

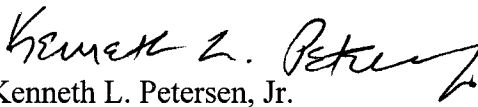
Mr. Douglas E. Holcomb, P.E.

October 14, 1996

Page 2

As always, I appreciate your professional courtesies in this matter. Please do not hesitate to give me a call should you have any questions or requests concerning these matters.

Sincerely,


Kenneth L. Petersen, Jr.

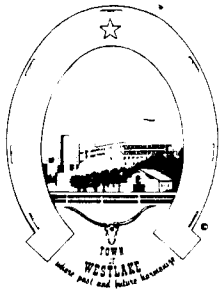
KLP/gra/DS1-AUS-71447-1

18751.1

Enclosure

cc: Mr. Paul Phy
General Counsel, Lake Turner MUDs Nos. 2 and 3

Mr. Darcy Anderson
Alliance Development Co.



TOWN OF WESTLAKE

3 Village Circle
Suite 207 Solana
Roanoke, Texas 76262
Metro (817) 430-8616

October 1, 1996

31351-C
DH
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LAND AND WATER RESOURCES
CONSERVATION COMMISSION
UTILITY DISTRICT NO. 2

Board of Directors
Lake Turner Municipal Utility District No. 2
8300 Douglas Avenue, Suite 800
Dallas, Texas 75225-5826

Re: Offer by the Town of Westlake's (the **Town**) to Abolish the Lake Turner Municipal Utility District No. 2 (the **District**), Vesting all of the District's Assets and Obligations in the Town as provided under Section 43.074 of the Local Government Code

Ladies and Gentlemen:

This replies to your letter dated September 24, 1996, concerning the referenced offer.

The simplest way for you to test whether or not the Town's offer is "serious and legitimate" is to accept it.

The Board of Aldermen has acted in its official capacity on many occasions in an attempt to abolish the District and to acquire its assets and liabilities. Nevertheless, to satisfy your objection, the Board of Aldermen will consider ratification of the outstanding offer at its regular monthly meeting on Monday, October 14, 1996, at 7:00 p.m. at the Town Hall located at 3 Village Circle, Suite 207, Solana, Westlake, Texas. You are invited to attend the meeting so that you may ask any questions you desire to test the Town's ability to perform under its offer. The Town's financial counsel, water and sewer engineer, accountants, land planner, and attorneys also will be available to respond to any questions you may have.

So that we may be sure that we are aware of all of the District's obligations, kindly furnish us a comprehensive list of all these obligations and the material terms thereof. It would be helpful if you could furnish this information prior to Monday, October 7, so that we may distribute the information to the Aldermen in advance of the October 14 meeting.

As you know, the Town of Westlake operates conservatively, and has no desire to build an internal bureaucracy. Therefore, the Town intends to take bids from private contractors and the utility departments of neighboring cities for the operation and maintenance of all utility infrastructure the Town acquires or constructs. By purchasing services of consultants on a "as needed basis," the Town has been able to secure the services of the very best professionals -- whether it be traffic engineers, water and sewer engineers, city planners or landscape architects. Westlake, we think, is unique among cities in its approach to securing the best talent for the least money for its citizens. This, we think, is more efficient than maintaining a full-time staff for these purposes. Please let us know if you disagree with this philosophy.

The Town's prudence in managing its affairs is evidenced by the fact that the Town has been able to operate since its 1956 incorporation without a bureaucracy, without incurring any debt, and without the need for *ad valorem* taxes. If you have suggestions as to how we can run the Town more efficiently, please share your thoughts with us.

The Town's finance plan is very simple. The Town will invest its available funds and, if necessary, the Town's future sales tax and franchise revenues, to acquire or construct facilities. The Town will recoup most, if not all, of this investment through imposition of impact fees on development as development occurs. If needed, the Town is prepared to collect *ad valorem* taxes on all properties within the Town. In addition, the Town can float debt if required. However, our consultants advise that neither *ad valorem* taxes nor bonded indebtedness will be required so long as the Town implements an impact fee program and does not give away any public revenues to developers.

We have the impression that the District has no sales tax or franchise revenues, and has very little *ad valorem* valuation. We would very much like to see your plan for financing, operating and maintaining water and sewer facilities within the portion of the Town covered by the District. While the Board of Aldermen feels that its plan described above offers the soundest method yet advanced for apportioning and paying for infrastructure costs, the Board nevertheless is receptive to any other plan(s) that can be shown to better serve the interests of Town residents.

Respectfully yours,



Scott Bradley
Mayor

SB:dr

Lake Turner Municipal Utility District No. 2
October 1, 1996
Page 3

cc: Ms. Donna Parker, President
Lake Turner Municipal Utility District No. 2
c/o Paul W. Phy, General Counsel
8300 Douglas Avenue, Suite 800
Dallas, Texas 75225-5826

Ms. Donna Parker
Vice President of Administration
Fort Worth Chamber of Commerce
777 Taylor Street
Fort Worth, Texas 76102
(President, Lake Turner Municipal Utility District No. 2)

Martin Rochelle, Esq.
Lloyd, Gosselink, Fowler, Blevins & Mathews, P.C.
111 Congress Avenue, Suite 1800
Austin, Texas 78701

Kenneth L. Petersen, Jr., Esq.
Small, Craig & Werkinthin
Suite 1100, 100 Congress Avenue
Austin, Texas 78701-4099

Mr. Carroll Huntress
P. O. Box 593
Roanoke, Texas 76262

Mr. Howard Dudley
1650 West Dove Road
Westlake, Texas 76262

Mr. Al Oien
1440 West Dove Road
Westlake, Texas 76262

Lake Turner Municipal Utility District No. 2
October 1, 1996
Page 4

Mr. Jerry Moore
P. O. Box 674
Westlake, Texas 76262

Mr. Fred Held
4105 Aspen Lane
Westlake, Texas 76262

Mr. Douglas Holcomb, P.E.
Utility Rates and Services Section
Water Utilities Division
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, Texas 78711-3087

Mr. Steve Blackhurst, P.E.
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, Texas 78711-3087

Ms. Irene Montelongo
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, Texas 78711-3087

LAKE TURNER MUNICIPAL UTILITY DISTRICT NO. 2

8300 DOUGLAS AVE., SUITE 800
DALLAS, TEXAS 75225
(214) 691-9448

September 24, 1996

Mayor Scott Bradley
Town of Westlake
3 Village Circle
Suite 207 Dolana
Roanoke, TX 76262

Dear Mayor Bradley:

The Board of Directors discussed your very briefly described "offer" for the Town of Westlake to acquire the District's assets and obligations and authorized the following reply:

It is very difficult to conclude this was a serious and legitimate offer for a number of reasons, including:

1. To the District's knowledge, the Town Council has not officially authorized such offer as is legally required.
2. The Town has submitted no evidence of its financial means to assume the District's current obligations much less the far greater financial capacity that will be necessary to provide additional required infrastructure. Furthermore, to the District's knowledge, the Town has not been authorized by its qualified voters to issue bonds, incur indebtedness or pay obligations under multi-year contracts.
3. To the District's knowledge, the Town is operating without a budget or other basic management and financial practices that are prudent for a town with revenues from taxes. Furthermore, the Town does not have the experience or qualified personnel to provide the services or operate and maintain the facilities which are needed in the District.

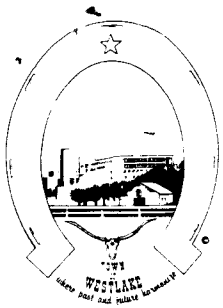
The District has taken and continues to actively pursue the steps needed to provide required facilities without the necessity of action by the Town, and the District will continue to do so until such time as the Town can clearly demonstrate its ability to fulfill the District's responsibilities. The District is willing for its representatives to meet with Town representatives to discuss this matter or any other of mutual interest. However, the Board has asked that such discussions be arranged only when the Town has a detailed plan for financing and carrying out the needed activities, and will proceed in good faith to do so.

Yours very truly,



Paul W. Phy
District Counsel

PWP:bs
CC: Board of Directors



TOWN OF WESTLAKE

3 Village Circle
Suite 207 Solana
Roanoke, Texas 76262
Metro (817) 430-8616

October 1, 1996

Board of Directors

Lake Turner Municipal Utility District No. 3
8300 Douglas Avenue, Suite 800
Dallas, Texas 75225-5826

Re: Offer by the Town of Westlake's (the **Town**) to Abolish the Lake Turner Municipal Utility District No. 3 (the **District**), Vesting all of the District's Assets and Obligations in the Town as provided under Section 43.074 of the Local Government Code

Ladies and Gentlemen:

This replies to your letter dated September 24, 1996, concerning the referenced offer.

