

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

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

Water systems INREC Public						Water System Administration Unit						Water System Administration Unit					

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

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.



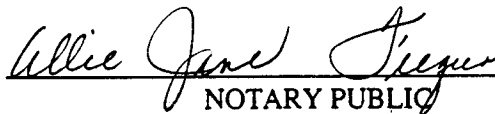
AFFIANT

(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.

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P.O. Box 13087
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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"

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.

SECTION 16. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 8, 1987, by the following vote: Yeas 134, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2579 on May 28, 1987, by a non-record vote; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2579 was transmitted to the Governor on April 29, 1987, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on May 20, 1987. Passed by the Senate, with amendments, on May 25, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 20, 1987.

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

CHAPTER 1031

H.B. No. 2580

AN ACT

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.

Be it enacted by the Legislature of the State of Texas:

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.

SECTION 2. DEFINITION. In this Act, "district" means Lake Turner Municipal Utility District No. 2.

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approval of a
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of this Act, has
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perative public
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Act take effect

ys 0, 1 present,
B. No. 2579 on
of Article XVI,
was transmitted
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87. Passed by
Yeas 30, Nays

the Lake Turner
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uant to Article
nservation and
a confirmation
Utility District
a body politic

shment of the
s Constitution.
ner Municipal

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.

SECTION 16. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 8, 1987, by the following vote: Yeas 134, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2580 on May 28, 1987, by a non-record vote; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2580 was transmitted to the Governor on April 29, 1987, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on May 20, 1987. Passed by the Senate, with amendments, on May 25, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 20, 1987.

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

CHAPTER 1032

H.B. No. 2581

AN ACT

relating to the creation, administration, powers, duties, operation, and financing of the Lake Turner Municipal Utility District No. 1 of Tarrant County and Denton County, Texas; providing the authority to issue bonds and impose taxes.

Be it enacted by the Legislature of the State of Texas:

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 and Denton counties subject to approval at a confirmation election under Section 8 of this Act, to be known as Lake Turner Municipal Utility District No. 1, of Tarrant County and Denton 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.

SECTION 2. DEFINITION. In this Act, "district" means Lake Turner Municipal Utility District No. 1.

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

BEING a tract of land situated in Tarrant and Denton Counties and being in the William Huff Survey Abstract #648, Jessie Gibson Survey Abstract #593 and #592, J. Bacon Survey Abstract #2026, Richard Eads Survey Abstract #492, Jesse Sutton Survey Abstract #1451, Chas Medlin Survey Abstract #1084 and #1958, Greenbury B. Herdricks Survey Abstract #680, Memucan Hunt Survey Abstract #756, Leroy Boggess Survey Abstract #196, Josiah Walker Survey Abstract #1604, MEP & PRR Company Survey Abstract #923, and the A. Barnes Survey Abstract #142 and being more particularly described as follows;

COMMENCING in Tarrant County at a Texas Highway Department standard concrete market post, called at station 136400 in the east right-of-way line of State Highway Number 377 (a 110 foot right-of-way);

THENCE N 24°7'50" E along the east line of said Highway, 272.12 feet to a found ½ inch iron pin at a fence corner, being the southwest corner of the Lyda Bunker Hunt tract, recorded in Volume 8056, Page 1795, Tarrant County Deed Records and being in the south line of the William Huff Survey Abstract #648 and being the POINT OF BEGINNING;

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

Water Utilities Division
Utility Rates and
Services Section



RECEIVED
CONSERVATION COMMISSION

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

- Applicant: Lake Turner Municipal Utility District No. 3
(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
- 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").
- The purpose of this application is to:

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

-OR-

to provide utility service to: _____ in: Tarrant/Denton County
(Subdivision or area) (County)
- 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: Rice M. Tilley, Jr. Telephone: (817) 491-4357

Address: 500 Throckmorton, #3200, Ft. Worth, TX 76102

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

•Name: Bobby L. Street Telephone: (817) 347-8132

Address: P.O. Box 188, Haslet, TX 76052

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

•Name: Kelly R. Thompson Telephone: (817) 347-8132

Address: P.O. Box 3210, Ft. Worth, Texas 76113

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

•Name: Note: Lake Turner MUD No. 3 is governed by Telephone: _____

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. A. Lake Turner MUD No. 3 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. 3'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. 3 enjoys all financing powers accorded by law. The voters within the District have approved debt of \$15.6 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-	800
5/8" or 3/4" meter	-0-	900	Commercial	-0-	138
1" meter	-0-	23	Industrial	-0-	-0-
1½" meter	-0-	5	Other:	-0-	-0-
2" meter	-0-	8			
4" meter	-0-	2			
Other:	-0-				
Total Water	-0-	938	Total Sewer	-0-	938

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

☐ 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: _____

☒ Yes - Sewer treatment capacity Purchased on a (X) regular - () seasonal - () emergency basis

• Source: Trinity River Authority - Denton Creek % of total treatment 100%

WWTP

✳ 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)

W Q - ; W Q -

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

A. What is the amount of equity or total capital in the utility system? See Page 5-A of 10, attached.

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	Class	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>Town of Westlake</u>
<u>City of Keller</u>	<u>Lake Turner MUD No. 1</u>
<u>Town of Marshall Creek</u>	<u>Lake Turner MUD No. 2</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. 3 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 \$550,000 (including an initial payment of \$50,000 on the District's contract in the Cade Branch Interceptor which will total \$2.5 million through the year 2017).

