS 16th DAY OF Aug A.D. 2021

Janet Parker
COUNTY CLERK, BURNET COUNTY, TEXAS
BY _____ DEPUTY

4. The District shall be composed of the area situated partially within the extraterritorial jurisdiction of the City of Double Horn, Burnet County, Texas, described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

5. The Memorandum dated July 1, 2021, attached as Exhibit "B," is hereby incorporated as part of this Order.

6. The persons listed in Recommendation No. 4 of the Memorandum are hereby named and appointed as temporary directors and shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District, and each bond and oath shall be filed with the District and retained in its records.

7. 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.

8. This Order shall not constitute approval or recognition of the validity of any provision in the City of Double Horn Consent Resolution, passed and adopted June 24, 2020, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City, by the laws of the State of Texas.

9. The Chief Clerk of the TCEQ shall forward a copy of this Order to all affected persons.

10. If any provision, sentence, clause, or phrase of this Order is for any reason held to be invalid, the invalidity of any portion shall not affect the validity of the remaining portions of the Order.

Issue Date: August 9, 2021



For the Commission

Texas Commission on Environmental Quality

TECHNICAL MEMORANDUM

CSU 7/26/21
To: Chris S. Ulmann, P.E., Manager
Districts Section

Date: July 1, 2021

From: Anand Patel
Districts Creation Review Team

Subject: Petition by Toreador Ranch, LLC, a Texas Limited Liability Company for Creation of South Burnet County Municipal Utility District No. 3; Pursuant to Texas Water Code Chapters 49 and 54.
TCEQ Internal Control No. D-10272020-044 (TC)
CN: 605826221 RN: 111123519

A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received a petition within the application requesting approval for the creation of South Burnet County Municipal Utility District (MUD) No. 3 (District). The petition was signed by Greg Crone as the president of Toreador Ranch, LLC, a Texas limited liability company (Petitioner). The petition states that the Petitioner holds title to a majority in value 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 on the south side of Highway 71 and approximately 4 miles west of Highway 281 in Burnet County. The proposed District is partially within the extraterritorial jurisdiction of the City of Double Horn(City). Access to the proposed District will be provided by Highway 71.

Metes and Bounds Description

The proposed District contains 610.522 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

By Resolution No. 2020-RES013, passed and adopted June 24, 2020, the City asserts that the land within the proposed District will be located partially within the extraterritorial jurisdiction of the City, and provided the City's consent to the creation of the District. Accordingly, the requirements of TWC Section 54.016 have been satisfied.

County Notification

In accordance with TWC Section 54.0161, as amended in 2013, a certified letter, dated November 23, 2020 was sent to the Commissioners Court of Burnet 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 Burnet County Clerk's office, the TCEQ's Austin region office, the Texas House of Representatives, and the Texas State Senate 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 Mr. Harris Baker, the president of Toreador Development Company, Inc. will lead the development of the proposed District. Mr. Baker has over 25 years of experience in home building and land development which includes landscape planning, master planned communities, single-family residential subdivisions, mixed use development, MUD creations, etc.

Certificate of Ownership

By signed certificate dated May 5, 2020, the Burnet 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:

David Laverty
Stephen Settle

Elizabeth McComas
William Van Hoy

Liza Martin

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 a resident 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 February 9, 2021 and February 16, 2021 in *The Highlander*, a newspaper regularly published or circulated in Burnet County, the county in which the district is proposed to be located. Proper notice of the application was posted on February 11, 2021, on the bulletin board used for posting legal notices in Burnet County. 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 March 18, 2021. No comments were received during this period.

B. ENGINEERING ANALYSIS

The creation engineering report indicates the following:

Availability of Comparable Service

The water and wastewater services will be provided by the District. The proposed District is not located within the water or wastewater CCN of any entity. Therefore, no other comparable water services are available in the area.

Water Supply Improvements

All water supply and distribution system improvements to serve the proposed District will be designed in accordance with criteria established by the TCEQ, Burnet County, and the City. Per the engineering report, it is estimated that the District will serve approximately 750 Equivalent Single-Family Connections (ESFCs) at ultimate development. Further, the engineering report indicates that the water supply facilities will be owned and maintained by the District. The proposed District will have a water plant, water wells, and a network of trunk water mains throughout the development.