The simplest way for you to test whether or not the Town's offer is "serious and legitimate" is to accept it.

The Board of Aldermen has acted in its official capacity on many occasions in an attempt to abolish the District and to acquire its assets and liabilities. Nevertheless, to satisfy your objection, the Board of Aldermen will consider ratification of the outstanding offer at its regular monthly meeting on Monday, October 14, 1996, at 7:00 p.m. at the Town Hall located at 3 Village Circle, Suite 207, Solana, Westlake, Texas. You are invited to attend the meeting so that you may ask any questions you desire to test the Town's ability to perform under its offer. The Town's financial counsel, water and sewer engineer, accountants, land planner, and attorneys also will be available to respond to any questions you may have.

So that we may be sure that we are aware of all of the District's obligations, kindly furnish us a comprehensive list of all these obligations and the material terms thereof. It would be helpful if you could furnish this information prior to Monday, October 7, so that we may distribute the information to the Aldermen in advance of the October 14 meeting.

As you know, the Town of Westlake operates conservatively, and has no desire to build an internal bureaucracy. Therefore, the Town intends to take bids from private contractors and the utility departments of neighboring cities for the operation and maintenance of all utility infrastructure the Town acquires or constructs. By purchasing services of consultants on a "as needed basis," the Town has been able to secure the services of the very best professionals -- whether it be traffic engineers, water and sewer engineers, city planners or landscape architects. Westlake, we think, is unique among cities in its approach to securing the best talent for the least money for its citizens. This, we think, is more efficient than maintaining a full-time staff for these purposes. Please let us know if you disagree with this philosophy.

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The Town's finance plan is very simple. The Town will invest its available funds and, if necessary, the Town's future sales tax and franchise revenues, to acquire or construct facilities. The Town will recoup most, if not all, of this investment through imposition of impact fees on development as development occurs. If needed, the Town is prepared to collect *ad valorem* taxes on all properties within the Town. In addition, the Town can float debt if required. However, our consultants advise that neither *ad valorem* taxes nor bonded indebtedness will be required so long as the Town implements an impact fee program and does not give away any public revenues to developers.

We have the impression that the District has no sales tax or franchise revenues, and has very little *ad valorem* valuation. We would very much like to see your plan for financing, operating and maintaining water and sewer facilities within the portion of the Town covered by the District. While the Board of Aldermen feels that its plan described above offers the soundest method yet advanced for apportioning and paying for infrastructure costs, the Board nevertheless is receptive to any other plan(s) that can be shown to better serve the interests of Town residents.

Respectfully yours,



Scott Bradley
Mayor

Lake Turner Municipal Utility District No. 3
October 1, 1996
Page 3

cc: Rice M. Tilley, Jr., Esq., President
Lake Turner Municipal Utility District No. 3
c/o Paul W. Phy, General Counsel
8300 Douglas Avenue, Suite 800
Dallas, Texas 75225-5826

Rice M. Tilley, Jr., Esq.
Law, Snakard & Gambill, A P.C.
Suite 3200, 500 Throckmorton Street
Fort Worth, Texas 76102
(President, Lake Turner Municipal Utility District No. 3)

Martin Rochelle, Esq.
Lloyd, Gosselink, Fowler, Blevins & Mathews, P.C.
111 Congress Avenue, Suite 1800
Austin, Texas 78701

Kenneth L. Petersen, Jr., Esq.
Small, Craig & Werkinthin
Suite 1100, 100 Congress Avenue
Austin, Texas 78701-4099

Mr. Carroll Huntress
P. O. Box 593
Roanoke, Texas 76262

Mr. Howard Dudley
1650 West Dove Road
Westlake, Texas 76262

Mr. Al Oien
1440 West Dove Road
Westlake, Texas 76262

Mr. Jerry Moore
P. O. Box 674
Westlake, Texas 76262

Lake Turner Municipal Utility District No. 3
October 1, 1996
Page 4

Mr. Fred Held
4105 Aspen Lane
Westlake, Texas 76262

Mr. Douglas Holcomb, P.E.
Utility Rates and Services Section
Water Utilities Division
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, Texas 78711-3087

Mr. Steve Blackhurst, P.E.
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, Texas 78711-3087

Ms. Irene Montelongo
Texas Natural Resource Conservation Commission
P.O. Box 13087
Austin, Texas 78711-3087

LAKE TURNER MUNICIPAL UTILITY DISTRICT NO. 3

8300 DOUGLAS AVE., SUITE 800

DALLAS, TEXAS 75225

(214) 691-9448

FAX: (214) 691-8977

September 24, 1996

Mayor Scott Bradley
Town of Westlake
3 Village Circle
Suite 207 Solana
Roanoke, TX 76262

Dear Mayor Bradley:

The Board of Directors discussed your very briefly described "offer" for the Town of Westlake to acquire the District's assets and obligations and authorized the following reply:

It is very difficult to conclude this was a serious and legitimate offer for a number of reasons, including:

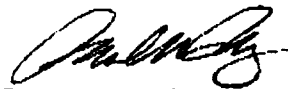
1. To the District's knowledge, the Town Council has not officially authorized such offer as is legally required.

2. The Town has submitted no evidence of its financial means to assume the District's current obligations much less the far greater financial capacity that will be necessary to provide additional required infrastructure. Furthermore, to the District's knowledge, the Town has not been authorized by its qualified voters to issue bonds, incur indebtedness or pay obligations under multi-year contracts.

3. To the District's knowledge, the Town is operating without a budget or other basic management and financial practices that are prudent for a town with revenues from taxes. Furthermore, the Town does not have the experience or qualified personnel to provide the services or operate and maintain the facilities which are needed in the District.

The District has taken and continues to actively pursue the steps needed to provide required facilities without the necessity of action by the Town, and the District will continue to do so until such time as the Town can clearly demonstrate its ability to fulfill the District's responsibilities. The District is willing for its representatives to meet with Town representatives to discuss this matter or any other of mutual interest. However, the Board has asked that such discussions be arranged only when the Town has a detailed plan for financing and carrying out the needed activities, and will proceed in good faith to do so.

Yours very truly,



Paul W. Phy
District Counsel

PWP:bs
CC: Board of Directors

LAKE TURNER MUNICIPAL UTILITY DISTRICT NO. 3

8300 DOUGLAS AVE., SUITE 800

DALLAS, TEXAS 75225

(214) 691-9448

FAX: (214) 691-8977

September 24, 1996

Mayor Scott Bradley
Town of Westlake
3 Village Circle
Suite 207 Solana
Roanoke, TX 76262

Dear Mayor Bradley:

The Board of Directors of the District has authorized providing the Town of Westlake with notice of their meetings. The notices will be provided only as an accommodation and shall not be a requirement or prerequisite to the holding of any Board meetings.

The Board's approval was subject to the Town reciprocating by sending the District notice of all meetings of the Town Council as an accommodation to the District.

Please advise the District when the Town Council has taken official action to authorize the reciprocal notices to the District.

Yours very truly,



Paul W. Phy
District Counsel

PWP:bs

CC: Board of Directors

OFFICE OF THE ATTORNEY GENERAL
STATE OF NEW YORK

IN SENATE
JANUARY 11, 1961

LAW OFFICES

Small, Craig & Werkenthin

A PROFESSIONAL CORPORATION

Facsimiles
Austin (512) 320-9734
San Antonio (210) 226-2646

Suite 1100, 100 Congress Avenue
Austin, Texas 78701-4099
(512) 472-8355

SAN ANTONIO OFFICE
300 Convent Street, Suite 1950
San Antonio Texas 78205-3738
(210) 226-2080

September 9, 1996

VIA HAND DELIVERY

Mr. Albert Holck
Utility Certification, Utility
Certification & Rate Design Section
Texas Natural Resource Conservation Commission
Room 31044, Building F
12100 Park 35 Circle
Austin, Texas 78753

RE: Applications for Water/Sewer Certificates of
Convenience and Necessity; Lake Turner
Municipal Utility District No. 2; Lake Turner
Municipal Utility District No. 3; Denton &
Tarrant Counties, Texas

Dear Albert:

As we discovered this afternoon, please find enclosed a check in the amount of TWO HUNDRED DOLLARS AND NO/100 (\$200.00) for the balance owed on the filing fees for the Applications of Lake Turner Municipal Utility District No. 2 and Applications of Lake Turner Municipal Utility District No. 3, requesting water and sewer certification of behalf of each of these Districts. I apologize for the oversight when filing these Applications on August 30th.

I appreciate your kind attention to this matter. As always, should you have any requests concerning these matters, please contact me at your earliest convenience.

Sincerely,

Kenneth L. Petersen, Jr.

Kenneth L. Petersen, Jr.

