

Williamson County Courthouse

710 Main Street, Georgetown, TX 78626 512.943.1100

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NOVEMBER 19, 2024

OFFICE OF THE CHIEF CLERK
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY
MC-105, TCEQ
P.O. BOX 13087
AUSTIN, TX 78711-3087

RE: WILLIAMSON COUNTY MUD NO. 60

TCEQ INTERNAL CONTROL NO. D-09182024-033

CN: CN606307205 RN: 112050075

To Whom It May Concern:

Williamson County writes in response to your notice dated October 2, 2024, copy attached, regarding the submission of a petition for the creation of the above-referenced Williamson County MUD No. 60 of Williamson County ("District"). The County opposes the creation of the proposed District unless certain conditions are met.

The County is requesting a contested case hearing.

The County understands that this is a <u>formal protest proceeding</u> and tenders its opinion, findings, conclusions, and any other information that would assist the TCEQ.

The County has authority over various functions – including but not limited to transportation, emergency services, and health and safety – that may be affected by the creation of the District and that the petition fails to take into account. See, e.g., Tex. Local Gov't Code §§ 232.001-.011 (county authority for road construction in subdivisions as well as other subdivision regulations); Tex. Local Gov't Code § 251.003 (county order and rulemaking authority for roads); Tex. Local Gov't Code, Chapter 233, Subchapter C (fire code in unincorporated areas); Tex. Local Gov't Code, Chapter 232, Subchapter E (infrastructure planning provisions in certain urban counties); Texas Local Gov't Code, Chapter 233, Subchapter E (fire code in unincorporated area); Tex. Local Gov't Code, Chapter B (building and set back lines); Tex. Local Gov't Code, Chapter 233, Subchapter E (fire code in unincorporated area); Tex. Local Gov't Code, Chapter 418 (emergency management); Tex. Transp. Code § 251.016 (general control over roads, highways and bridges); Tex. Transp. Code, Chapter 254 (drainage on public roads). Thus, the County has statutory authority under state law over numerous issues contemplated by this petition and is, therefore, an affected person. 30 Tex. Admin. Code § 55.256(b).

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For example, the County notes that, in your notice item (iv), the District seeks traditional road powers including:

"(iv) conveyance of road and improvements in aid of roads; and (v) maintenance, operation, and conveyance of 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."

However, the District does not state that it will not convey the road, particularly the maintenance, to the County without limitation. Considering the recent legislative changes outlined below, the County no longer accepts roads from newly created MUDs into the County's maintenance system without a corresponding obligation of the MUD to maintain the road after a specified time period.

Since the 2017 and 2019 legislative sessions effectively ended unilateral annexations by cities, the fiscal burden of developmental control has fallen on counties in general. Historically in Williamson County, MUD creation included agreements between the County and the neighboring municipality that would lead to annexation of that MUD by the municipality after a stated time period, thus limiting the financial exposure of the County in relation to the MUDs. Now however, despite this legislatively created increase in financial exposure to the County by limiting the ability of cities to annex MUDs, the current tax laws cap county tax rates to such a degree that the ability to address growth by counties is severely hampered. Because of these fiscal constraints, new residents of the County, such as those residing in this proposed District, should not shift the cost of development onto the current residents and the County's position and recommendation is that the proposed District help bear the continued cost of its development. This is consistent with recent efforts by the County to share costs between the County and legislatively created MUDs through the enacting legislation and/or Consent and Development Agreements.

For legislatively created MUDs, Williamson County, with the help of Senator Schwertner, has addressed this increased fiscal burden on the County by successfully negotiating Consent and Development Agreements that provide cost sharing between the County, the property developer/owner, and the MUD. The following paragraph from such agreements include standard terms relating to roads and the County argues should also apply to the TCEQ created MUDs for equity and public health and safety:

ROADS

The County has adopted a Long-Range Transportation Plan ("LRTP") which provides for the planning and future construction of certain road corridors within the County ("Corridor Project"). The County request that the Owner will convey, or cause to be conveyed, by special warranty deed, in fee simple and free and clear of all liens and encumbrances, to County, at no cost to the County, 100% of the right-of-way required for any roads which are shown within the boundaries of the Land as Corridor Projects in the LRTP within either 30 days after the final alignment for any Corridor Project is set; or, in the case that a final alignment for any Corridor Project has not been set, prior to the approval of any preliminary plat containing any Corridor Project within or directly adjacent to the Land.

