

Control Number: 43452



Item Number: 1

Addendum StartPage: 0

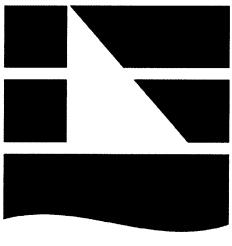
House Bill (HB) 1600 and Senate Bill (SB) 567 83rd Legislature, Regular Session, transferred the functions relating to the economic regulation of water and sewer utilities from the TCEQ to the PUC effective September 1, 2014.

RECEIVED

TOWN OF LITTLE ELM

2014 OCT -3 AM 8: 46

PUBLIC FILE PERCATION TO AMEND TOWN OF LITTLE ELM WATER CCN # 11202 & WASTEWATER CCN #20931



LITTLE ELM

Town of Little Elm, Texas **Denton County**

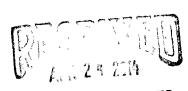
> Prepared for: **Town of Little Elm**

> > By:



TRC ENGINEERS, INC 700 HIGHLANDER BLVD., SUITE 210 **ARLINGTON, TEXAS 76015** (817) 522-1000 (817) 522-1060 (FAX)

APRIL 2014



UTILITIES & DISTRICTS SECTION

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APPLICATION TO OBTAIN OR AMEND A WATER OR SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

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GENERAL INFORMATION

*******THIS APPLICATION IS **NOT** A RATE CHANGE APPLICATION. THE APPROPRIATE FORMS NEEDED TO FILE A RATE CHANGE APPLICATION MAY BE OBTAINED AT THE FOLLOWING WEBSITE ¹ OR BY CONTACTING THE UTILITIES AND DISTRICTS SECTION ², TEXAS COMMISSION ON ENVIRONMENTAL QUALITY. YOU CAN ALSO CALL OUR MAIN WATER SUPPLY DIVISION LINE AT 512-239-4691. ****

- Pursuant to V.T.C.A., Water Code, Chapter 13, Subchapter G:
 - CCNs may be obtained by any retail public water and/or sewer utility.
 - CCNs are required for:
 - a) Investor Owned Utilities (IOU);
 - b) Non-profit, member-owned, member-controlled water supply or sewer service
 - c) corporations (WSC) incorporated under Water Code, Chapter 67; and Affected counties.
 - CCNs may be required for political subdivisions, except affected counties, before utility service can be provided to an area already lawfully being served.
- A CCN gives the holder:
 - the legal right to provide water and/or sewer utility service;
 - the legal right to be compensated, either directly through a monthly rate or indirectly through maintenance fees, property owners fees, etc.;
 - a delineated service area; AND
 - the obligation to provide service to every customer and qualified applicant who requests service within that area.
- A CCN is not required when service is either submetered pursuant to Water Code, Chapter 13, Subchapter M, or included in the rental of the property.
- Fig. IOUs and WSCs with less than 15 potential retail water service connections may register as "exempt" and then are not required to possess a CCN for their service area if they meet the exemption criteria. This exemption **does not apply** to sewer providers with less than 15 potential retail sewer connections. Retail sewer utilities **must** obtain a CCN to provide retail sewer service to more than one connection.

This application shall not be changed, altered or amended from its original form only available from the TCEQ.

PROCESSING YOUR CCN APPLICATION

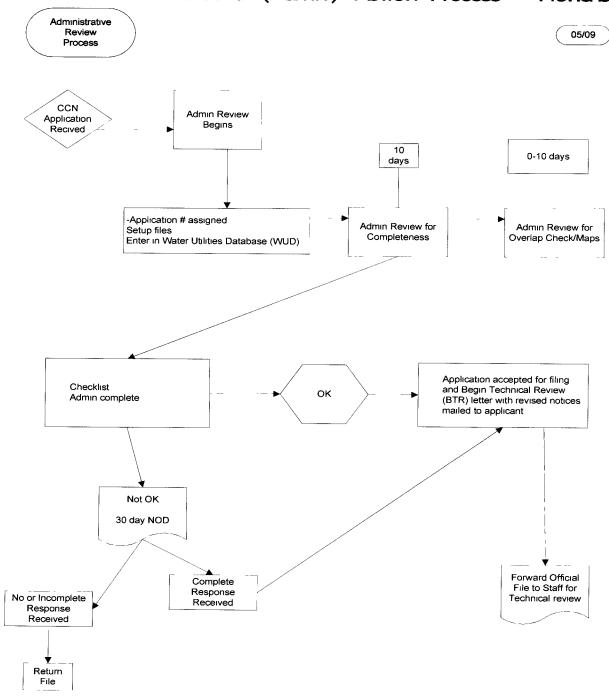
FLOW CHART

Attached are flowcharts of the review process. Your application will go through an Administrative Review and, when accepted for filing, a Technical Review. For uncontested applications, processing time depends on the response time of the applicant. Contested applications generally take longer because of the need for scheduling a public hearing, and processing time depends on whether a settlement agreement between the applicant and the protestor(s) is reached.

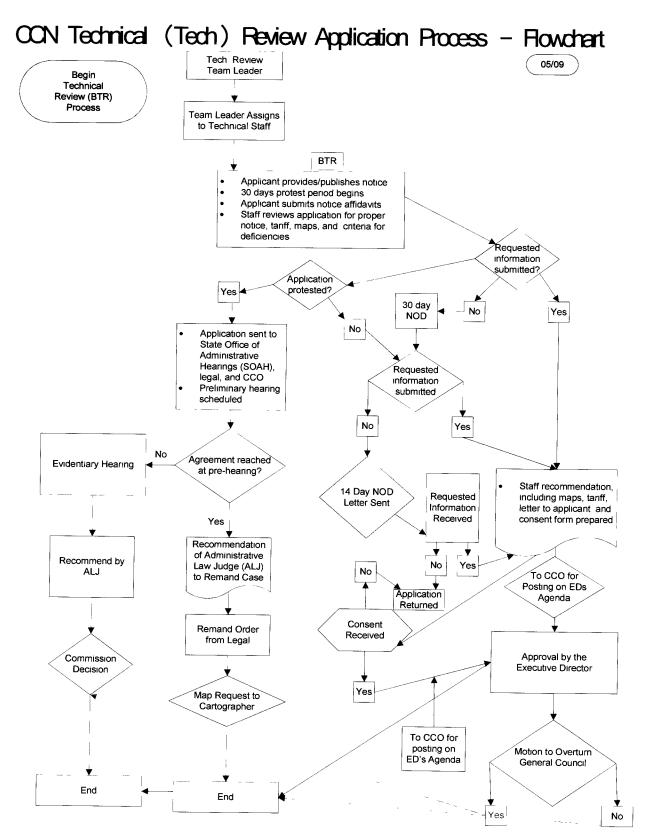
http://www.tceq.texas.gov/utilities/utility_rulesguide.html#ratechange

^{2.} utildist@tceq.texas.gov

CON Administrative (Admin) Review Process - Flowchart



* Includes TWC 13.255, 13.254 and 13.246 type applications.