KLP/gra/DSI-AUS-65560-1
18751.1
Enclosure

RECEIVED
999
CONSERVATION COMMISSION

Mr. Albert Holck
September 9, 1996
Page 2

cc: Douglas E. Holcomb
Texas Natural Resource Conservation Commission

Barry R. McBee, *Chairman*
R. B. "Ralph" Marquez, *Commissioner*
John M. Baker, *Commissioner*
Dan Pearson, *Executive Director*



TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Protecting Texas by Reducing and Preventing Pollution

September 19, 1996

Mr. Kenneth L. Petersen, Jr.
Small, Craig and Werkenthin
100 Congress Ave., Suite 1100
Austin, Texas 78701

Re: Application of Lake Turner Municipal Utility District (MUD) No. 2
for a Water Certificate of Convenience and Necessity (CCN) in
Tarrant County; Application No. 31349-C

Application of Lake Turner MUD No. 2 for a Sewer CCN in Tarrant
County; Application No. 31350-C

Application of Lake Turner MUD No. 3 for a Water CCN in Tarrant
County; Application No. 31351-C

Application of Lake Turner MUD No. 3 for a Sewer CCN in Tarrant
County; Application No. 31352-C

Dear Mr. Petersen:

Your applications were received on August 30, 1996. They have been
accepted for filing. The applications have been assigned as follows:

1. Application No. 31349-C for water utility certification for Lake
Turner MUD #2,
2. Application No. 31350-C for sewer utility certification for Lake
Turner MUD #2,
3. Application No. 31351-C for water utility certification for Lake
Turner MUD #3, and
4. Application No. 31352-C for sewer utility certification for Lake
Turner MUD #3.

Please refer to these numbers in future correspondence.

Your next step is to provide the public notices without delay. The
notice to the public must be published once each week for two (2)
consecutive weeks in a newspaper of general circulation in Tarrant
County. You must also provide individual notice to all neighboring
utilities or cities within two (2) miles of your proposed service area.

A review of our files and maps indicates that, in addition to the
neighboring utilities noted on your application, you must provide
notice to the following utilities:

Mr. Kenneth L. Petersen, Jr.
September 19, 1996
Page 2

McKee Water Service, CCN No. 11566
7600 Shady Grove Road
Fort Worth, Texas 76180

H2M Water System, Inc., Ccn No. 11908
4801 Brentwood Stair Road, #401
Fort Worth, Texas 76103

As proof that notice was provided, you are required to send us the following:

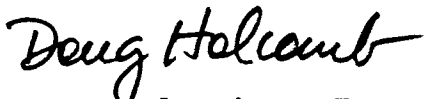
- a) an original and three copies of a publisher's affidavit of the newspaper publication with tear sheets of the published notice attached;
- b) four copies of each individual notice to neighboring utilities and other affected parties; and
- c) an original and three copies of the signed affidavits that individual notice to neighboring utilities and affected individuals has been given. (Copies of the Affidavit forms are attached to this letter.)

These items must be completed and returned by **October 18, 1996**. Processing of this application cannot proceed until the close of the 30 day public comment period which begins after all the required notices have been given.

As stated in your application, there is an overlap of your proposed service areas with the certified service areas requested by the Town of Westlake in Applications No. 31252-C and No. 31253-C, and with the City of Keller, CCN No. 10975.

If you have any questions, please contact Albert Holck at 512/239-6960.

Sincerely,



Doug Holcomb, P.E.
Utility Rates and Services Section
Water Utilities Division MC 153

DH/AH/mmr

Enclosures

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER AND SEWER UTILITY SERVICE IN DENTON AND TARRANT COUNTIES

To: _____
(Neighboring System or City)

(Address)

(Address)

(City State Zip)

Date Notice Mailed: _____, 19____

Lake Turner Municipal Utility District No. 3 has filed an application for Certificates of Convenience and Necessity with the Texas Natural Resource Conservation Commission to provide both water and sewer utility services in Tarrant and Denton Counties. The proposed utility service area is located within the corporate limits of the Town of Westlake, Texas approximately 2 miles west of the Westlake Town Hall and encompassed entirely within the boundaries of the Lake Turner Municipal Utility District No. 3. The service area is ~~approximately _____ miles and is~~ generally bounded on the north by Texas Highway 114 and the southern corporate limits of Roanoke, Texas; on the east by Precinct Line Road; on the south by Dove Road; and on the west by Roanoke Road. The total area being requested includes approximately 1089 acres and no current customers.

The Executive Director will issue this CCN unless one or more persons file written protests and/or a request for a hearing within 30 days after this notice is provided. To request a hearing 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 Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P.O. Box 13087
Austin, Texas 78711-3087

within thirty (30) days from the date of this publication or notice. No public hearing will be held unless a request for a hearing is received. Only those individuals who submit a written request to be notified of a hearing schedule will receive notice if a hearing is scheduled.

If one or more requests for a hearing are filed, the Executive Director will not issue the CCN and will forward the application to the State Office Administrative Hearings (SOAH) where a hearing may be held. In the event an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If a hearing is held it will be a legal proceeding similar to civil trials in State District Court.

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) TO PROVIDE WATER AND SEWER
UTILITY SERVICE IN TARRANT AND DENTON COUNTIES

Lake Turner Municipal Utility District No. 3 has filed an application for Certificates of Convenience and Necessity with the Texas Natural Resource Conservation Commission to provide both water and sewer utility services in Denton and Tarrant Counties. The proposed utility service area is located within the corporate limits of the Town of Westlake, Texas and within the boundaries of the Lake Turner Municipal Utility District No. 3. The service area is generally bounded on the north by Texas Highway 114 and the southern corporate limits of Roanoke, Texas; on the east by Precinct Line Road; on the south by Dove Road; and on the west by Roanoke Road. The total area being requested includes approximately 1089 acres and no current customers.

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. The Executive Director will issue this CCN unless one or more persons file written protests and/or a request for a hearing within 30 days after this notice is provided.

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Texas Natural Resource Conservation Commission
Water Utilities Division
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P.O. Box 13087
Austin, Texas 78711-3087

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NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER AND SEWER UTILITY SERVICE IN TARRANT COUNTY

To: _____
(Neighboring System or City)

(Address)

(Address)

(City State Zip)

Date Notice Mailed: _____, 19____

Lake Turner Municipal Utility District No. 2 has filed an application for Certificates of Convenience and Necessity with the Texas Natural Resource Conservation Commission to provide both water and sewer utility services in Tarrant County. The proposed utility service area is located within the corporate limits of the Town of Westlake, Texas approximately 2 miles west of the Westlake Town Hall and encompassed entirely within the boundaries of the Lake Turner Municipal Utility District No. 2. The service area is ~~approximately 2 miles and is~~ generally bounded on the north by the Denton/Tarrant County line; on the east by Precinct Line Road; on the south by the northern corporate limits of Keller; and on the west by Roanoke Road. The total area being requested includes approximately 907 acres and no current customers.

A portion of the area for which Lake Turner Municipal Utility District No. 2 is requesting water utility service certification includes an area certificated to the City of Keller, Texas under TNRCC CCN No. 10975. Lake Turner Municipal Utility District No. 2 is not requesting decertification of the City of Keller's certificated water service rights within this area of overlap and does not request that any customer of the City of Keller be certificated to the Lake Turner Municipal Utility District No. 2. Rather, Lake Turner Municipal Utility District No. 2 requests that the TNRCC grant dual certification to both Keller and Lake Turner MUD No. 2 within the area of overlap.

The Executive Director will issue this CCN unless one or more persons file written protests and/or a request for a hearing within 30 days after this notice is provided. To request a hearing 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.

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Texas Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P.O. Box 13087
Austin, Texas 78711-3087

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NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) TO PROVIDE WATER AND SEWER
UTILITY SERVICE IN TARRANT COUNTY

Lake Turner Municipal Utility District No. 2 has filed an application for Certificates of Convenience and Necessity with the Texas Natural Resource Conservation Commission to provide both water and sewer utility services in Tarrant County. The proposed utility service area is located within the corporate limits of the Town of Westlake, Texas and within the boundaries of the Lake Turner Municipal Utility District No. 2. The service area is generally bounded on the north by the Denton/Tarrant County line; on the east by Precinct Line Road; on the south by the northern corporate limits of Keller; and on the west by Roanoke Road. The total area being requested includes approximately 907 acres and no current customers.

A portion of the area for which Lake Turner Municipal Utility District No. 2 is requesting water utility service certification includes an area certificated to the City of Keller, Texas under TNRCC CCN No. 10975. Lake Turner Municipal Utility District No. 2 is not requesting decertification of the City of Keller's certificated water service rights within this area of overlap and does not request that any customer of the City of Keller be certificated to the Lake Turner Municipal Utility District No. 2. Rather, Lake Turner Municipal Utility District No. 2 requests that the TNRCC grant dual certification to both Keller and Lake Turner MUD No. 2 within the area of overlap.