Water Distribution Improvements

The water distribution system for full development of the proposed District will consist of approximately 42,000 linear feet (LF) of 8" to 16" polyvinyl chloride (PVC) pipes, along with all related appurtenances. The distribution system will be designed to meet TCEQ, Burnet County, and the City design criteria.

Wastewater Treatment Improvements

All wastewater treatment and collection system improvements to serve the proposed District will be designed in accordance with criteria established by the TCEQ, Burnet County, and the City. Per the engineering report, it is estimated that the District will serve approximately 750 ESFCs at ultimate development. Further, the engineering report indicates that the wastewater treatment facilities will be owned and maintained by the District. The proposed District will have a wastewater treatment plant and a network of sewer mains throughout the development.

Wastewater Collection Improvements

The internal wastewater collection system for full development of the proposed District will consist of approximately 42,000 LF of 8" to 12" sanitary sewer lines, along with manholes and

all related appurtenances. The collection system will be designed to meet TCEQ, Burnet County, and the City design criteria.

Storm Water Drainage System and Drainage Improvements

The storm water runoff within the proposed District will be directed along a proposed combination of street gutters and underground storm drains to convey runoff to storm sewer lines or culverts that outfall into detention facilities located within the District. The detention facilities will then release flow into Double Horn Creek. The System will consist of approximately 31,500 LF of reinforced concrete pipes ranging from 18" to 42" in size. Design of the storm sewer system and detention facilities will be based on requirements of the Burnet County, and the City.

Road Improvements

Application material indicates the proposed District will construct road improvements within the District. The City has consented by resolution to the creation of the District with road powers. The District will fund a main point of access from Highway 71 along with major collector streets, minor collector streets, and number of interior roadways. All roadway facilities will be designed in accordance with criteria established by Texas Department of Transportation, Burnet County, and the City.

Topography

The District is currently undeveloped pastureland. The average elevation within the proposed District is approximately 900 to 1,100 feet above mean sea level (msl).

Floodplain

According to Federal Emergency Management Agency Flood Insurance Rate Map No. 48053C0700G dated November 1, 2019, the District does not lie within the 100-year floodplain.

Land Elevation

The fill and/or excavation associated with development of the District's systems will not cause changes in the overall land elevations other than that normally associated with the construction of the underground utility systems, drainage facilities, plants, and paving. Therefore, development within the District is not expected to have an unreasonable effect on overall land elevations.

Subsidence

The proposed District's source of water supply will be groundwater. There is no problem of subsidence in the part of the state where the District is proposed to be located. 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 January 28, 2020, that there are no dam safety issues associated with the proposed District.

Groundwater Levels

The proposed District's source of water supply will be groundwater. Per the Regional Water Planning Study for Region K, the aquifer has a substantial supply of available groundwater to serve the area. The groundwater conservation district within the region regulates the groundwater pumping rates and the recharge rate for the aquifer. Therefore, the proposed District is not expected to have a significant impact on the groundwater levels in the region.

Groundwater Recharge

There are no known recharge features within the land of the proposed District. Therefore, the District is not expected to have any significant effect on recharge capabilities.

Natural Run-off and Drainage

The proposed stormwater drainage system will consist of curb and gutter collector system which will flow into onsite detention ponds. The collected stormwater will then be conveyed to Double Horn Creek. The detention ponds will be designed to mitigate the increased runoff due to the proposed development. It will be conveyed at non-erosive velocities to not significantly affect natural run-off rates and downstream flooding.

Water Quality

No adverse effect of the water quality of ground or surface water is anticipated as a result of this development. The water and wastewater treatment for the proposed District will be done in accordance with the local, state, and federal standards.