* Includes TWC 13.255, 13.254 and 13.246 type applications.

ADMINISTRATIVE REVIEW OF YOUR CCN APPLICATION

- Your application will be reviewed for completeness by the Commission staff within ten (10) working days after it is received in our offices.
- Proposed notice forms are included with the application.
- If the application is administratively incomplete, you will be sent a letter that
 outlines the application's deficiencies and describes what is needed to correct the
 deficiencies. After receiving that letter, you will have thirty (30) days to make the
 necessary corrections.

If you fail to make the corrections in full,

- a) the application will be returned,
- b) And if you are already operating a system, you will be referred for enforcement action which may include administrative penalties of up to \$500 per day.

☞ NOTICE

The Commission cannot grant a CCN until proper notice of the application has been given. It is the applicant's responsibility to ensure that proper notice is given. Notice forms for publication, neighboring cities and systems, customers, and landowners are included with this application to use as a template in preparing your proposed notices. These notice forms are also available in Spanish upon request. If the applicant is an operating IOU currently providing service without a CCN, then proposed notices must be provided for publication, to neighboring cities and systems, landowners with 25 acres or more, and current customers in the proposed service area. All three forms must be completed and submitted with the application. However, if the applicant has no customers in the proposed area at the time of filing and is only proposing to provide service at some future date, or if the applicant is a WSC or political subdivision, then only the notices for landowners with 25 acres or more, publication and neighboring cities and systems must be submitted. Do not publish the notice or send copies of the proposed notices or maps to anyone before submitting this application to the Commission. Your proposed notices and maps will be reviewed for completeness. When your application is accepted for filing, you will be directed to provide the appropriate notices for publication, to the neighboring cities and systems and, if necessary, to current customers.

TECHNICAL REVIEW OF YOUR CCN APPLICATION

When the application is accepted for filing, you will be notified by mail and will be required:

- to publish notice once each week for two (2) consecutive weeks in a newspaper of general circulation in your local area and county. If the proposed area is in more than one county, publication in each county is required;
- to provide individual notice with a copy of the proposed CCN map to neighboring cities and systems within:
 - a) two (2) miles of your proposed service area, if you are an existing retail public utility amending the existing service area, **or**
 - b) five (5) miles if you are obtaining a new CCN to serve a new service area, and
- to provide individual mailed notice with a copy of the proposed CCN map to all affected current customers if you are required to have a CCN but are currently providing service without a CCN.

If the application is <u>technically incomplete</u>, you will be sent a letter that outlines the application's deficiencies and describing what you need to do to correct the deficiencies. After receiving that letter, you will have *thirty (30)* days to make the necessary corrections. **If you fail to make the corrections in full:**

- a) the application will be returned,
- b) And if you are already operating a system, you will be referred for enforcement action which may include administrative penalties of up to \$500 per day.

V.T.C.A. Water Code Section 13.246(c) requires the Commission to consider the following factors before it can issue a CCN:

- the adequacy of service currently provided to the requested area;
- the need for additional service in the requested area, including whether any landowners; prospective landowners, tenants, or residents have requested service;
- the effect of the granting of a certificate or amendment on the recipient of the certificate or amendment, on the landowners in the area, and on any retail public utility of the same kind already serving the proximate area;
- the ability of the applicant to provide adequate service, including meeting the standards of the commission, taking into consideration the current and projected density and land use of the area;
- the feasibility of obtaining service from an adjacent retail public utility;
- the financial stability of the applicant to pay for the facilities necessary to provide continuous and adequate service and the financial stability of the applicant including, if applicable, the adequacy of the applicant's debt-equity ratio;
- environmental integrity;
- the probable improvement of service or lowering of cost to consumers in that area resulting from the granting of the certificate or amendment; AND
- the effect on the land to be included in the certificated area.

In addition to these factors,

- the Commission must ensure that the applicant possesses the financial, managerial, and technical capability to provide continuous and adequate service AND
- the applicant must also demonstrate that regionalization or consolidation with another retail public utility is not economically feasible.

If there are <u>no protests</u>, you will be provided a copy of the technical staff recommendation and proposed CCN. If you have any questions or concerns, you should contact the technical staff person assigned to your application immediately. If you disagree with the staff recommendation and/or proposed CCN, the application will be considered contested, and a hearing may be requested.

If the application is <u>contested and a hearing is requested</u>, the application may be referred to the State Office of Administrative Hearings (SOAH). During the preliminary hearing, the presiding Administrative Law Judge (ALJ) may give the parties time to negotiate a settlement. Alternative Dispute Resolution (ADR) is available upon request of all of the parties. If a settlement is reached, the application will be remanded to staff for administrative processing. If a settlement is not reached, a discovery schedule and a date for an evidentiary hearing will be set. The ALJ will take testimony from each party and present a report to the Commission to consider in making a final decision on the application.

The completed original application and three copies should be sent to:

Texas Commission on Environmental Quality
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

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¹ http://www.tceq.texas.gov/utilities/utility_rulesguide.html#ratechange

² <u>utildist@tceq.texas.gov</u>



APPLICATION TO OBTAIN OR AMEND A WATER/SEWER CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)

*CN# 600247712 *RN# 102909124 *If known (See Instructions)

*If known (See Instructions)	
PURPOSE OF THIS APPLICATION	
OBTAIN New Water CCN New Sewer CCN	
✓ AMEND ✓ Water CCN# (s) 11202	
✓ AMEND ✓ Sewer CCN#(s) 20931	
1. APPLICANT INFORMATION	
Utility Name Town of Little Elm	
Utility Address (City/ST/ZIP/Code) 100 W. Eldorado Parkway/Little Elm/Texas /75068	
Utility Phone Number and Fax (214) 975 -0400 Fax (214) 618-8278	
Contact Person: Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney, accountant manager, or other title related to the applicant.	
Name Mr. Jason W. Laumer, P.E.	
Title Director of Development Services Street Address (City/ST/ZID/Code) 100 W. Elderede Berkwey/Little Elm/Teyes/75069	
Street Address (City/ST/ZIP/Code) 100 W. Eldorado Parkway/Little Elm/Texas/ 75068	
Telephone and Fax (214) 975-0473	
E-Mail Address JLaumer@littleelm.org County (ies) in which service is proposed: Please list below:	
Denton	
Denion	