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. The Executive Director will issue this CCN unless one or more persons file written protests and/or a request for a hearing within 30 days after this notice is provided.

Persons who wish to intervene or comment should write the:

Texas Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P.O. Box 13087
Austin, Texas 78711-3087

within thirty (30) days from the date of this publication or notice. No public hearing will be held unless a request for a hearing is received. Only those individuals who submit a written request to be notified of a hearing schedule will receive notice if a hearing is scheduled.

9/12/96

Date

TO: Administrative Reviewer AH

FROM: Cartographer - Certification and Rate Design Unit

SUBJECT: Overlap and Notice Check for Administrative Review # A-154-6,
Lake Turner MUD #3 & #2
Utility Name

I have reviewed this application, and it is my opinion that:

- _____ (1) No overlap of service areas exists.
- ☒ (2) An overlap of service areas exists with Westlake Water & Sewer Utilities' proposed water & sewer CCN area (~~A-154-6~~) - 3/252-C
City of Westlake's city limits, City of Keller (10975)
- _____ (3) Due to an inadequate map filed by the applicant, a determination cannot be made as to the actual location of requested service area boundary.
- _____ (4) Utility notice was sufficient.
- ☒ (5) Utility notice was insufficient. In addition to those systems listed in the application, they will also need to notify McKee Water Service (11566)
H2M Water System, Inc. (11908)
- _____ (6)

Suzanne Easter
Signature

LAW OFFICES

Small, Craig & Werkenthin

A PROFESSIONAL CORPORATION

Facsimiles
Austin: (512) 320-9734
San Antonio: (210) 226-2646

Suite 1100, 100 Congress Avenue
Austin, Texas 78701-4099
(512) 472-8355

SAN ANTONIO OFFICE
300 Convent Street, Suite 1950
San Antonio, Texas 78205-3738
(210) 226-2080

August 30, 1996

VIA HAND DELIVERY

RECEIVED

Mr. Douglas E. Holcomb, P.E.
Utility Certification, Utility
Certification & Rate Design Section
Texas Natural Resource Conservation Commission
Room 31044, Building F
12100 Park 35 Circle
Austin, Texas 78753

CONSERVATION COMMISSION

RE: Applications for Water/Sewer Certificates of
Convenience and Necessity; Lake Turner
Municipal Utility District No. 2; Lake Turner
Municipal Utility District No. 3; Denton &
Tarrant Counties, Texas

Dear Doug:

Enclosed, please find the original and three copies of Application of Lake Turner Municipal Utility District No. 2 and Application of Lake Turner Municipal Utility District No. 3, requesting water and sewer certification of behalf of each of these Districts. Each Application contains the requisite information, including the specified attachments, required under your agency's rules.

Please note that these Applications request certificated service rights to areas for which the Town of Westlake, Texas also has requested certification. See TNRCC Applications Nos. 31252-C; 31253-C. In view of the fact that the Westlake and Districts' Applications involve common parties and common service areas, I believe it will be appropriate if these matters were consolidated. Westlake's Applications have been protested. I anticipate that Westlake will protest the Districts' Applications.

Finally, please recall that the processing of Westlake's Application has been stayed until October 11th. The Districts request that processing of the enclosed Applications be expedited in order to avoid any further delay in final Commission determination of certificated service rights within the disputed service areas. These areas are encompassed within the Lake Turner Municipal Utility District No. 2 and the Lake Turner Municipal Utility District No. 3 and development requires that plans for water and sewer services move forward.

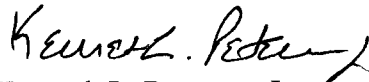
Mr. Douglas E. Holcomb, P.E.

August 30, 1996

Page 2

I appreciate your kind attention to this matter. As always, should you have any requests concerning these matters, please contact me at your earliest convenience.

Sincerely,



Kenneth L. Petersen, Jr.

KLP/gra/DS1-AUS-64413-1

18751.1

Enclosure

cc: Steve Blackhurst, P.E.
Texas Natural Resource Conservation Commission

Irene Montelongo
Texas Natural Resource Conservation Commission

All Parties of Interest

TEXAS NATURAL RESOURCE CONSERVATION

RECEIVED

Water Utilities Division
Utility Rates and
Services Section



TEXAS NATURAL RESOURCE
CONSERVATION COMMISSION

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

1. Applicant: Lake Turner Municipal Utility District No. 2
(Individual, Corporation, or Other Legal Entity)

Utility Name: _____
(If different than above)

Address: 8300 Douglas, Suite 800, Dallas, TX Telephone: (214) 691-9448
75225
Tax Identification Number (Social Security Number for Individuals): 75-2418924

2. Check the appropriate box and provide information regarding the legal status of the applicant:

- ☐ Individual
- ☐ Home or Property Owners Association
- ☐ Partnership; attach copy of partnership agreement
- ☐ Corporation; provide charter number as recorded with the Office of the Secretary of State for Texas: _____
- ☐ Non-profit, member-owned, member-controlled Cooperative Corporation (Article 1434(a) Water Supply or Sewer Service Corporation); provide charter number: _____
- ☒ Other (please explain): Article XVI, Section 59, Constitutional conservation district, created by special act of the Texas Legislature (see Attachment "B").

3. The purpose of this application is to:

- ☒ Obtain ☒ Water CCN ☐ Amend ☐ Water CCN No.: _____
☒ Sewer CCN -or- ☐ Sewer CCN No.: _____

to provide utility service to: _____ in: Tarrant County
(Subdivision or area) (County)

4. Is any portion of the proposed service area inside an incorporated city?

- ☐ No. (skip the rest of this question and go to the next one)
- ☒ Yes. Within the City limits of: Town of Westlake, Texas Provide a copy of any franchise, permit, or consent granted by the City. If not available, please explain: See Attachment "A"

5. If the applicant is an *Individual* provide the following information. If not, skip to the next question.

Name: N/A Telephone: _____
Address: _____

6. If the applicant is other than an *Individual* provide the following information regarding the officers or partners of the legal entity applying for the CCN. You must complete either question 5. or question 6., whichever applies to the applicant.

•Name: Donna Parker Telephone: (817) 336-2491

Address: 777 Taylor Street, No. 900, Ft. Worth, Texas 76102

Position: President, Board of Directors Ownership % (if applicable): N/A

•Name: Gary L. Schmitz Telephone: (214) 720-6090

Address: 3023 Routh St., Dallas, Texas 75201

Position: Vice Pres., Board of Directors Ownership % (if applicable): N/A

•Name: Rudy M. Garcia Telephone: (817) 429-9620

Address: 6850 Manhattan Blvd., No. 106, Ft. Worth, Texas 76120

Position: Secretary, Board of Directors Ownership % (if applicable): N/A

•Name: Note: Lake Turner MUD No. 2 is governed Telephone: _____

by a five-member Board of Directors; the other two are not listed
Address: because they are not officers, but their names are a matter of

public record and have been filed with the TNRCC
Position: _____ Ownership % (if applicable): _____

- Attach additional sheet(s) if necessary -

- Important:** • If the applicant is a for-profit corporation, please provide a copy of the corporation's "Certification of Account Status" from the State Comptroller Office. This "Certification of Account Status" can be obtained from:

Comptroller of Public Accounts, Office Management
P. O. Box 13528, Capitol Station
Austin, Texas 78711
1-800-252-5555

- If the applicant is an Article 1434a water supply or sewer service corporation or other non-profit corporation, please provide a copy of the Articles of Incorporation and By-Laws.

- ALL APPLICANTS SHOULD COMPLETE THE REMAINDER OF THE APPLICATION -

7. Contact person. Please provide information about the person to be contacted regarding this application. Indicate if this person is the owner, operator, engineer, attorney or accountant.