C. SUMMARY OF COSTS

WATER, WASTEWATER, AND DRAINAGE

Construction Costs

District Share ⁽¹⁾

A. Developer Contribution Items

1. Water Facilities	\$ 2,571,652
2. Wastewater Facilities	3,143,130
3. Drainage Facilities	750,000
4. Contingencies (10% of Items No. 1-3)	646,478
5. Engineering (10% of Items No. 1-3)	<u>646,478</u>
Total Developer Items	\$ 7,757,738

B. District Items

1. Water Wells	\$ 375,000
2. Water Treatment Plant	370,594
3. Wastewater Treatment Plant	1,389,728
4. Wastewater Irrigation	2,758,125
5. Contingencies (10% of Items No. 1-4)	489,345
6. Engineering (10% of Items No. 1-4)	489,345
7. Land Acquisition Costs	<u>112,500 ⁽²⁾</u>

Total District Items	\$	<u>5,984,637</u>
TOTAL CONSTRUCTION COSTS (75.51% of BIR)	\$	13,742,375
<u>Non-Construction Costs</u>		
A. Legal Fees (3%)	\$	546,000
B. Fiscal Agent Fees (2.5%)		455,000
C. Interest Costs		
1. Capitalized Interest (2 years @ 3.5%)		1,274,000
2. Developer Interest (2 years @ 3.5% of Const. Costs)		961,966
D. Bond Discount (3%)		546,000
E. Bond Issuance Expenses		155,959
F. Administration and Operation Costs		165,000
G. District Creation Costs		100,000
H. Bond Application Report Costs		190,000
I. TCEQ Bond Issuance Fee (0.25%)		45,500
J. Attorney General Fees (0.1%)		<u>18,200</u>
TOTAL NONCONSTRUCTION COSTS	\$	4,457,625
TOTAL W, WW, & D BOND ISSUE REQUIREMENT	\$	18,200,000

Notes: (1) Assumes 100% funding of anticipated developer contribution items, where applicable.
(2) Land cost is based on approximately 4.5 acres of land at \$25,000 per acre.

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 IMPROVEMENT

<u>Construction Costs</u> (Developer/District Contribution Items)	<u>District Share</u> ⁽¹⁾
1. Road Improvements	\$ 16,121,255
2. Contingencies (15% of Item No. 1)	2,418,188
3. Engineering (10% of Item No. 1)	<u>1,612,126</u>
TOTAL CONSTRUCTION COSTS (78.41% of BIR)	\$ 20,151,569
<u>Non-Construction Costs</u>	
A. Legal Fees (3%)	\$ 771,000
B. Fiscal Agent Fees (2.5%)	642,500
C. Interest Costs	
1. Capitalized Interest (2 years @ 3.5%)	1,799,000
2. Developer Interest (2 years @ 3.5% of Const. Costs)	1,410,610
D. Bond Discount (3%)	771,000
E. Bond Issuance Expenses	83,621
F. Bond Engineering Costs	45,000
G. Attorney General Fees (0.1%)	<u>25,700</u>

TOTAL NONCONSTRUCTION COSTS \$ 5,548,431

TOTAL ROAD BOND ISSUE REQUIREMENT \$ 25,700,000

Note: (1) Assumes 100% funding of anticipated developer contribution items, where applicable.

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.

TOTAL BOND ISSUE REQUIREMENTS \$ 43,900,000

D. ECONOMIC ANALYSIS

Land Use

The land use for the proposed District is intended to accommodate Single-family residential development and commercial development. Planned ultimate development in the proposed District, as shown in the land use plan provided, is as follows:

<u>Land Use</u>	<u>Acreage</u>	<u>Population</u>
Single-Family	389.02	736
Commercial	12.00	12
Parks/Recreation	62.80	0
Winery/Vineyards	25.00	2
Spray Fields	35.00	0
Detention Ponds/Floodplain	<u>86.70</u>	<u>0</u>
Total	610.52	750

Market Study

A market study, prepared in August 2020 by Metrostudy, has been submitted in support of the creation of the proposed District. The proposed District is expected to include Single-family residential development totaling approximately 389.02 acres. The market study indicates the proposed District is expected to include 68 villas, 168 40-foot wide lots, 168 50-foot wide lots, 71 60-foot wide lots, 71 70-foot wide lots, and 190 90-100-foot wide lots. The home values are expected to be approximately \$500,000 for villas, \$275,000 for 40-foot lots, \$325,000 for 50-foot lots, \$400,000 for 60-foot lots, \$450,000 for 70-foot lots, and \$525,000 for 90-100-foot lots. The study indicates single-family homes for that price range within the study's market area are expected to be absorbed at a rate of approximately 1 villa per month, 3 homes per month for 40-foot lots, 2.5 homes per month for 50-foot lots, 2 homes per month for 60-foot lots, 2 homes per month for 70-foot lots, and 1 home per month for 90-100-foot lots.