Check the applicant	e appropriate box and provide information regarding the legal status of the :
	Investor owned utility Individual Partnership
	Home or Property Owners Association For-profit corporation
	Non-profit, member-owned, member-controlled cooperative corporation (Water Code Chapter 67, Water Supply or Sewer Service Corporation)
	✓ Municipality District Other Please Explain:
If the app information	licant is a For-Profit business or corporation, please include the following on:
Not Applicable. Applicant is a municipality.	 i. Provide a copy of the corporation's "Certification of Account Status" from the Texas State Comptroller of Public Accounts. ii. Provide the corporation's charter number as recorded with the Office of the Texas Secretary Of State iii. Provide a listing of all stockholders and their respective percentages of ownership. iv. Provide a copy of the company's organizational chart, if available. v. Provide a list of all directors and disclose the tile of each individual.
	vi. Provide a list of all affiliated organizations (if any) and explain the relationship with the applicant.
If the appl	vi. Provide a list of all affiliated organizations (if any) and explain the relationship with the applicant. licant is a Water Code Chapter 67 water supply or sewer service corporation:

2	LOCA ₁		TNEO	DMA ^T	LTUN
4 .	LUCA	ITOIT		RIMA	LIVIA

	Teri	ra Southwest Inc.
ı	B. Have	onstrate the Need for Service by providing the following: you received any requests for service in the requested service area? Yes No If YES, provide the following:
	i.	Describe the service area and circumstances driving the need for service in the requested area. Indicate the name(s) and address(es) of landowner(s), prospective landowner(s), tenant(s), or resident(s) that have requested service; and/or
	ii.	Describe the economic need(s) for service in the requested area (i.e. plat approvals, recent annexation(s) or annexation request(s), building permits, septic tank permits, hospitals, etc.); and/or
	iii.	Discuss in detail the environmental need(s) for service in the requested area (i.e. failing septic tanks in the requested area, fueling wells, etc.); and/or
	iv.	Provide copies of any written applications or requests for service in the requested area; and/or
	٧.	Provide copies of any reports and/or market studies demonstrating existing or anticipated growth in the requested area. If no, please justify the need for service in the proposed area.
	vi.	If none of these items exist or are available, please justify the need for service in the proposed area in writing. See Attachment 1 - Need for Service
Note : F may res	ailure to dult in the	lemonstrate a need for additional service in the proposed service area delay and for possible denial of the application.
С	. Is an distri	y portion of the proposed service area inside an incorporated city or
	Provi	within the corporate limits of: Town of Little Elm de a copy of any franchise, permit, or consent granted by the city or ct. If not available please explain:
No	t Applicabl	le. The applicant is in the Town of Little Elm

A. Are there people already living in the proposed area? ✓ Yes

No

D. Is any portion of the proposed service area inside another utility's CCN area	۱?
√ Yes No	
If YES, has the current CCN holder agreed to decertify the proposed area?	
✓ Yes No	
If NO, are you seeking dual or single certification of the area? Explain why decertification of the area is in the public interest.	

3. MAP REQUIREMENTS:

Attach the following hard copy maps with each copy of the application:

A. A general location map delineating the proposed service area with enough detail to accurately locate the proposed area within the county.

See Attachments 2 & 3 - General Location Map

- B. A map showing only the proposed area by:
 - i. metes and bounds survey certified by a licensed state or register professional land surveyor; or
 - ii. projectable digital data with metadata (proposed areas should be in a single record and clearly labeled). Also, a data disk labeled with the applicant's name must be provided; or
 - iii. following verifiable natural and man-made landmarks; or
 - iv. a copy of recorded plat map with metes and bounds.

See Attachment 4 - Projectable Digital Data

C. A written description of the proposed service area.

See Attachments 5 & 6 - Service Area Written Description

- D. Provide separate and additional maps of the proposed area(s) to show the following:
 - all facilities, illustrating separately facilities for production, transmission, and distribution of the applicant's service(s); and
 - ii. any facilities, customers or area currently being served outside the applicant's certificated area(s).

 See Attachments 7 & 8 Existing Facilities Map

Note: Failure to provide adequate mapping information may result in the delay or possible denial of your application. Digital data submitted in a format other than ESRI ArcGIS may result in the delay or inability to review applicant's mapping information.

NEW SYSTEM INFORMATION OR UTILITIES REQUESTING A 4. **CCN FOR THE FIRST TIME** Not Applicable - City has existing CCN

- Α. Please provide the following information:
 - a list of public drinking water supply system(s) or sewer system(s) within a 2 mile radius of the proposed system;
 - copies of written requests seeking to obtain service from each of the ii. public drinking water systems or sewer systems listed in #4.A.i above or documentation that it is not economically feasible to obtain service from each entity;
 - copies of written responses from each system or evidence that they iii. did not reply; and
 - for sewer utilities, documentation showing that you have obtained or iν. applied for a wastewater discharge permit.
- В. Were your requests for service denied?
 - If yes, please provide documentation of the denial of service and go to 4.C.
 - ii. If no, please provide a detailed analysis which justifies your reasons for not accepting service. A separate analysis must be prepared and submitted for each utility that granted your request for service.

C.	Please summarize how the proposed utility system will be constructed and describe each projected construction phase, if any:
Not A	Applicable
D.	Date of plat approval, if required: Approved by: Not Applicable
E.	Date Plans & Specifications submitted for approval: Log # Not Applicable Attach copy of approval letter if available.
F.	Date construction is scheduled to commence:
G.	Date service is scheduled to commence:

C.

5. EXISTING SYSTEM INFORMATION

A. Please provide the following information for **each** water and/or sewer system, attach

additional sheets if necessary.

i. Water system's TCEQ Public Water System identification number(s):						
0 6 1 0 0 3 5,	,					
;	;;					
; ;	;					
ii. Sewer system's TCEQ Discharge	e Permit number(s)					
W Q 1 1 6 0 0 - 0 0 1;	w Q - -					
w Q - ;	w Q					
w Q - ;	w Q -					

iii Date of last inspection: 10/10/2012

iv Attach a copy of the most recent inspection report letter.