Name: Kenneth L. Petersen, Jr. Title: Attorney

Address: Small, Craig & Werkenthin
100 Congress Ave., Suite 1100 Telephone: (512) 472-8355
Austin, Texas 78701 Telefax: (512) 320-9734

8. If this is a proposed utility system or a proposed amendment, please provide:
- A. An explanation of all attempts or the feasibility of obtaining service from adjacent retail public utilities:
See page 3-A attached.
- B. Date Construction is scheduled to commence: Construction has occurred or is planned; see Attachments "E" and "F"
- C. Date service is scheduled to commence: June, 1997
- D. Method and source of financing (the applicant must be able to demonstrate the ability to fund system facilities and improvements):
See response to 8(A).
- E. The number of requests for service that the applicant has received in the requested service area and indicate if verbal or written, and a clear explanation of the need for service in the requested area.
Service has been requested by Hillwood/Willowbend, Ltd. for residential development.
9. If this is an existing utility system, please provide:
- A. When was construction on the system completed? N/A
- B. What was the original cost of the system? N/A
- C. When did service begin? N/A
- D. Is the applicant the original owner of the system? N/A
☐ Yes. (skip the rest of this item and go to question 9E.)
☐ No. Please answer the following questions to the best of your ability:
1. When was the system acquired? _____
 2. What was the purchase price? _____
 3. Who was the immediate preceeding owner?
Name: _____ Telephone: _____
Address: _____
 4. If the applicant is not the current owner of the system, please indicate who owns the utility assets:
Name: _____ Telephone: _____
Address: _____
☒ Enclose three copies of the lease agreement or contract the applicant has with the owner allowing the applicant to operate the system.
- E. List the dates that the applicant's rates have changes since September 1, 1976. (not applicable to cities or political subdivisions of the state):
N/A

8. A. Lake Turner MUD No. 2 has been created by special act of the Texas Legislature (see Attachment "B") to develop water and sewer utility capacity, infrastructure, and service. The filing by the Town of Westlake (TNRCC Apps. 31252-C, 31283-C) has necessitated this application to comply with Lake Turner MUD No. 2's legislative mandate. In addition, the Town of Westlake has expressly franchised the District's predecessor-in-interest to provide water and sewer utility services, and the District will continue to hold the franchise until 2006. (See Attachment "A".) Lake Turner MUD No. 2 enjoys all financing powers accorded by law. The voters within the District have approved debt of \$17.2 million for water, sewer and drainage within the District.

10. List the number of existing and/or proposed metered and non-metered connections (by size).

This information is valid as of:

(date of last customer count)

Water System			Sewer System		
Connection	Existing	Proposed	Connection	Existing	Proposed
Non-Metered	-0-	-0-	Residential	-0-	1,500
5/8" or 3/4" meter	-0-	1,500	Commercial	-0-	-0-
1" meter	-0-	-0-	Industrial	-0-	-0-
1½" meter	-0-	-0-	Other:	-0-	-0-
2" meter	-0-	-0-			
4" meter	-0-	-0-			
Other:	-0-	-0-			
Total Water	-0-	1,500	Total Sewer	-0-	1,500

11. Do you currently purchase water or sewer treatment capacity from another source? N/A

No.	(skip the rest of this question and go to the next one)	
Yes	Water N/A	Purchased on a () regular - () seasonal - () emergency basis
• Source: _____		% of total supply: _____
• Source: _____		% of total supply: _____
X	Yes - Sewer treatment capacity	Purchased on a (X) regular - () seasonal - () emergency basis
• Source: <u>Trinity River Authority - Denton</u>		% of total treatment <u>100%</u>
Creek WWTP		
<input checked="" type="checkbox"/> Provide a copy of the water or sewer treatment capacity purchase agreement or contract.		

12. For the water and/or sewer system's compliance with minimum standards, please provide the following information:

N/A A. Water system's TNRCC Public Water System identification number: (for each system)

--	--	--	--

B. Sewer system's TNRCC Discharge Permit number: (for each system)

[illegible]

- C. For each system, attach a copy of the plans specifications or plat approval letter of required from a city, county and state agency.
- D. For each system, attach a copy of the most recent inspection report letter. If necessary, also include a copy of the utility's response to that letter.
- E. For any system deficiencies, attach a brief explanation listing the actions taken or being taken by the utility to correct the listed deficiencies, including the proposed completion dates.
- F. If the system is operating and over 85% of minimum standard capacity for any facility component for the current number of customers, attach an explanation listing of actions to be taken to make system improvements including proposed completion dates.

13. Provide the following information concerning the financial status of the utility: See Page 5-A of 10, attached

A. What is the amount of equity or total capital in the utility system? _____

B. Provide the following information for all utility debt: See response to 13.A.

Date of issue	Date of maturity	Current outstanding principal	Interest rate	Total annual payment	Payable to whom
Total					

- Attach additional sheet(s) if necessary -

14. Provide the following information about the utility's certified operators:

Name	Classs	License Number

- Attach additional sheet(s) if necessary -

15. A If this application is for a water CCN, please explain how sewer service is provided:
Contractual commitment of capacity in TRA Denton Creek WWTP and Denton Creek Wastewater Interceptor Pressure System, Phase III (with City of Southlake); contractual commitment in Marshall Creek Interceptor; contractual commitment in Code Branch Interceptor; See Attachment "F"

B: If this application is for a sewer CCN, please explain how water service is provided:
Application is being made for a wholesale water supply contract with the City of Fort Worth; existing water line capacity purchased from the City of Keller provides transmission capacity of 12.5 MGD. See Attachment "E".

16. A. List all neighboring utility service providers and cities within two miles of the applicant's proposed certificate area:

<u>City of Fort Worth</u>	<u>Lake Turner MUD No. 3</u>
<u>City of Keller (see Page 5-A of 10, attached)</u>	<u>Town of Westlake</u>
<u>Town of Marshall Creek</u>	<u>Lake Turner MUD No. 1</u>
<u>Town of Roanoke</u>	<u>Trophy Club MUD No. 1</u>
<u>Town of Trophy Club</u>	<u>Trophy Club MUD No. 2</u>
	<u>City of Southlake</u>

☒ Notice must be provided to these entities after the application is accepted for filing.

B. If the applicant is providing service to the requested area without a CCN, the applicant must also notify each of the customers in the requested service area. A notice form for providing customer notice is included in this application.

13. A. In view of the fact that there are no current customers, the Lake Turner MUD No. 2 has yet to set a rate schedule. Current total equity and capital in both the water and sewer utility systems (which will be operated jointly by Lake Turner MUD No. 2 and Lake Turner MUD No. 3 pursuant to an Interlocal Agreement between these Districts) is estimated to be \$1.1 million for Lake Turner MUD No. 2, including payments to the City of Keller on a contract-specified schedule that will total \$811,454 through the year 2014.
16. A. As depicted on Attachment "D", Lake Turner Municipal District No. 2's application for water certificate of convenience and necessity overlaps with a portion of the City of Keller's CCN No. 10975. Lake Turner MUD No. 2 does **not** propose any decertification to the City of Keller, nor does Lake Turner MUD No. 2 propose that any of Keller's water customers become customers of Lake Turner MUD No. 2. **The TNRCC is advised that Lake Turner MUD No. 2 proposes dual certification with the City of Keller for that area of overlap between Lake Turner MUD No. 2's proposed water certificated service area and the existing water certification for Keller.**

17. Attach the following maps with each copy of the application: (All maps should include applicant's name, address, telephone number and date of drawing or revision). All maps should be folded to 8½ x 11 inches).

A. One county map (Texas Highway Department 1" = 2 miles) showing Applicant's requested service area (and present service area if applicable). Service area boundaries should conform to verifiable landmarks such as roads, creeks, railroads, etc. County maps may be obtained locally or from the State Department of Highways and Public Transportation; Attention File D-10, P. O. Box 5051, Austin, Texas 78763; 512/465-7397.

See Attachment "C"

B. One large scale map showing the exact proposed service area and any existing service area and if available the existing and proposed facilities. A metes and bounds description is not required, however, the facilities and service area boundaries should be shown with such exactness that they can be located on the ground. Applicant should use U.S.G.S. 7½-minute series, subdivision plat, engineer planning map, or other large scale map.

See Attachment "D" (large scale map with proposed service area and surrounding certificated service areas) "E" (existing and proposed

ALL APPLICABLE QUESTIONS MUST BE ANSWERED FULLY. water facility); and "F" (existing and proposed wastewater facilities).

THE APPLICATION WILL NOT BE ACCEPTED FOR FILING WITHOUT MAPS, A TARIFF (OR RATE SCHEDULE FOR CITIES OR POLITICAL SUBDIVISIONS) AND COMPLETED NOTICES.

A rate schedule has not been established at this time. See Response to Question 8-A, supra.

PLEASE NOTE THE FILING OF THIS APPLICATION DOES NOT CONSTITUTE AUTHORITY TO OPERATE A WATER/SEWER SYSTEM.

OATH

State of Texas

County of Tarrant

I, Donna Parker being duly sworn, file this application as Pres. Bd. of Dir., Lake Turner MUD 2 (indicate relationship to Applicant, that is, owner, member of partnership, title as officer of corporation, or other authorized representative of Applicant); that, in such capacity, I am qualified and authorized to file and verify such application, am personally familiar with the maps filed with this application, and have complied with all the requirements contained in this application; and, that all such statements made and matters set forth therein are true and correct. I further state that the application is made in good faith and that this application does not duplicate any filing presently before the Texas Natural Resource Conservation Commission.

I further represent that the Applicant will provide continuous and adequate service to all customers and qualified applicants for service within its certificated service area.