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

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

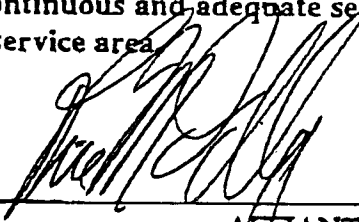
OATH

State of Texas

County of _____

I, Rice M. Tilley, Jr. being duly sworn, file this application as Pres. Bd. of Dir. Lake Turner MUD 3 (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.

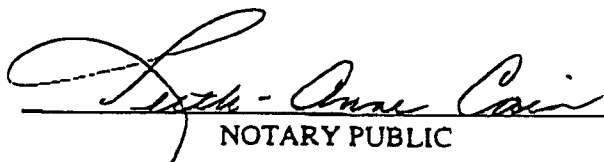


AFFIANT
(Applicant's Authorized Representative)

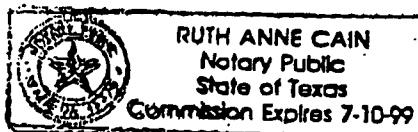
If the Affiant to this form is any person other than the sole owner, partner, officer of the Applicant, or its attorney, a properly verified Power of Attorney must be enclosed.

SUBSCRIBED AND SWORN TO BEFORE ME, a Notary Public in and for the State and County above-named, this 30th 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 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.

Persons who wish to intervene or comment should write the:

Texas Natural Resource Conservation Commission
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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"

CHAPTER 1030

H.B. No. 2579

AN ACT

relating to the creation, administration, powers, duties, operation, and financing of the Lake Turner Municipal Utility District No. 3 of Tarrant County and Denton County, Texas; providing the authority to issue bonds and impose taxes.

Be it enacted by the Legislature of the State of Texas:

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 and Denton counties subject to approval at a confirmation election under Section 8 of this Act, to be known as Lake Turner Municipal Utility District No. 3 of Tarrant County and Denton 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.

SECTION 2. DEFINITION. In this Act, "district" means Lake Turner Municipal Utility District No. 3.

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 in Denton County, Texas, and being more particularly described by metes and bounds as follows:

BEING a tract of land situated in Tarrant and Denton Counties and being in the Jesse Gibson Survey Abstract #592, J. Bacon Survey Abstract #2026, Jesse Sutton Survey Abstract 1451, C. Medlin Survey Abstract #1084 and #1958, Greenbury B. Hendricks Survey Abstract #680, and the Memucan Hunt Survey Abstract #756, and being more particularly described as follows;

COMMENCING 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 the POINT OF BEGINNING;
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 N 67° 46' 39" W 1260.20 feet to a point;
THENCE N 02° 29' 46" W 577.08 feet to a point;
THENCE N 29° 33' 44" W 380.24 feet to a point;
THENCE N 17° 35' 28" E 617.92 feet to a point;
THENCE N 51° 30' 07" W 943.66 feet to a point;
THENCE S 31° 21' 12" W 679.70 feet to a point;
THENCE S 01° 20' 48" W 734.84 feet to a point;
THENCE S 50° 57' 07" E 480.00 feet to a point;
THENCE S 00° 14' 29" W 392.16 feet to a point;
THENCE S 36° 42' 56" W 319.25 feet to a point;
THENCE S 06° 46' 37" E 683.12 feet to a point;
THENCE N 49° 28' 24" W 867.12 feet to a point;
THENCE N 28° 54' 24" E 461.29 feet to a point;
THENCE N 25° 26' 48" W 1035.48 feet to a point;
THENCE N 62° 25' 19" W 418.41 feet to a point;
THENCE N 77° 34' 58" W 817.67 feet to a point;
THENCE S 62° 05' 38" W 150.00 feet to a point;
THENCE S 89° 41' 23" E 4.46 feet to a point;
THENCE S 00° 28' 21" E 1731.52 feet to a point;
THENCE N 89° 26' 19" W 457.12 feet to a point;
THENCE N 89° 58' 40" W 973.47 feet to a point;
THENCE S 09° 16' 51" W 147.48 feet to a point;
THENCE S 32° 49' 58" E 1193.42 feet to a point;

THENCE S 28° 12' 37" W 463.60 feet to a point;
THENCE S 89° 50' 20" E 2143.91 feet to a point;
THENCE S 00° 44' 55" W 1326.23 feet to a point;
THENCE N 89° 43' 59" E 1316.19 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 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) Jay T. McCormick;
- (2) Stephen E. Williamson;
- (3) Judith E. Huntress;
- (4) Jack C. Stewart; and
- (5) Pamela H. Ricco.