V For each system deficiency listed in the inspection report letter; attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates. See Attachments 9 & 10 - TCEQ Inspection Report

B. Provide the following information about the utility's certified operators

Name	Classes	License Number
Raymond Smith	D	WO0030089
David Boettner	С	WD0009387
Chris Cox	С	WD0011474
Ben Cleveland	D	WO0032280
Hunter Harr	D	WO0032773
David Routt	С	WD0008134
Andrew Figueroa	A&C	WO0029689 & WW0047051
Chris Gonzales	С	WW0050054
Bill Harp	В	WW0028731
William Hirschi	В	WW0006299

- Attach additional sheet(s) if necessary -

C. Using the current number of customers, is any facility component in systems named in #5A above operating at 85% or greater of minimum standard capacity?

Yes ✓ No

Attach an explanation listing the actions to be taken to make system improvements including proposed completion dates (See 291.93(3)(A) of TCEQ Rules).

D. In the table below, the number of existing and/or proposed metered and non-metered connections (by size). The proposed number should reflect the information presented in the business plan or financial documentation and reflect the number of service requests identified in Question 2.b in the application.

Water System			Sew	er Systen	n
Connection	Existing	Proposed	Connection	Existing	Proposed
5/8" or 3/4" meter	6865	1615	Residential	8636	961
1" meter or larger			Commercial		
Non-Metered			Industrial		
Other:			Other:		
Total Water	8963		Total Sewer	8636	

E.	If this application is for a water CCN only, please explain how sewer service is will be provided:	is or
----	--	-------

Not Applicable	_		

F. If this application is for a sewer CCN only, please explain how water service is or will be provided:

Not Applicable

G Effect of Granting a Certificate Amendment.

Explain in detail the effect of granting of a certificate or an amendment, including, but not limited to regionalization, compliance and economic effects on the following:

- i the applicant,
- ii any retail public utility of the same kind already serving the proximate area; and
- iii any landowner(s) in the requested area.

See Attachment 11 - Effect of Granting a Certificate Amendment

Н.	Do you currently purchase or plan to purch from another source?	ase water or sewer treatment capacity
	i No, (skip the rest of this que	estion and go to #6)
	ii ✓ Yes, Water	
	Purchased on a 📝 Regular 🗌 Season	al Emergency basis?
	Source	% of Total Treatment
	North Texas Municipal Water District	100
	iii Sewer treatment capacity,	
	iv Yes	
	Purchased on a Regular Seasona	I Emergency basis?
	Source	% of Total Treatment
	Davidson in the latest	
	vi Provide a signed and dated co treatment capacity purchase a See Attachment 12 - Contract with No	
I. J.	Ability to Provide Adequate Service. Describe the ability of the applicant t	to provide adequate service, including ssion, taking both of the following items sity, and area.
J.	Explain the effect on the land to be included	d in the certificated area.

6. FINANCIAL INFORMATION

A. For new systems and for applicants with existing CCNs who are constructing a new stand alone system:

Not Applicable. Applicant has as existing CCN.

- the applicant must provide an analysis of all necessary costs for constructing, operating, and maintaining the system, and the source of that capital (such as a financial statement for the developing entity) for which the CCN is requested for at least the first five years. In addition, if service has been offered by an existing water service provider as stated in #4.A., but the applicant has determined that the cost of service as finally offered renders the project not economically feasible, the applicant must provide a comparison analysis of all necessary costs for acquiring and continuing to receive service from the existing system for the same period.
- ii. Attach projected profit and loss statements, cash flow worksheets, and balance sheets (projected five year financial plan worksheet is attached) for each of the first five years of operation. Income from rates should correlate to the projected growth in connections, shown on the projected profit and loss statement.
- iii. Attach a proposed rate schedule or tariff. Describe the procedure for determining the rates and fees and indicate the date of last change, if applicable. Attach copies of any cost of service studies or rate analysis worksheets.
- B. For existing systems:
 - Attach a profit and loss statement and current balance sheet for existing businesses (end of last fiscal year is acceptable). Describe sources and terms for borrowed capital such as loans, bonds, or notes (profit and loss and balance sheet worksheets are attached, if needed).
 - ii. Attach a proposed rate schedule or tariff.
 - **★**NOTE: An existing system may be required to provide the information in 6.A.i. above during the technical review phase if necessary for staff to completely evaluate the application.
- C. Identify any funds you are required to accumulate and restrict by lenders or capital providers.
- D. In lieu of the information in #6.A. thru #6.C., you may provide information concerning loan approvals within the last three (3) years from lending institutions or agencies including the most recent financial audit of the applicant.

See Attachment 14 - 2012 Annual Financial Report

Note: Failure to provide adequate financial information may result in the delay or possible denial of your application.

7. NOTICE REQUIREMENTS

- A. All proposed notice forms must be completed and submitted with the application. However, do not mail or publish them until you receive written approval from the Commission to do so.
- B. The Commission cannot grant a CCN until proper notice of the application has been given. Commission rules do not allow a waiver of these notice requirements for CCN applicants.

- C. <u>It is the applicant's responsibility to ensure that proper notice is given to all entities that are required to receive notice.</u>
- D. Recommended notice forms for publication, neighboring cities and systems, landowners with 25 acres or more, and customers are included with this application to use in preparing your proposed notices. (These notice forms are also available in Spanish upon request.)
- E. After reviewing and, if necessary, modifying the proposed notice, the Commission will send the notice to the applicant after the application is accepted for filing along with instructions for publication and/or mailing. Please review the notice carefully and note any additional neighboring utilities which may be included in the acceptance letter.
- F. Notice For Publication:

The applicant shall publish the notice in a newspaper having general circulation in the county or counties where a CCN is being requested, once each week for two consecutive weeks beginning with the week after the notice is received from the Commission. Proof of publication in the form of a publisher's affidavit shall be submitted to the Commission within 30 days of the last publication date. The affidavit shall state with specificity each county in which the newspaper is of general circulation.

- G. Notice To Neighboring Utilities:
 - i. List all neighboring retail public utilities and cities providing the same utility service within the following vicinities of the applicant's proposed certificate area.
 - ii. For applications for the issuance of a **NEW** CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within **five (5) miles** of the requested service area.
 - iii. For applications for the **AMENDMENT** of a CCN, the applicant must mail the notice with a copy of the proposed CCN map to all cities and neighboring retail public utilities providing the same utility service within **two (2) miles** of the requested service area.
- H. Notice to Customers

Investor Owned Utilities (IOUs) that are currently providing service without a CCN must provide individual mailed notice to all current customers. The notice must contain the current rates, the date those rates were instituted and any other information required in the application. The notice must also list all zip codes affected by the application.

I. The Commission may require the applicant to deliver notice to other affected persons or agencies.

Do not publish or send copies of the proposed notices to anyone at the time you submit the application to the Commission. Wait until you receive written authorization to do so. This will occur after the Commission has reviewed the notices for completeness, and your application has been accepted for filing. Once the application is accepted for filing, you will receive written authorization to provide notice. Please check the notices for accuracy before providing them to the public. It is the applicant's burden to ensure that correct and accurate notice is provided.