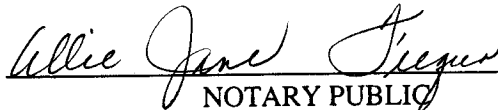
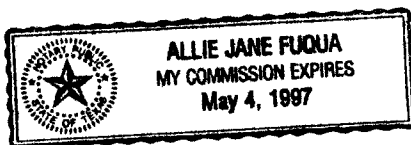
AFFIANT

(Applicant's Authorized Representative)

If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this 29th day of August, 19 96.

SEAL


NOTARY PUBLIC

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE AND NECESSITY (CCN)
TO PROVIDE WATER AND SEWER UTILITY SERVICE IN TARRANT COUNTY

To: _____
(Neighboring System or City)

(Address)

(Address)

(City State Zip)

Date Notice Mailed: _____, 19____

Lake Turner Municipal Utility District No. 2 has filed an application for Certificates of Convenience and Necessity with the Texas Natural Resource Conservation Commission to provide both water and sewer utility services in Tarrant County. The proposed utility service area is located within the corporate limits of the Town of Westlake, Texas approximately 2 miles west of the Westlake Town Hall and encompassed entirely within the boundaries of the Lake Turner Municipal Utility District No. 2. The service area is approximately _____ miles and is generally bounded on the north by the Denton/Tarrant County line; on the east by Precinct Line Road; on the south by the northern corporate limits of Keller; and on the west by Roanoke Road. The total area being requested includes approximately 907 acres and no current customers.

A portion of the area for which Lake Turner Municipal Utility District No. 2 is requesting water utility service certification includes an area certificated to the City of Keller, Texas under TNRCC CCN No. 10975. Lake Turner Municipal Utility District No. 2 is not requesting decertification of the City of Keller's certificated water service rights within this area of overlap and does not request that any customer of the City of Keller be certificated to the Lake Turner Municipal Utility District No. 2. Rather, Lake Turner Municipal Utility District No. 2 requests that the TNRCC grant dual certification to both Keller and Lake Turner MUD No. 2 within the area of overlap.

The Executive Director will issue this CCN unless one or more persons file written protests and/or a request for a hearing within 30 days after this notice is provided. To request a hearing 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 Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P.O. Box 13087
Austin, Texas 78711-3087

within thirty (30) days from the date of this publication or notice. No public hearing will be held unless a request for a hearing is received. Only those individuals who submit a written request to be notified of a hearing schedule will receive notice if a hearing is scheduled.

If one or more requests for a hearing are filed, the Executive Director will not issue the CCN and will forward the application to the State Office Administrative Hearings (SOAH) where a hearing may be held. In the event an evidentiary hearing is held, the SOAH will submit a recommendation to the Commission for final decision. If a hearing is held it will be a legal proceeding similar to civil trials in State District Court.

NOTICE OF APPLICATION FOR CERTIFICATE OF CONVENIENCE
AND NECESSITY (CCN) TO PROVIDE WATER AND SEWER
UTILITY SERVICE IN TARRANT COUNTY

Lake Turner Municipal Utility District No. 2 has filed an application for Certificates of Convenience and Necessity with the Texas Natural Resource Conservation Commission to provide both water and sewer utility services in Tarrant County. The proposed utility service area is located within the corporate limits of the Town of Westlake, Texas and within the boundaries of the Lake Turner Municipal Utility District No. 2. The service area is generally bounded on the north by the Denton/Tarrant County line; on the east by Precinct Line Road; on the south by the northern corporate limits of Keller; and on the west by Roanoke Road. The total area being requested includes approximately 907 acres and no current customers.

A portion of the area for which Lake Turner Municipal Utility District No. 2 is requesting water utility service certification includes an area certificated to the City of Keller, Texas under TNRCC CCN No. 10975. Lake Turner Municipal Utility District No. 2 is not requesting decertification of the City of Keller's certificated water service rights within this area of overlap and does not request that any customer of the City of Keller be certificated to the Lake Turner Municipal Utility District No. 2. Rather, Lake Turner Municipal Utility District No. 2 requests that the TNRCC grant dual certification to both Keller and Lake Turner MUD No. 2 within the area of overlap.

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. The Executive Director will issue this CCN unless one or more persons file written protests and/or a request for a hearing within 30 days after this notice is provided.

Persons who wish to intervene or comment should write the:

Texas Natural Resource Conservation Commission
Water Utilities Division
Utility Rates and Services Section, MC-153
P.O. Box 13087
Austin, Texas 78711-3087

within thirty (30) days from the date of this publication or notice. No public hearing will be held unless a request for a hearing is received. Only those individuals who submit a written request to be notified of a hearing schedule will receive notice if a hearing is scheduled.

ATTACHMENT "A"

ORDINANCE NO. 149

GRANT OF FRANCHISE TO AND
AGREEMENT WITH LAKE TURNER
WATER SUPPLY CORPORATION,
ITS SUCCESSORS OR ASSIGNS,
FOR THE INCLUSION OF CERTAIN
LAND IN LAKE TURNER WATER
SUPPLY CORPORATION'S SERVICE
AREA.

WHEREAS, Lake Turner Water Supply Corporation, a Texas nonprofit water supply corporation incorporated pursuant to TEX. REV. CIV. STAT. ANN. art. 1434a (Vernon 1980) (hereinafter "NWSC"), acting by and through its duly authorized Board of Directors, on the 3rd day of March, 1986, approved a resolution to provide those services for which nonprofit water supply corporations may be incorporated to certain land, including:

a) those properties owned by, or held for the benefit of N. B. Hunt or Nelson Bunker Hunt, located in northern Tarrant and southern Denton Counties, together with b) certain specific property located in northern Tarrant and southern Denton Counties as more particularly described by metes and bounds in Exhibit "A" and Exhibit "B" attached hereto and made a part hereof for all purposes (hereinafter collectively "Land"); and

WHEREAS, the Board of Aldermen of the Town of Westlake, a Texas General Law town (hereinafter "Westlake"), has determined that it is in the best interest of and consistent with the public convenience and necessity of the citizens of Westlake to grant a franchise and enter into an agreement with NWSC, pursuant to TEX. REV. CIV. STAT. ANN. art 1109; (Vernon Supp. 1985), for service of the land;

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF ALDERMEN OF WESTLAKE, AND AGREED TO BY NWSC:

SECTION 1. GRANT OF FRANCHISE.

Westlake hereby grants, and NWSC hereby accepts, from the date hereof, for the full term (hereinafter "Term"), as defined by Section 2 herein, the right, privilege, and franchise to have, acquire construct, reconstruct, maintain, use, and operate on the Land, those facilities and services (hereinafter jointly "Facilities") for which nonprofit water supply corporations may be incorporated.

SECTION 2. METES AND BOUNDS DESCRIPTION OF THE LAND.

Westlake and NWSC recognize that NWSC is presently arranging for the surveying of that portion of the Land owned by, or held for the benefit of N. B. Hunt or Nelson Bunker Hunt, and agree to the attachment hereto of the metes and bounds description from said survey as Exhibit "B", said exhibit becoming a part hereof for all purposes following approval as to legal form thereof by the Westlake town attorney.

SECTION 3. TERM AND TITLE TO FACILITIES.

Said consent is granted for a term of twenty (20) years from and after the date of the passage of this ordinance, or until NWSC has no outstanding indebtedness, whichever occurs first. Upon the payment in full of all indebtedness, title to NWSC's, its successors' or assigns, Facilities constructed on the Land shall vest to Westlake.

SECTION 4. CONSTRUCTION SCHEDULES AND APPROVALS.

Subject to applicable laws and regulations, NWSC shall have sole discretion over what Facilities it chooses to build, together with construction schedules therefor and operation and use thereof.

However, whereas Westlake will eventually hold title to those Facilities constructed on the Land, NWSC shall construct no Facilities on the Land without Westlake's prior consent to plans therefor, which consent shall not be unreasonably withheld. Any construction shall substantially conform to said approved plans.

SECTION 5. USE OF STREETS AND PUBLIC WAYS.

NWSC is hereby granted the nonexclusive right and privilege to have, acquire, construct, reconstruct, maintain, use, and operate in, over, under, along, and across the present and future streets, sidewalks, and other public easements of Westlake all necessary or desirable Facilities. Said Facilities shall vest in title to Westlake upon the conclusion of the Term, as defined in Section 2 hereof. NWSC shall respect rights and property of Westlake and other authorized users of streets, sidewalks, and other public easements of Westlake.

SECTION 6. CERTAIN REPRESENTATIONS.