(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.

(c) Notwithstanding anything in this Act or general law, the district 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.

SECTION 16. EMERGENCY. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on May 8, 1987, by the following vote: Yeas 134, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2579 on May 28, 1987, by a non-record vote; and, pursuant to the provisions of Article XVI, Section 59(d) of the Constitution of Texas, a copy of H.B. No. 2579 was transmitted to the Governor on April 29, 1987, and the recommendation of the Texas Water Commission was filed with the Speaker of the House on May 20, 1987. Passed by the Senate, with amendments, on May 25, 1987, by the following vote: Yeas 30, Nays 0.

Approved June 20, 1987.

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

CHAPTER 1031

H.B. No. 2580

AN ACT

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.

Be it enacted by the Legislature of the State of Texas:

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.

SECTION 2. DEFINITION. In this Act, "district" means Lake Turner Municipal Utility District No. 2.

Mc 27
Austin
C/131E

TEXAS NATURAL RESOURCE CONSERVATION COMMISSION

INTEROFFICE MEMORANDUM

TO: Mamie Black, Acting Chief Clerk **DATE:** December 10, 1996

THRU: *DK* Sally Gutierrez, Director, Water Utilities Division

FROM: *DK* Steve Blackhurst, Manager, Utility Rates & Services Section
Irene Montelongo, Legal Division

SUBJECT: Docket No. 96-1901-UCR; Protest of the 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)

Docket No. 96-1902-UCR; Protest of the Application of Lake Turner Municipal Utility District (MUD) No. 2 for a Sewer Certificate of Convenience and Necessity (CCN) in Tarrant County (Application No. 31350-C)

Docket No. 96-1903-UCR; Protest of the Application of Lake Turner Municipal Utility District (MUD) No. 3 for a Water Certificate of Convenience and Necessity (CCN) in Denton and Tarrant Counties (Application No. 31351-C)

Docket No. 96-1904-UCR; Protest of the Application of Lake Turner Municipal Utility District (MUD) No. 3 for a Sewer Certificate of Convenience and Necessity (CCN) in Denton and Tarrant Counties (Application No. 31352-C)

We hereby transfer the official files for the above applications to the Chief Clerk's Office. Please refer these applications to the State Office of Administrative Hearings and request that a hearing be scheduled.

This utility's applications are being protested by the City of Keller, Trophy Club Municipal Utility District No. 1 and the Town of Westlake. They are also requesting a hearing on these matters. The applicant's proposed water and sewer service areas completely overlap the proposed water and sewer service areas of the Town of Westlake under its Applications No. 31252-C and No. 31253-C. The staff recommends that Applications No. 31252-C and No. 31253-C of the Town of Westlake be consolidated with these applications because many of the issues are the same. Staff estimates 30 people will attend this hearing. Attached is a mailing list.

The staff assigned to this case are:

Technical - Albert Holck/George Freitag

Legal - *Maria Sanchez*

RECEIVED

DEC 13 1996

TX NATURAL RESOURCE CONS COMM
UTILITY RATES AND SERVICES

PROPOSED MAILING LIST FOR DOCKET NO. 96-1897-UCR AND DOCKET NO. 96-1898-UCR
(Applications No. 31252-C and No. 31253-C)

PROPOSED MAILING LIST FOR DOCKET NO. 96-1901-UCR,
DOCKET NO. 96-1902-UCR, DOCKET NO. 96-1903-UCR, AND DOCKET NO. 96-1904-UCR,
(Applications No. 31349-C, No. 31350-C, No. 31351-C, No. 31352-C)

Mr. Timothy G. Green
Coats, Rose, Yale, Holm, Ryman & Lee
800 First City Tower
1001 Fannin
Houston, Texas 77002-6707

Representing Lake Turner MUD No. 2
Lake Turner MUD No. 3

Mr. Andy Barrett
McGinnis, Lochridge & Kilgore, L.L.P.
1300 Capitol Center
919 Congress Avenue
Austin, Texas 78701
(512)495-6000
Fax (512) 495-6093

Representing Lake Turner MUD No. 2
Lake Turner MUD No. 3

Mr. Dwight A. Shupe
Hughes & Luce, L.L.P.
1717 Main Street, Suite 2800
Dallas, Texas 75201

Representing Hillwood/Willowbend, Ltd.
(Lake Turner MUD No. 2)
(Lake Turner MUD No. 3)