OATH

STATE OF COUNTY OF	Texas Denton	
file this applic that is, owner representative and verify suc filed with this application; ar correct. I furt	e of Applicant); that, in such application, am personal application, and have corond, that all such statemer ther state that the applica	,being duly sworn, we of Applicant (indicate relationship to Applicant, title as officer of corporation, or other authorized ch capacity, I am qualified and authorized to file lly familiar with the maps and financial information aplied with all the requirements contained in this ts made and matters set forth therein are true and cion is made in good faith and that this application refore the Texas Commission on Environmental
I further repre from its origin	esent that the application al form available only froi	form has not been changed, altered or amended n the Commission.
I further represervice to all service area.	customers and qualific	nt will provide continuous and adequate ed applicants for service within its certificated
		Mon
		' AFFIANT (Utility's Authorized Representative)
If the Affiant to Applicant, or it	o this form is any person s attorney, a properly ve	other than the sole owner, partner, officer of the ified Power of Attorney must be enclosed.
SUBSCRIBED A	AND SWORN TO BEFORE	AE, a Notary Public in and for the State of Texas,
SEAL		NOTARY PUBLIC IN AND FOR THE STATE OF TEXAS
M	LAURA LYNN AVIS Y COMMISSION EXPIRES Octobe: 18, 2014	PRINT OR TYPE NAME OF NOTARY
	MY C	OMMISSION EXPIRES 10 /18/2014

Notice for Publication

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN) TO PROVIDE WATER/SEWER UTILITY SERVICE IN
Denton COUNTY(IES), TEXAS
Name of Applicant $\frac{\text{Town of Little Elm}}{\text{CCN to obtain or amend CCN No. (s)}}$ has filed an application for a CCN to obtain or amend CCN No. (s) 11202, 11608, 11856, 20931, 20930 and to decertify a portion(s) of $\frac{\text{water and wastewater}}{\text{(Name of Decertificated Utility)}}$
Texas Commission on Environmental Quality to provide 3) water & sewer (specify 1) water or 2) sewer or 3) water & sewer)
utility service in Denton County(ies).
The proposed utility service area is located approximately [direction] of downtown Little Elm [City or Town] Texas, and is generally bounded on the north by son the south by [SM 423]; on the south by [Lakecrest Dr /King Rd.]; and on the west by FM 720
See enclosed map of the proposed service area. The total area being requested includes approximately acres and
The proposed amendment affects customers and/or areas located in the following zip code(s):
(List All Affected Zip Codes) A copy of the proposed service area map is available at (Utility Address and Phone Number): 100 W Eldorado Parkway, Little Elm, Texas, 75068 (214) 975-0400
A request for a public hearing must be in writing. You must state (1) your name, mailing

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-512-239-0200.

Notice to Neighboring Systems, Landowners and Cities

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSIT PROVIDE WATER/SEWER UTILITY SERVICE IN	Y (CCN) TO
	ES), TEXAS
To: Date Notice Mailed (Neighboring System, Landowner or City)	20
(Address)	
City State Zip	
Name of Applicant Town of Little Elm has filed an application CCN to obtain or amend CCN No. (s) 11202, 11608, 11856, 20931, 20930 and decertify a portion(s) of water and wastewater (Name of Decertificated Utility)	on for a I to with the
Texas Commission on Environmental Quality to provide 3) water & sewer	
utility service in Denton (specify 1) water or 2) sewer or	3) water & sewer) County(ies).
The proposed utility service area is located approximately [direction] of downtown Little Elm [City or Town] Text generally bounded on the north by FM 423 ; on the south by Lakecrest Dr /King Rd ; and on the west by FM 720	xas, and is east by
See enclosed map of the proposed service area.	
The total area being requested includes approximately acres and current customers.	
The proposed amendment affects customers and/or areas located in the following code(s): 75068	ng zip
(List All Affected Zip Codes)	

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

If you are a landowner with a tract of land at least 25 acres or more, that is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

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A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-512-239-0200.

Notice to Customers of IOUs in Proposed Area

	WER UTILITY SERVI	ATE OF CONVENIENCE AND NEO CE IN	LESSITY (CCN) TO
		co	UNTY(IES), TEXAS
Dear Customer:		Date Notice Mailed	20
Name of Applicant CCN to obtain or am decertify a portion(s	end CCN No. (s)	has filed an a	pplication for a and to with the
Texas Commission o utility service in		(specify 1) water or 2)	sewer or 3) water & sewer) County(ies).
The proposed utility [direction] of downto	service area is locate	ed approximately mil 	es vn] Texas.
		is available at (Utility Address	and Phone
The proposed amend code(s):	lment affects custom	ers and/or areas located in the	following zip
	(List All A	ffected Zip Codes)	
The current utility ra	tes which were first e	effective on	20
/ Flat Rate of \$	Per connection		
Base Rate Including per	gallons	Regulatory Assessment Tap Fee (Average Actual Cost)	\$
tion for:	···	Reconnecting fee:	\$
	eter <u>\$</u>	- Non Payment (\$25.00 ma	
	eter <u>\$</u>	- Transfer	\$
1 1/2" m		- Customer's request	\$
-\$	eter <u>\$</u>	Late fee	\$5.00 or 10%
Ψ		Returned Check charge Customer Deposit (\$50.00 ma	x) \$
age charge of \$	Per 1,000	Meter test fee	^/ <u> </u> P
above minimum (same for		(Actual Cost not Exceed \$25.	00) \$
-	,	Other Fees	\$

Your utility service rates and fees cannot be changed by this application. If you are currently paying rates, those rates must remain in effect unchanged. Rates may only be increased if the utility files and gives notice of a separate rate change application.

A request for a public hearing must be in writing. You must state (1) your name, mailing address, and daytime telephone number; (2) the applicant's name, application number or another recognizable reference to this application; (3) the statement, "I/we request a public hearing"; (4) a brief description of how you or the persons you represent, would be adversely affected by the granting of the application for a CCN; and (5) your proposed adjustment to the application or CCN which would satisfy your concerns and cause you to withdraw your request for a hearing.

Persons who wish to intervene or comment should write the:

Texas Commission on Environmental Quality
Water Supply Division
Utilities and Districts Section, MC-153
P. O. Box 13087
Austin, TX 78711-3087

within thirty (30) days from the date of this publication or notice. A public hearing will be held only if a legally sufficient hearing request is received or if the Commission on its own motion requests a hearing. Only those individuals who submit a written hearing request or a written request to be notified if a hearing is set will receive notice if a hearing is scheduled.