NWSC is presently constructing a water line to service the Land and will diligently work towards completion of same. NWSC will negotiate with the City of Fort Worth for a supply of treated water. NWSC shall vigorously pursue full compliance with all applicable laws and regulations, including but not limited to

those requirements of the Public Utilities Commission, Texas Department of Health, Texas Department of Highways and Public Transportation and the Texas Water Commission, as applicable.

SECTION 7. LIABILITY.

NWSC shall hold Westlake harmless from any and all expense and liability in connection therewith.

SECTION 8. ASSIGNMENT.

Westlake and NWSC recognize NWSC's anticipated sale, transfer, conveyance and assignment of the Facilities, together with all rights and privileges hereunder, to a Municipal Utility District (hereinafter "MUD"), or MUD's, formed for the purpose of said conveyance, and for the purpose of more fully servicing the needs of the Land.

PASSED, APPROVED, AGREED AND ENTERED INTO this 10th day of March, A. D. 1986.

ATTEST:

APPROVED AS TO LEGAL FORM:

By: *Paul Isham*

Name: Paul Isham
Town Attorney
Westlake, Texas

LAKE TURNER WATER SUPPLY
CORPORATION,
a Texas non-profit corporation

By: *Russell B. Trenary*

Name: Russell B. Trenary
Title: President

TOWN OF WESTLAKE,
a Texas General Law town

By: *Gerry White*

Name: Wanda G. White
Town Secretary
Town of Westlake, Texas

By: *Dale L. White*

Name: Dale L. White
Mayor

EXHIBIT "A"

BEING 548.106 acres of land situated in the William Huff Survey, Abstract No. 648, Tarrant County, Texas, and the William Huff Survey, Abstract No. 519, Denton County, Texas, also being all of that certain 227.727 acre tract of land as described in deed to Charles Rodman, Trustee, and recorded in Volume 7738, Page 1064, County Records, Tarrant County, Texas, along with all of that certain tract of land as described in deed to Rodman International Joint Venture and recorded in Volume 7759, Page 2216, said County Records;

BEGINNING at the northwest corner of that certain tract of land as described in deed to Ann Lou Lewis and Ethel Roberta Fanning and recorded in Volume 2294, Page 522, said County Records and in deed to Leon D. Lewis and recorded in Volume 7262, Page 707, said County Records, said point being a 1/2 inch iron rod, found, which bears N 24 deg. 50 min. 00 sec. E, 269.81 feet from a Texas Highway Department concrete monument, found, at Sta. 136400, said 1/2 inch iron rod also being on the southeasterly right-of-way line of U.S. Highway No. 377 (a 110 foot wide public right-of-way);

THENCE N 24 deg. 50 min. 00 sec. E, 872.67 feet along said southeasterly right-of-way line to a 5/8 inch iron rod, set, from which a railroad spike bears S 78 deg. 05 min. 01 sec. E, 1.42 feet, said iron rod being the southwesterly corner of a 1.036 acre tract of land;

THENCE S 79 deg. 59 min. 34 sec. E, 311.15 feet along the southerly line of said 1.036 acre tract to a 5/8 inch iron rod, set, being the southeasterly corner of said 1.036 acre tract;

THENCE N 27 deg. 42 min. 55 sec. E, 148.99 feet along the easterly line of said 1.036 acre tract of a 5/8 inch iron rod, set, being the northeasterly corner of said 1.036 acre tract;

THENCE N 79 deg. 29 min. 34 sec. W, 318.18 feet along the northerly line of said 1.036 acre tract to a 5/8 inch iron rod, set, from which a 5/8 inch iron rod bears N 63 deg. 47 min. 07 sec. W, 0.92 feet, said set rod being the northwesterly corner of said 1.036 acre tract, said rod also being on the aforementioned southeasterly right-of-way line of said U.S. Highway No. 377;

THENCE N 24 deg. 50 min. 00 sec. E, 6024.81 feet along said southeasterly right-of-way line to a 5/8 inch iron rod, set, from which a 1/2 inch iron rod bears S 89 deg. 49 min. 07 sec. E, 1.14 feet, said set rod being the southwesterly corner of that certain tract of land as described in deed to the Tabernacle Baptist Church and recorded in Volume 714, Page 459, Deed Records, Denton County, Texas;

THENCE S 89 deg. 49 min. 07 sec. E, 2275.07 feet along the southerly line of said Church tract, also being along the southerly line of that certain tract of land as described in deed to Walter V. Parish and recorded in Volume 290, Page 188, said Deed Records, and also being along the southerly line of that certain tract of land as described in deed to Gary L. Thomas and recorded in Volume 1183, Page 119, said Deed Records, to a 60d nail, set in pavement, being the southeasterly corner of said Thomas tract, also being on the westerly line of that certain tract of land as described in deed to Nelson Bunker Hunt and recorded in Volume 571, Page 246, said Deed Records, said 60d nail being on the centerline of Roanoke Road (a 50 foot wide right-of-way);

THENCE S 00 deg. 09 min. 48 sec. W, 5035.60 feet along said centerline and said westerly line and along the westerly line of those certain tracts of land as described in deeds to Nelson Bunker Hunt, recorded in Volume 4612, Page 362 (Ninth and Tenth Tracts); to Melvin R. Farrell, recorded in Volume 3186, Page 400; to Robert E. Gunnells, recorded in Volume 7165, Page 2330; and to Charles G. Slocum, recorded in Volume 7165, Page 2322, County Records, Tarrant County, Texas, to a 60d nail, set in pavement, for an angle point in the centerline of said Roanoke Road at Sta. 147488.3;

THENCE S 00 deg. 45 min. 48 sec. W, along said centerline and the westerly line of the aforementioned Hunt Tenth Tract and the westerly line of Oak Trails Estates, an unrecorded plat, at 1176.60 feet, passing a 60d nail, set in pavement, for Sta. 136411.6 P.T., and leaving said centerline and continuing in all 1345.98 feet to a 5/8 inch iron rod, set, from which a 5/8 inch iron rod bears N 89 deg. 55 min. 26 sec. E, 6.25 feet, said rod being the northwesterly corner of that certain tract of land as described in deed to Bohus J. Maly and recorded in Volume 5331, Page 662, said county records, and also being the northeasterly corner of that certain tract as described in deed to Harold J. Thornton and recorded in Volume 4657, Page 361, said County Records;

THENCE S 89 deg. 55 min. 26 sec. W, 5202.44 feet along the northerly line of said Thornton tract and also along the northerly line of the aforementioned Leon Lewis, Annie Lewis and Ethel Fanning Tract to a point of beginning and containing 548.106 acres of land, from which 3.600 acres lie within road rights-of-way, leaving a net acreage of 544.506 acres of land, more or less.

ATTACHMENT "B"

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Effective Aug. 31, 1987, 90 days after date of adjournment.

H.B. No. 2580

relating to the creation, administration, powers, duties, operation, and financing of the Lake Turner Municipal Utility District No. 2 of Tarrant County, Texas; providing the authority to issue bonds and impose taxes.

SECTION 1. CREATION; LEGISLATIVE DECLARATION. (a) Pursuant to Article III, Section 52, and Article XVI, Section 59, of the Texas Constitution a conservation and reclamation district is created in Tarrant County subject to approval at a confirmation election under Section 8 of this Act, to be known as Lake Turner Municipal Utility District No. 2 of Tarrant County, Texas, which shall be a governmental agency and a body politic and corporate.

(b) The creation of the district is declared to be essential to the accomplishment of the purposes of Article III, Section 52, and Article XVI, Section 59, of the Texas Constitution.

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SECTION 3. BOUNDARIES. The district is composed of land located in the present corporate limits of the town of Westlake, in Tarrant County, Texas, and being more particularly described by metes and bounds as follows:

BEING a tract of land situated in Tarrant County and being in the Greenbury B. Hendricks Survey Abstract #680, Memucan Hunt Survey Abstract #756, Leroy Boggess Survey Abstract #196, and the Josiah Walker Survey Abstract #1604, and being more particularly described as follows;

POINT OF BEGINNING at the southwest corner of the Wilde Tract, recorded in Volume 7730, Page 1629 Tarrant County Deed Records, and being in the north line of Dove Road;