Project Financing

The District's ability to amortize the required bond debt is based on ultimate improvements and full development of the District. Each particular bond issue will be reviewed and justified

on its own economic feasibility merits prior to the issuance of any bonds by the District. The projected taxable assessed valuation (AV) for the proposed District is as follows:

<u>Development Description</u>	<u>Lots</u>	<u>Developed Unit Value</u>	<u>Total Buildout Value</u>
Villas	68	\$500,000	\$34,000,000
40-foot single-family lots	168	\$275,000	\$46,200,000
50-foot single-family lots	168	\$325,000	\$54,600,000
60-foot single-family lots	71	\$400,000	\$28,400,000
70-foot single-family lots	71	\$450,000	\$31,950,000
90-100-foot single-family lots	190	\$525,000	<u>\$99,750,000</u>
Total Assessed Valuation			\$294,900,000

Considering the issuance of a total of \$43,900,000 (\$18,200,000 for utilities and \$25,700,000 for roads) in bonds, a coupon bond interest rate of 3.5%, and a 25-year bond life, the average annual debt service requirement would be \$2,663,590. Assuming a 98% collection rate and an ultimate AV of \$294,900,000, a projected ultimate tax rate of approximately \$0.93 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 \$0.98. Based on the information provided for ultimate development, the District projects combined tax rate is \$0.98 and does not exceed the provision of 30 TAC Section 293.59(k)(3)(B), which limits the projected combined tax rate to \$1.00.

Based on the information provided, the total projected overlapping tax rates on land within the proposed District are shown as follows:

<u>Taxing Jurisdiction</u>	<u>Tax Rates</u> <u>(Burnet County)</u> ⁽¹⁾
South Burnet County MUD No. 3 (District)	\$ 0.9800 ⁽²⁾
Emergency Service District No. 9	\$ 0.1000
Burnet County	\$ 0.3582
County Special Road and Bridge	\$ 0.0417
Marble Falls Independent School District	\$ 1.1986
Water Conservation District of Central Texas	<u>\$ 0.0074</u>
TOTAL TAX per \$100 AV:	\$ 2.6859

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

(2) Includes a \$0.93 debt service tax rate (utilities and road) and a \$0.05 maintenance tax rate.

Based on the proposed District tax rate and the year 2019 overlapping tax rate on land within the proposed District, the project is considered economically feasible.

Water and Wastewater Rates

According to information provided, the District will provide retail water and wastewater services to the proposed District's customers. The current water rates are as follow:

Water rate:

0 to 10,000 gallons \$2.50 per 1000 gallons

10,001 to 15,000 gallons	\$4.50 per 1000 gallons
15,001 to 20,000 gallons	\$12.50 per 1000 gallons
20,001 to 30,000 gallons	\$43.00 per 1000 gallons
30,001 to 40,000 gallons	\$64.00 per 1000 gallons
40,001 gallons and above	\$69.00 per 1000 gallons

Wastewater rate:

Monthly Fee	\$33.00 Flat Fee
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Based on the above rates, the estimated monthly fee for 10,000 gallons of water and wastewater would be \$58.00.

Comparative Water District Tax Rates

A tax rate of \$0.98 (\$2.6859 total overlapping for Burnet County) for the proposed District is comparable to other municipalities 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, wastewater, drainage facilities, and road facilities; a combined projected tax rate of \$0.98 per \$100 AV; the proposed District obtaining a 3.5% 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 South Burnet County Municipal Utility District No. 3.
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."

"This Order shall not constitute approval or recognition of the validity of any provision in the City of Double Horn Consent Resolution, passed and adopted June 24, 2020, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City, by the laws of the State of Texas."