If a public hearing is requested, the Executive Director will not issue the CCN and will forward the application to the State Office of Administrative Hearings (SOAH) for a hearing. If no settlement is reached and an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If an evidentiary hearing is held, it will be a legal proceeding similar to a civil trial in state district court.

IF A HEARING IS HELD, it is important that you or your representative attend to present your concerns. Your request serves only to cause a hearing to be held and is not used during the hearing.

If you are a landowner with a tract of land at least 25 acres or more, and is partially or wholly located within the proposed area, you may request to be excluded from the proposed area (or "opt out") by providing written notice to the Commission within (30) days from the date that notice was provided by the applicant. All requests to opt out of the requested service area must include a scaled, general location map and a metes and bounds description of the tract of land.

Persons who meet the requirements to opt out, and wish to request this option should file the required documents with the:

Texas Commission on Environmental Quality
Water Supply Division
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P. O. Box 13087
Austin, TX 78711-3087

A copy of the request to opt out of the proposed area must also be sent to the applicant. Staff may request additional information regarding your request.

Si desea informacion en Espanol, puede llamar al 1-512-239-0200.

HISTORICAL BALANCE SHEETS

	CUDDENT					
	CURRENT	A-1	A-2	A-3	A-4	A-5
CURRENT ASSETS	YEAR (A)	YEAR	YEAR	YEAR	YEAR	YEAR
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System						
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or						
Reserves						
Total						
TOTAL ASSETS						
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current		· · · · · · · · · · · · · · · · · · ·				
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						
Other			ļ			
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						
Retained Equity						
Other			 			
Current Period Profit or Loss						
TOTAL LIABILITIES AND FOULTY			-			
TOTAL LIABILITIES AND EQUITY WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO EQUITY TO TOTAL ASSETS						
LQUITT TO TOTAL ASSETS						

HISTORICAL INCOME STATEMENT

	CURRENT YEAR (A)	A-1 YEAR	A-2 YEAR	A-3 YEAR	A-4	A-5
METER NUMBER	ILAN (A)	ILAK	TEAR	TEAK	YEAR	YEAR
Existing Number of Taps						
New Taps per Year						-
Total Meters at Year End						
METER REVENUE				Į.		
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES		-				
General & Administrative						
Interest						
Other						
NET INCOME						

HISTORICAL EXPENSES STATEMENT

	CURRENT	A-1	A-2	A-3	A-4	A-5
	YEAR (A)	YEAR	YEAR	YEAR	YEAR	YEAR
GENERAL/ADMINISTRATIVE		7 = 7 (1)	12/11	16/11	i LAN	ILAN
EXPENSES						
Salaries						
Office Expense						
Computer Expense						
Auto Expense		-				
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year						
OPERATIONAL EXPENSES						
Salaries					<u> </u>	
Auto Expense						
Utilities Expense						
Depreciation Expense			11			
Repair & Maintenance						
Supplies						-
Other						
Total						
% Increase Per Year					-	
ASSUMPTIONS						
Interest Rate/Terms						_
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED BALANCE SHEETS

	START UP	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
CURRENT ASSETS				12/11(3	12/11	TLAIR 3
Cash						
Accounts Receivable						
Inventories						
Income Tax Receivable						
Other						
Total						
FIXED ASSETS						
Land						
Collection/Distribution System				-		
Buildings						
Equipment						
Other						
Less: Accum. Depreciation or		-				
Reserves						
Total						
TOTAL ASSETS						<u> </u>
CURRENT LIABILITIES						
Accounts Payable						
Notes Payable, Current						
Accrued Expenses						
Other						
Total						
LONGTERM LIABILITIES						
Notes Payable, Long-term						,
Other						
TOTAL LIABILITIES						
OWNER'S EQUITY						
Paid in Capital						**
Retained Equity						
Other						
Current Period Profit or Loss						
TOTAL OWNER'S EQUITY						
TOTAL LIABILITIES AND EQUITY						
WORKING CAPITAL						
CURRENT RATIO						
DEBT TO EQUITY RATIO						
EQUITY TO TOTAL ASSETS	-					

PROJECTED INCOME STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
METER NUMBER						
Existing Number of Taps						
New Taps per Year						
Total Meters at Year End						
METER REVENUE						
Fees Per Meter						
Cost Per Meter						
Operating Revenue Per Meter						
GROSS WATER REVENUE						
Fees						
Other						
Gross Income						
OPERATING EXPENSES						
General & Administrative						
Interest						
Other						
NET INCOME						

PROJECTED EXPENSES STATEMENT

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
GENERAL/ADMINISTRATIVE EXPENSES			3			
Salaries						
Office Expense						
Computer Expense	-					
Auto Expense						
Insurance Expense						
Telephone Expense						
Utilities Expense						
Depreciation Expense						•
Property Taxes						
Professional Fees						
Other						
Total						
% Increase Per Year	- ·					
OPERATIONAL EXPENSES						
Salaries						
Auto Expense				-		
Utilities Expense						
Depreciation Expense						
Repair & Maintenance						
Supplies						
Other	··· •					
Total						
% Increase Per Year						
ASSUMPTIONS						
Interest Rate/Terms						
Utility Cost/gal.						
Depreciation Schedule						
Other						

PROJECTED SOURCES AND USES OF CASH STATEMENTS

	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	TOTALS
SOURCES OF CASH						
Net Income						
Depreciation (if Funded)						
Loan Proceeds						
Other						
Total Sources						
USES OF CASH						
Net Loss						
Principle Portion of Pmts.						
Fixed Asset Purchase						
Reserve						
Other					···	
TOTAL USES						
NET CASH FLOW						
DEBT SERVICE COVERAGE						
Cash Available for Debt						
Service (CADS)						
Net Income (Loss)						
Depreciation , or Reserve						· · · · · · · · · · · · · · · · · · ·
Interest						
TOTAL						
REQUIRED DEBT SERVICE (RDS)						
Principle Plus Interest						
DEBT SERVICE COVERAGE RATIO						
CADS Divided by RDS						

List of Attachments

- Attachment 1 Need for Service
- Attachment 2 General Location Map Water
- Attachment 3 General Location Map Sewer
- Attachment 4 Projectable Digital Data
- Attachment 5 Service Area Written Description Water
- Attachment 6 Service Area Written Description Sewer
- Attachment 7 Existing Facilities Map Water
- Attachment 8 Existing Facilities Map Sewer
- Attachment 9 TCEQ Inspection Report Water
- Attachment 10 TCEQ Inspection Report Sewer
- Attachment 11 Effect of Granting a Certificate Amendment
- Attachment 12 Contract with North Texas Municipal Water District
- Attachment 13 Ability to Provide Adequate Service
- Attachment 14 2012 Annual Financial Report

Attachment 1 Need for Service

(ref. pg. 10 of 31, item 2.B)

Attachment 1: Need for Service

Water

Second Tract and Fourth through Sixth Tract:

These areas are submitted to fill in the gaps within the existing city limits.