Furthermore, the Owner will dedicate to the County, in fee simple and free and clear of all liens and encumbrances, at no cost to the County, through plat or otherwise, as determined by the County, 100% of the right-of-way required for any roads which are



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shown within the boundaries of the Land as arterial roadways ("Arterial(s)") in the LRTP. The County agrees that it or another governmental entity will be responsible for the design and construction of any Corridor Project and paying the cost for same. The District shall be solely responsible for any maintenance, repair or reconstruction or both of any Subdivision Road, including paying the cost for same, and, except for traffic operations, the County shall not be responsible those items.

Additionally, MUDs will place an even greater burden on law enforcement, emergency medical, fire and animal control services that are already very strained in the county and that, not only will the health and safety of the residents of the developer's MUD be affected, all other residents for which the county provides such services will also be affected. The first MUD in Williamson County came in 1974 and in the last 10 years the number of MUDs has almost doubled versus the previous 38 years, growing from 41 MUDs to 80 and acreage has increased by 15,620 acres (72% increase) in the last 10 years. In the last 20 years the numbers of MUDs have grown by 627% (from 11 to 80 MUDs) and acreage has grown by 319% (8,926 to 37,373 acres). The burden is too great on the County without the long- term commitment of the MUDS to also bear the burden of growth on the services normally provided by cities and now attempting to be shifted to the County.

In conclusion, the County believes that all MUDs created within the County should have the same or similar provisions that are set out in the County's Consent and Development Agreements regardless of whether they are created by the Legislature or created by the TCEQ. Therefore, the provisions required in either the legislation or Consent and Development Agreements should also be included in a TCEQ created MUD, thus allowing all County residents, especially those living in MUDs, to be treated fairly and equally.

As referenced above, the County opposes the creation of this MUD and requests a contested case hearing.

Sincerely,

Bill Gravell (Nov 19, 2024 14:54 CST)

Bill Gravell, Jr.

Williamson County Judge

Enc.

TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



NOTICE OF DISTRICT PETITION TCEQ INTERNAL CONTROL NO. D-09182024-033

PETITION. Luke Phillippi, EVP of EOP III SUB GP, LLC, a Delaware limited liability company, and managing general partner of OP III ATX Georgetown 220, LP, a Delaware limited partnership (Petitioner) filed a petition for creation of Williamson County Municipal Utility District No. 60 (District) with the Texas Commission on Environmental Quality (TCEQ). The petition was filed pursuant to Article XVI, Section 59 of the Constitution of the State of Texas; Chapters 49 and 54 of the Texas Water Code; 30 Texas Administrative Code Chapter 293; and the procedural rules of the TCEQ.

The petition states that: (1) the Petitioner holds title to a majority in value of the land to be included in the proposed District; (2) there are no lienholders on the property to be included in the proposed District; (3) the proposed District will contain approximately 219.998 acres located within Williamson County, Texas; and (4) the proposed District is not located within the extraterritorial jurisdiction or corporate boundaries of any city.

The territory to be included in the proposed District is depicted in the vicinity map designated as Exhibit "A," which is attached to this document.

The petition further states that the general nature of the work proposed to be done by the District is the design, construction, acquisition, improvement, extension, financing, and issuance of bonds for: (i) maintenance, operation, and conveyance of an adequate and efficient water works and sanitary sewer system for domestic purposes; (ii) maintenance, operation, and conveyance of 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) maintenance, operation, and conveyance of park and recreational facilities; (iv) conveyance of road and improvements in aid of roads; and (v) maintenance, operation, and conveyance of 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.