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

David Laverty
Stephen Settle

Elizabeth McComas
William Van Hoy

Liza Martin

H. ADDITIONAL INFORMATION

The Petitioner's professional representatives are:

Attorney: Mr. Ryan Harper - Allen Boone Humphries Robinson, LLP
Creation Engineer: Mr. Ken Heroy, P.E. - Jones-Heroy & Associates, Inc.

EXHIBIT A

PROPERTY DESCRIPTION

BEING 610.522 ACRES OF LAND LOCATED IN THE J.T. CONN SURVEY ABSTRACT 184 AND THE EDWARD E. WILLIAMS SURVEY ABSTRACT 945 IN BURNET COUNTY, TEXAS AND BEING A PORTION OF A CALLED 1311.91 ACRE DESCRIBED AS TRACT 1 AS DESCRIBED IN DOCUMENT NUMBER 201008598 OF THE OFFICIAL PUBLIC RECORDS OF BURNET COUNTY, TEXAS (O.P.R.B.C.T); SAID 610.522 ACRE TRACT BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS WITH ALL BEARINGS BASED ON THE TEXAS COORDINATE SYSTEM, CENTRAL ZONE NAD83 4203.

BEGINNING at a ½-inch iron rod found marking the northwest corner of said 1311.91 acre tract and being on the southerly right of way line of State Highway 71;

THENCE, with said southerly right of way line the following courses and distances:

1. S84°11'10"E, 488.46 feet to a TxDOT Type I monument;
2. S67°31'31"E, 313.57 feet to a TxDOT Type I monument;
3. S84°07'43"E, 898.27 feet to a TxDOT Type I monument;
4. N79°07'32"E, 311.36 feet to a TxDOT Type I monument;
5. S84°26'30"E, 192.96 feet to a TxDOT Type I monument at the beginning of a curve to the right;
6. with a curve to the right an arc length of 537.96 feet, having a radius of 5634.32 feet, a central angle of 05°28'14" and a chord bearing and distance of S81°25'36"E, 537.75 feet to a calculated point,

THENCE, leaving said southerly right of way line and crossing said 1311.91 acre tract the following courses and distances:

1. with a curve to the left an arc length of 196.90 feet, having a radius of 876.58 feet, a central angle of 12°52'12" and a chord bearing and distance of S11°00'50"W, 196.49 feet to a calculated point at the beginning of a curve to the left;
2. with a compound curve to the left an arc length of 700.55 feet, having a radius of 7803.87 feet, a central angle of 05°08'36" and a chord bearing and distance of S01°16'12"E, 700.32 feet to a calculated point at the beginning of a curve to the right;
3. with a reverse curve to the right an arc length of 531.09 feet, having a radius of 2193.72 feet, a central angle of 13°52'15" and a chord bearing and distance of S04°22'51"W, 529.79 feet to a calculated point;
4. S22°48'40"W, 1497.98 feet to a calculated point at the beginning of a curve to the left;
5. with a curve to the left an arc length of 478.02 feet, having a radius of 1080.30 feet, a central angle of 25°21'09" and a chord bearing and distance of S07°19'34"W, 474.13 feet to a calculated point;