First Tract, Third Tract and Seventh Tract:

These areas are submitted to fill in the gaps within the existing ETJ and would include the Hilltown subdivision area and the Valencia on the Lake area.

Sewer

First Tract:

This area is submitted to include the Hilltown subdivision area that is currently on septic systems.

Second Tract:

This area is submitted as it overlaps the existing Little Elm Water CCN in this area. The City is currently providing water to this area. The area is on septic systems.

Third Tract:

This area is submitted to fill in the gap within the existing ETJ.

Fourth Tract:

This area is submitted to fill in the gap within the existing city limits.

Fifth Tract:

This area is submitted to include the Valencia on the Lake area.

- i. The majority of the areas requested for admission in the existing Town of Little Elm Sewer and Water CCN are submitted in an effort to fill the existing Town of Little Elm City Limits and the existing Town of Little Elm ETJ.
- ii. Economic needs
- iii. The Hilltown subdivision located in the requested first tract Sewer CCN service area is currently on septic systems. The subdivision is located in proximity to the Little Elm Reservoir. The inclusion of this area into the Little Elm CCN would centralize sanitary sewer treatment and minimize the environmental impact of septic systems.
- iv. Written applications
- v. Attachment 14, the Little Elm Financial Report for 2012, illustrates the growth in development along the FM 423 corridor which is included in the sixth tract for the proposed Water CCN expansion. The development includes retail/commercial and multi-family residences.

Attachment 2 General Location Map - Water

(ref. pg. 11 of 31, item 3.A)

NON – SCANABLE PAGE ONE MAP IN FILE

FOR ANY QUESTIONS

PLEASE CALL CENTRAL RECORDS

MAIN LINE (512) 936-7180

Attachment 3 General Location Map - Sewer

(ref. pg. 11 of 31, item 3.A)

NON – SCANABLE PAGE ONE MAP IN FILE

FOR ANY QUESTIONS

PLEASE CALL CENTRAL RECORDS

MAIN LINE (512) 936-7180

Attachment 4 Projectable Digital Data

(ref. pg. 11 of 31, item 3.B)

NON – SCANABLE PAGE ONE CD IN FILE

FOR ANY QUESTIONS

PLEASE CALL CENTRAL RECORDS

MAIN LINE (512) 936-7180

Attachment 5 Service Area Written Description - Water

(ref. pg. 11 of 31, item 3.C)

Attachment 5 Little Elm Water CCN No. 11202 Written Description of Areas to be Added

Water

This attachment is a written description of seven (7) separate tracts of land proposed to be added to the Town of Little Elm's water CCN No. 11202. The purpose of this CCN amendment application is to fill in the holes to the Town's certified area and expand the certificated area to the north and east.

FIRST TRACT:

Beginning at the intersection of West Eldorado Parkway (FM 720) and Greenwood Drive at the boundary of the existing Little Elm Water CCN and the Terra Southwest Inc. Water CCN;

Thence north, along Greenwood Drive and along the existing Little Elm and Terra Southwest Water CCN boundaries, approximately 865 feet;

Thence west, leaving the Little Elm Water CCN boundary, and along Oakland Street approximately 840 feet to the intersection of the Little Elm City Limits;

Thence north along the property line and Little Elm City Limits approximately 1,778 feet;

Thence west along the property line and Little Elm City Limits approximately 2,269 feet;

Thence north along Post Oak Lane following the Little Elm City Limits and Little Elm ETJ approximately 944 feet to the Pine Bluff Trail intersection;

Thence west along the property line, Little Elm City Limits, and Little Elm ETJ approximately 136 feet to the FM 720 intersection and to the existing Mustang SUC Water CCN boundary;

Thence south, along FM 720 and the Mustang SUC Water CCN boundary, Little Elm City Limits, and Little Elm ETJ approximately 788 feet to the Terra Southwest Inc Water CCN boundary;

Thence west along the boundary line of Terra Southwest Inc Water CCN, the Mustang SUC Water CCN, Little Elm City Limits, and the Little Elm ETJ approximately 61 feet;

Thence south, leaving the existing Mustang Water CCN, and along FM 720, Little Elm City Limits, and the Little Elm ETJ approximately 1,512 feet to the Hill Lane intersection and the existing Little Elm Water CCN boundary;

Thence southeast, leaving the Little Elm City Limits and Little Elm ETJ boundaries, and along FM 720 and along the boundary line of the Little Elm Water CCN and the Terra Southwest Inc

Water CCN approximately 3,517 feet to the Greenwood Drive intersection, same being the point of beginning and containing approximately 123 acres.

SECOND TRACT:

Beginning approximately 179 feet west of the Kayewood Drive and Old State Highway 24 intersection at the boundary of the existing Little Elm Water CCN;

Thence north along the Little Elm Water CCN boundary and property line approximately 1,290 feet to the intersection with the existing Terra Southwest Inc Water CCN boundary;

Thence southeast along the Terra Southwest Inc Water CCN boundary approximately 306 feet;

Thence south, leaving the Terra Southwest Inc Water CCN boundary, and along the property line approximately 1,189 feet to the Old State Highway 24 intersection;

Thence east along Old State Highway 24 approximately 246 feet;

Thence northeast along the property line approximately 306 feet;

Thence east along the property line approximately 305 feet;

Thence southeast along the property line approximately 389 feet to the Old State Highway 24 intersection and the existing Little Elm Water CCN boundary;

Thence west along the Little Elm Water CCN boundary and Old State Highway 24 approximately 1,078 feet, same being the point of beginning and containing approximately 14 acres.

THIRD TRACT:

The area is comprised of the portion of the existing Mustang SUD Water CCN located north of the existing Little Elm Water CCN and south of the existing Valencia on the Lake WCID Water CCN and extending east into the Denton County FWSD 8C Water CCN.