According to the petition, a preliminary investigation has been made to determine the cost of the project, and it is estimated by the Petitioner that the cost of said project will be approximately \$65,575,000 (\$39,400,000 for utilities, \$1,000,000 for recreational, and \$25,175,00 for roads).

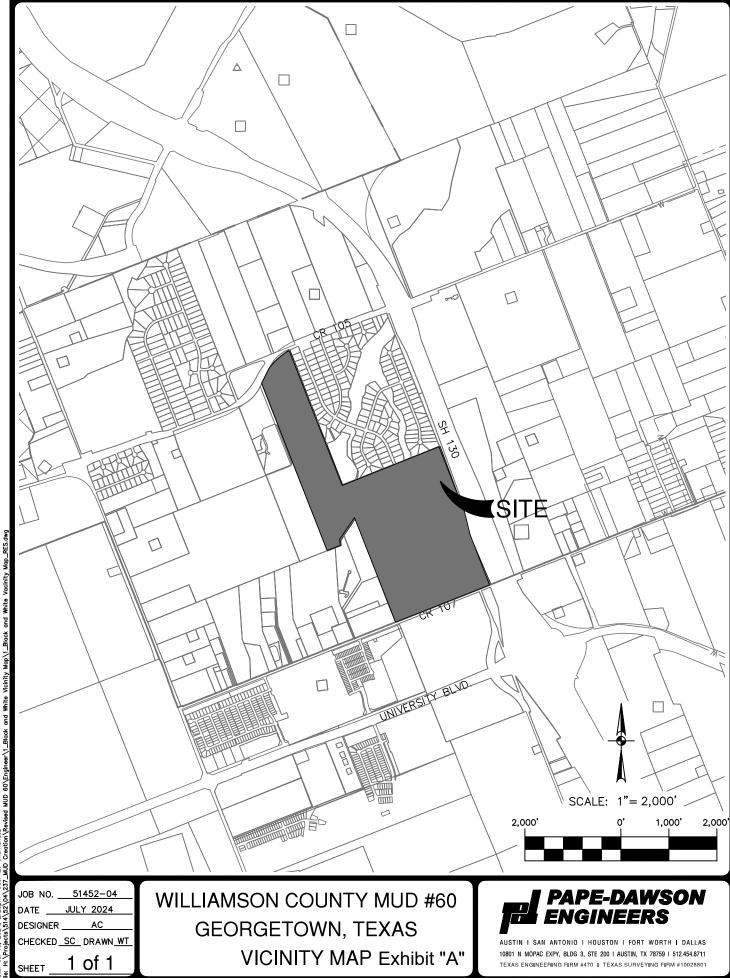
CONTESTED CASE HEARING. The TCEQ may grant a contested case hearing on this petition if a written hearing request is filed within 30 days after the newspaper publication of this notice.

To request a contested case hearing, you must submit the following: (1) your name (or for a group or association, an official representative), mailing address, daytime phone number, and fax number, if any; (2) the name of the Petitioner and the TCEQ Internal Control Number; (3) the statement "I/we request a contested case hearing"; (4) a brief description of how you would be affected by the petition in a way not common to the general public; and (5) the location of your property relative to the proposed District's boundaries. You may also submit your proposed adjustments to the petition which would satisfy your concerns. Requests for a contested case hearing must be submitted in writing to the Office of the Chief Clerk at the address provided in the information section below.

The Executive Director may approve the petition unless a written request for a contested case hearing is filed within 30 days after the newspaper publication of this notice. If a hearing request is filed, the Executive Director will not approve the petition and will forward the petition and hearing request to the TCEQ Commissioners for their consideration at a scheduled Commission meeting. If a contested case hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

INFORMATION. Written hearing requests should be submitted to the Office of the Chief Clerk, MC-105, TCEQ, P.O. Box 13087, Austin, TX 78711-3087. For information concerning the hearing process, please contact the Public Interest Counsel, MC-103, at the same address. General information regarding TCEQ can be found at our web site http://www.tceq.texas.gov/.

Issued: October 2, 2024



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