6. S04°01'53"E, 483.53 feet to a calculated point at the beginning of a curve to the right;
7. with a curve to the right an arc length of 374.21 feet, having a radius of 710.44 feet, a central angle of 30°10'45" and a chord bearing and distance of S12°23'03"W, 91.64 feet to a calculated point at the beginning of a curve to the right;
8. with a compound curve to the right an arc length of 282.50 feet, having a radius of 710.44 feet, a central angle of 22°47'00" and a chord bearing and distance of S16°04'55"W, 280.65 feet to a calculated point;
9. S27°28'25"W, 489.56 feet to a calculated point at the beginning of a curve to the left;
10. with a curve to the left an arc length of 202.79 feet, having a radius of 653.68 feet, a central angle of 17°46'30" and a chord bearing and distance of S25°17'44"W, 201.98 feet to a calculated point;
11. S16°24'29"W, 34.60 feet to a calculated point at the beginning of a curve to the left;
12. with a curve to the left an arc length of 534.67 feet, having a radius of 824.89 feet, a central angle of 37°08'14" and a chord bearing and distance of S03°21'45"E, 525.36 feet to a calculated point at the beginning of a curve to the left;
13. with a compound curve to the left an arc length of 978.86 feet, having a radius of 760.58 feet, a central angle of 73°44'22" and a chord bearing and distance of S60°46'47"E, 912.69 feet to a calculated point at the beginning of a curve to the left;
14. with a compound curve to the left an arc length of 368.66 feet, having a radius of 2706.90 feet, a central angle of 07°48'12" and a chord bearing and distance of N74°27'00"E, 368.38 feet to a calculated point at the beginning of a curve to the right;
15. with a reverse curve to the right an arc length of 566.85 feet, having a radius of 1007.47 feet, a central angle of 32°14'14" and a chord bearing and distance of S88°55'09"E, 559.40 feet to a calculated point at the beginning of a curve to the right;
16. with a compound curve to the right an arc length of 412.68 feet, having a radius of 4349.09 feet, a central angle of 05°26'12" and a chord bearing and distance of S67°32'16"E, 412.52 feet to a calculated point at the beginning of a curve to the left;
17. with a reverse curve to the left an arc length of 512.33 feet, having a radius of 809.05 feet, a central angle of 36°16'57" and a chord bearing and distance of S78°43'45"E, 503.81 feet to a calculated point;
18. S09°04'47"E, 532.78 feet to ½-inch iron rod with cap stamped "AST" found at an interior ell corner on the southerly line of said 1311.91 acre tract;

THENCE, with the southerly line of said 1311.91 acre tract the following courses and distances:

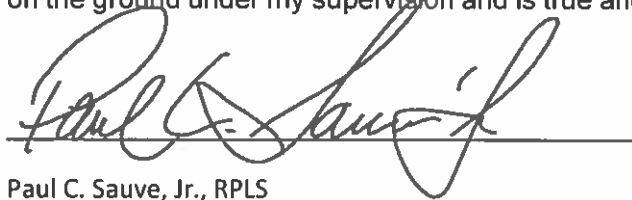
1. S01°54'45"E, 2504.66 feet to a ½-inch iron rod found for the most southerly southeast corner of said 1311.91 acre tract;
2. S88°32'24"W, 4600.27 feet to a calculated point at the southwest corner of said 1311.91 acre tract;

THENCE, with the westerly line of said 1311.91 acre tract the following courses and distances:

1. N06°50'21"W, 260.99 feet to a calculated point;
2. N10°28'38"E, 372.22 feet to a calculated point;
3. N21°08'39"E, 335.00 feet to a calculated point;
4. N14°21'18"W, 755.71 feet to a calculated point;
5. N86°26'09"E, 335.73 feet to ½-inch iron rod found;
6. N01°51'51"W, 607.28 feet to ½-inch iron rod found;
7. S88°39'46"E, 83.13 feet to an iron rod found with cap stamped "RPLS 1877";
8. N01°29'02"W, 782.44 feet to ½-inch iron rod with cap stamped "AST" found;
9. N01°28'10"W, 794.99 feet to an iron rod found with cap stamped "Bergman";
10. N02°36'42"W, 781.23 feet to an iron rod found with cap stamped "RPLS 1877";
11. 01°35'11"W, 1306.68 feet to ½-inch iron rod with cap stamped "AST" found;
12. N01°23'40"W, 1402.72 feet to a calculated point;
13. N00°59'33"E, 144.25 feet to a calculated point;
14. N03°22'35"E, 33.99 feet to ½-inch iron rod with cap stamped "AST" found;
15. N02°05'13"W, 482.62 feet to a calculated point;
16. N01°55'04"W, 608.42 feet to ½-inch iron rod with cap stamped "AST" found;
17. N04°06'14"E, 170.87 feet to ½-inch iron rod with cap stamped "AST" found;
18. N01°29'31"W, 551.73 feet to the **POINT OF BEGINNING** and containing 610.522 acres of land, more or less.

SURVEYOR'S STATEMENT

I hereby state that the included field note description was prepared from an actual survey made on the ground under my supervision and is true and correct, to the best of knowledge and belief.



Paul C. Sauve, Jr., RPLS
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Firm Registration No. 10173100
January 16, 2020