THENCE S 89°43'59" W 487.77 feet to a point;
THENCE N 10°30'25" E 888.64 feet to a point;
THENCE N 32°52'56" E 918.32 feet to a point;
THENCE N 44°32'51" E 1608.77 feet to a point;
THENCE S 85°19'53" E 936.66 feet to a point;
THENCE S 00°20'25" E 38.96 feet to a point;
THENCE S 00°17'48" E 1156.05 feet to a point;
THENCE S 42°40'02" E 415.88 feet to a point;
THENCE S 32°18'07" E 344.85 feet to a point;
THENCE S 03°31'10" W 503.48 feet to a point;
THENCE S 89°25'47" E 845.82 feet to a point;
THENCE N 89°17'17" E 1354.98 feet to a point;
THENCE S 01°22'06" W 1321.78 feet to a point;
THENCE S 00°01'27" W 1773.90 feet to a point;
THENCE S 00°02'03" W 1661.53 feet to a point;
THENCE S 88°46'19" W 1306.94 feet to a point;
THENCE S 00°36'04" W 438.45 feet to a point;
THENCE S 37°05'47" W 1189.38 feet to a point;
THENCE S 89°51'31" W 666.58 feet to a point;
THENCE S 00°31'34" W 805.66 feet to a point;
THENCE N 89°50'15" W 1033.25 feet to a point;
THENCE N 00°52'36" E 1203.92 feet to a point;
THENCE N 00°05'14" W 758.44 feet to a point;
THENCE N 00°09'35" W 893.56 feet to a point;
THENCE N 00°12'29" W 1018.50 feet to a point;
THENCE N 89°43'00" E 1217.24 feet to a point;
THENCE N 00°05'59" E 1758.89 feet to a point;
THENCE S 88°41'48" W 1500.10 feet to a point;
THENCE N 00°36'20" W 948.86 feet to a point;
THENCE S 89°01'50" W 342.72 feet to a point;
THENCE N 00°44'29" E 902.96 feet to a point;
THENCE S 88°02'11" W 487.27 feet to a point;
THENCE S 00°44'58" W 884.61 feet to the *POINT OF BEGINNING*.

SECTION 4. FINDINGS RELATING TO BOUNDARIES. The legislature finds that the boundaries and field notes of the district form a closure. If any mistake is made in the field notes or in copying the field notes in the legislative process, it in no way affects the organization, existence, and validity of the district, or the right of the district to levy and collect taxes, or in any other manner affects the legality or operation of the district or its governing body.

SECTION 5. FINDING OF BENEFIT. The legislature finds that all of the land and other property included within the boundaries of the district will be benefitted by the works and projects that are to be accomplished by the district under powers conferred by Article III, Section 52, and Article XVI, Section 59, of the Texas Constitution and that the district is created to serve a public use and benefit.

SECTION 6. POWERS. (a) Subject to the specific provisions of this Act, the district has all of the rights, powers, privileges, authority, and the functions conferred by Article

III, Section 52, and Article XVI, Section 59, of the Texas Constitution, and the functions conferred by the general laws of this state applicable to municipal utility districts operating under Chapters 50 and 54, Water Code. If any provision of general law is in conflict or inconsistent with this Act, this Act prevails.

(b) Except as provided by this Act, the rights, powers, duties, privileges, authority, and functions granted to the district are subject to the continuing right of supervision of the State of Texas to be exercised by and through the Texas Water Commission.

SECTION 7. BOARD OF DIRECTORS. (a) The district is governed by a board of five directors.

(b) Except for the initial directors, each director shall be elected and shall serve for the terms of office as provided for directors under Chapter 54, Water Code, until his successor is elected and has qualified.

(c) Each director shall qualify to serve as director in the manner provided by Chapter 54, Water Code.

(d) At the time this Act takes effect, the following persons shall constitute the initial board of directors of the district:

- (1) J. Michael Allen;
- (2) Vincent A. Ricco;
- (3) Raymond S. Rodgers;
- (4) Sharon H. Stewart; and
- (5) Peter Huntress.

(e) If any of the directors listed in Subsection (d) of this section fails to qualify for office, the remaining directors shall appoint a qualified person to fill the vacancy for the unexpired term. If at any time the number of qualified directors is less than three because of the failure or refusal of one or more directors to qualify or serve because of death or incapacitation or for any other reason, the Texas Water Commission shall appoint the necessary number of directors to fill all vacancies on the board.

(f) The initial directors shall serve until permanent directors are elected as provided by Section 9 of this Act and Chapter 54, Water Code.

SECTION 8. CONFIRMATION AND DIRECTORS' ELECTION. An election shall be called and held to confirm establishment of the district and to elect five permanent directors as provided by Chapter 54, Water Code.

SECTION 9. ELECTION OF DIRECTORS. Beginning in the second year following the confirmation and directors' election, an election shall be held on the third Saturday in May every two years to elect the appropriate number of directors to the board.

SECTION 10. ADDITIONAL AUTHORITY. (a) The district may provide for the construction, maintenance, and operation of macadamized, graveled, or paved roads and turnpikes, or works, facilities, or improvements in aid of those roads and turnpikes, inside or outside the boundaries of the district, to the extent authorized by Article III, Section 52, of the Texas Constitution. Subject to compliance with Section 11 of this Act, the district may issue, sell, and deliver the bonds, notes, or other obligations of the district for those purposes and may levy and collect taxes to pay the bonds.

(b) Subject to compliance with the general law of the state, the district may plan, lay out, purchase, construct, acquire, own, operate, maintain, repair, and improve, inside or outside its boundaries, works, improvements, facilities, plants, equipment, and appliances, including, without limitation, any administrative buildings, properties, and facilities, property rights, and any levees, drains, waterways, lakes, reservoirs, channels, conduits, sewers, dams, storm water detention facilities, or other similar facilities and improvements, and may acquire any permits, franchises, licenses, or contract or property rights whether for municipal, industrial, agricultural, recreational, landfill, sprinkling, irrigation conservation, reclamation, or flood control purposes, that are necessary, helpful, or incidental to the exercise of any right, power, privilege, authority, or function provided by this Act.

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(c) Notwithstanding anything in this Act or general law, the board may exclude land from the district and may add land to the district without the approval of the town of Westlake.

(d) If the district acquires land, easements, or rights-of-way for the construction of macadamized, graveled, or paved roads and turnpikes, or works, facilities, or improvements in aid of those roads and turnpikes, inside or outside the district, to the extent authorized by Article III, Section 52, of the Texas Constitution, the district may pay full market value for the land, easements, or rights-of-way, or may negotiate the value in good faith with the owner of the land, easements, or rights-of-way.

(e) The district may create an industrial development corporation as provided by the Development Corporation Act of 1979 (Article 5190.6, Vernon's Texas Civil Statutes).

(f) Notwithstanding other law, the district may contract with a rapid transit authority, municipality, political subdivision, or other governmental entity to construct, maintain, and operate a mass transit facility.

SECTION 11. BONDS AND TAXES. Bonds payable in whole or in part by taxes and issued for the purposes described in Section 10(a) of this Act may not be issued by the district except on a vote of a two-thirds majority of the qualified voters of the district or the territory to be affected by the bonds voting at the election. Bonds, notes, or other obligations of the district issued or incurred for the purposes described in Section 10(a) of this Act may not exceed one-fourth of the assessed valuation of the real property of the district or territory.

SECTION 12. WATER AND SEWER CONTRACTS. The district may, without limitation, enter into, execute, perform, and carry out contracts it may consider appropriate and mutually advantageous under Chapter 224, Acts of the 56th Legislature, Regular Session, 1959 (Article 1109j, Vernon's Texas Civil Statutes). Those contracts may provide for the district's acquisition of all or any designated portions of any of the works, facilities, improvements, equipment, appliances, properties, and contract rights as provided by Chapter 224, Acts of the 56th Legislature, Regular Session, 1959 (Article 1109j, Vernon's Texas Civil Statutes), that the district is authorized by this Act to purchase, acquire, construct, own, or improve or may become authorized to purchase, acquire, construct, own, or improve in its own name or behalf.

SECTION 13. WATER CONSERVATION. The district shall adopt and implement a program of water conservation consistent with rules and criteria adopted and enforceable by the Texas Water Commission for similarly situated districts in the region. A program of water conservation means the practices, techniques, and technologies that will reduce the consumption of water, reduce the loss or waste of water, improve efficiency in the use of water, or increase the recycling and reuse of water so that a water supply is made available for future or alternative uses.

SECTION 14. DISSOLUTION OF DISTRICT. Notwithstanding Chapter 128, Acts of the 50th Legislature, Regular Session, 1947 (Article 1182c-1, Vernon's Texas Civil Statutes), or any other general law, the district may be dissolved on approval of a two-thirds vote of the governing body of the town of Westlake, a two-thirds vote of the incumbent members of the board, and a two-thirds vote of the incumbent members of the board of any other districts that the district has contracted for the receipt or provision of regional or area wide water supply, wastewater disposal service, or any other service contract or agreement for a term in excess of 20 years.

SECTION 15. NOTICE, ETC. The legislature finds that proper and legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished by the constitution and laws of this state, including the governor of Texas, who has submitted the notice and Act to the Texas Water Commission. Also, the legislature finds that the Texas Water Commission has filed its recommendations relating to this Act with the governor, lieutenant governor, and speaker of the house of representatives, within the required time. All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act have been fulfilled and accomplished.