The area also consists of an additional portion, beginning at the southwest intersection of the Mustang SUD Water CCN and the Valencia on the Lake WCID Water CCN boundaries;

Thence west, leaving the Mustang SUD Water CCN, and along the Valencia on the Lake WCID Water CCN boundary approximately 391 feet to the intersection with Mustang SUD Water CCN;

Thence northeast, following the boundary between the existing Mustang SUD Water CCN and the Valencia on the Lake WCID Water CCN to the Denton County FWSD 8C Water CCN;

Thence northeast, leaving the Valencia on the Lake WCID Water CCN, and along the boundary between the existing Mustang SUD Water CCN and the Denton County FWSD 8C Water CCN to the City of Frisco Water CCN;

Thence northeast, leaving the Denton County FWSD 8C Water CCN boundary, and along the boundary between the existing Mustang SUD Water CCN and the City of Frisco Water CCN to the US Highway 380 intersection and the City of Prosper Water CCN boundary;

Thence west, leaving the City of Frisco Water CCN, and along the City of Prosper Water CCN boundary and the Mustang SUD Water CCN boundary and along US Highway 380 approximately 888 feet to the Doe Branch intersection;

Thence southwest, leaving the City of Prosper Water CCN boundary, and along the Doe Branch centerline to the Little Elm Creek shoreline and the boundary of the Mustang SUD Water CCN boundary;

Thence south along the Little Elm Creek shoreline and the Mustang SUD Water CCN boundary to the southern Mustang SUD Water CCN boundary;

Thence east along the Mustang SUD Water CCN boundary approximately 655 feet;

Thence south along the property line approximately 267 feet;

Thence northeast along the property line approximately 562 feet to the intersection with the Valencia on the Lake WCID Water CCN boundary, same being the point of beginning and containing approximately 616 acres.

FOURTH TRACT:

Beginning approximately 178 feet west of the Teal Cove Lane and Walker Lane intersection at the boundary of the existing Little Elm Water CCN;

Thence north along the Little Elm Water CCN boundary approximately 2,398 feet;

Thence west along the Little Elm Water CCN boundary approximately 2,403 feet to the Little Elm Creek shoreline;

Thence southwest, leaving the Little Elm Water CCN, and along the Little Elm Creek shoreline to the intersection with the existing Little Elm Water CCN boundary;

Thence east along the Little Elm Water CCN boundary approximately 3,573 feet;

Thence south along the Little Elm Water CCN boundary approximately 828 feet to the Walker Lane intersection;

Thence west along the Little Elm Water CCN boundary and Walker Lane approximately 1,820 feet;

Thence south along the Little Elm Water CCN boundary approximately 3,829 feet to the Eldorado Parkway intersection;

Thence east along the Little Elm Water CCN boundary and Eldorado Parkway approximately 1,937 feet;

Thence north along the Little Elm Water CCN boundary approximately 3,852 feet to the Walker Lane intersection;

Thence east along the Little Elm Water CCN boundary and Walker Lane approximately 758 feet, same being the point of beginning and containing approximately 304 acres.

FIFTH TRACT:

Beginning at approximately 165 linear feet west of the Archway Drive and King Road intersection along King Road, and at the intersection of the existing Water CCN's for Little Elm, the City of Frisco, and the Town of Hackberry, and along the edge of the Town of Little Elm City Limits and Little Elm ETJ.

Thence north, leaving the Water CCN for the City of Frisco, and along the Water CCN boundary for Little Elm and Hackberry approximately 1,371 feet;

Thence northwest along Cottonwood Branch Creek, and along the Water CCN boundary for Little Elm and Hackberry approximately 3,307 feet;

Thence south, leaving the Little Elm water CCN boundary, along an existing property line and the Little Elm City Limits for approximately 2,010 feet to the Little Elm ETJ and to the intersection with King Road and the intersection with the City of Frisco Water CCN.

Thence east, along King Road, along the Little Elm City Limits and ETJ, and along the boundary between the Water CCN of the Town of Hackberry and the City of Frisco approximately 3,081 feet, same being the point of beginning and containing approximately 128 acres.

SIXTH TRACT:

Beginning at the intersection of Eldorado Parkway and FM 423 at the intersection of the existing Water CCN for Little Elm and the City of Frisco and the boundary for the Little Elm City Limits and Little Elm ETJ;

Thence east, leaving the existing Little Elm Water CCN, and along Eldorado Parkway, the boundary of the Frisco Water CCN, Little Elm City Limits, and Little Elm ETJ approximately 1,331 feet;

Thence south along the boundary of the Frisco Water CCN approximately 5,432 feet;

Thence west along the boundary of the Frisco Water CCN, Little Elm City Limits, and Little Elm ETJ approximately 1,003 feet;

Thence south along the boundary of the Frisco Water CCN, Planters Row Drive, Little Elm City Limits, and Little Elm ETJ approximately 1,771 feet to the Gladewater Trail intersection;

Thence west along the boundary of the Frisco Water CCN, Little Elm City Limits, and Little Elm ETJ approximately 1,347 feet to the FM 423 intersection and the boundary of the Little Elm Water CCN;

Thence north, leaving the Frisco Water CCN, and along the existing Little Elm Water CCN and FM 423 approximately 2,195 feet to the Cottonwood Branch Creek intersection;

Thence northeast along the Little Elm Water CCN and the Cottonwood Branch Creek flowline approximately 385 feet;

Thence north along the Little Elm Water CCN approximately 1,100 feet;

Thence northeast along the Little Elm Water CCN approximately 1,277 feet to the Chesterwood and Crestridge Drive intersections;

Thence northwest along the Little Elm Water CCN approximately 427 feet to the FM 423 intersection;

Thence north along the Little Elm Water CCN and FM 423 approximately 2,477 feet to the Eldorado Parkway intersection, same being the point of beginning and containing approximately 259 acres.

SEVENTH TRACT:

The area is comprised of the portion of the existing Valencia on the Lake WCID Water CCN (No. 13138).

Beginning at the southwest intersection of the Mustang SUD Water CCN and the Valencia on the Lake WCID Water CCN boundaries;

Thence west, leaving the Mustang SUD Water CCN, and along the Valencia on the Lake WCID Water CCN boundary approximately 391 feet to the intersection with Mustang SUD Water CCN, also being in the east line of the Doe Branch of Lake Lewisville;

Thence northeast, following the east line of the Doe Branch also being the boundary between the existing Mustang SUD Water CCN and the Valencia on the Lake WCID Water CCN a distance of 14,922 feet;

Thence south, leaving the east line of the Doe Branch and the existing Mustang SUD Water CCN a distance of 3,905 feet to the Mustang SUD Water CCN and also being the Valencia on the Lake WCID CCN boundary;

Thence southwest, along the Mustang SUD Water CCN boundary approximately 10,768 feet to the intersection with the Valencia on the Lake WCID Water CCN boundary, same being the point of beginning and containing approximately 447 acres.