Mr. Lyle H. Drescher, City Manager
City of Keller
158 S. Main
Keller, Texas 76248

Representing City of Keller

Mr. Skip Newsom, Fisher & Newsom, P.C.
111 Congress Avenue, Suite 820
Austin, Texas 78701-4043
(512) 477-4121
Fax (512) 477-4136

Representing City of Keller

Mr. Frank R. Booth
Booth & Dillon
NationsBank Tower, Suite 1212
515 Congress Avenue
Austin, Texas 78701-3503

Representing Trophy Club Municipal Utility District No. 1

Mr. Robert G. West
Michener Larimore Swindle Whitaker Flowers Sawyer Reynolds & Chalk, L.L.P.
3500 City Center Tower II
301 Commerce Street
Fort Worth, Texas 76102-4186
(817) 335-4417

Representing Trophy Club Municipal Utility District No. 1

Mr. R. L. Guinn, Director
3500 Lincoln Plaza
500 North Akard Street
Dallas, Texas 75201

Lake Turner MUD No. 1

Mr. Tom Allen
Maguire Thomas Partners
9 Village Circle, Suite 500
Westlake, Texas 76262

Representing Maguire Thomas Partners-Westlake
Southlake Partnership

John J. Carlton
Strasburger & Price, L.L.P.
2600 One American Center
600 Congress Avenue
Austin, Texas 78701

Representing Maguire Thomas Partners
MTP-IBM Phase II/III Joint Venture

Mr. Martin C. Rochelle
Lloyd, Gosselink, Fowler, Blevins & Mathews, P.C.
111 Congress Avenue, Suite 1800
Austin, Texas 78701
(512) 322-5800
Fax (512) 472-0532

Representing Town of Westlake

Ms. Sarah K. Walls
Cantry and Hanger
2100 Burnett Plaza
801 Cherry Street
Fort Worth, Texas 76102

Representing Town of Westlake

Mr. Rick Frederick
624 Walnut Grove
Roanoke, Texas 76262

Representing Walnut Grove Water System
(not a protest but request for notice of hearing)

Legislative Contact
Senator Jane Nelson
P. O. Box 2068
Capitol Building
Austin, Texas 78711

Senator Jane Nelson
District Office
3700 Forums Drive, Suite 107
Flower Mound, Texas 75028

SOAH DOCKET NO. 582-97-0134
TNRCC DOCKET NOS. 96-1902-UCR, 96-1904-UCR, and 96-1898-UCR

APPLICATIONS OF CIRCLE T	§	STATE OFFICE
MUD NOS. 2 & 3 (FORMERLY	§	
LAKE TURNER MUDS) AND THE	§	OF
TOWN OF WESTLAKE	§	
FOR SEWER CCNs	§	ADMINISTRATIVE HEARINGS

ORDER NO. 10
DISMISSING CASE AND
REMANDING APPLICATIONS TO THE EXECUTIVE DIRECTOR

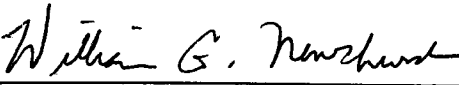
On December 28, 1999, Circle T Municipal Utility District No. 3 (Circle T MUD 3) filed a letter indicating that it wished to withdraw its certificate of convenience and necessity (CCN) application, No. 31352-C, in this case. Similarly, on January 10, 2000, Circle T MUD No. 2 filed a letter stating that it wished to withdraw its sewer CCN application, no. 31350-C. At the scheduled hearing on January 10, 2000, both MUDs clarified that they were moving to withdraw their applications without prejudice to refileing.

By letters on January 10, 11, and 12, 2000, the Executive Director (ED), the Office of Public Interest Counsel (OPIC), and the Town of Westlake (Westlake) agreed to the withdrawal of Circle T MUDs 2's and 3's applications without prejudice. In accord with 30 TAC § 80.25, therefore, Circle T MUDs 2's and 3's applications are remanded to the ED for dismissal without prejudice to refileing.

All parties now support approval of Westlake's application, no. 31253-C, for a sewer CCN. Westlake's application is remanded to the ED for uncontested administrative approval.

This case is dismissed from SOAH's docket.

Issued January 14, 2000.



William G. Newchurch
Administrative Law Judge

MAILING LIST

**Applications of Circle T MUD Nos. 2 & 3 (formerly of Lake Turner MUD Nos. 2 & 3)
and the Town of Westlake
SOAH Docket No. 582-97-0134**

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F

SOAH DOCKET NO. 582-97-0134
TNRCC DOCKET NOS. 96-1902-UCR, 96-1904-UCR, and 96-1898-UCR


APPLICATIONS OF CIRCLE T	§	STATE OFFICE
MUD NOS. 2 & 3 (FORMERLY	§	
LAKE TURNER MUDDS) AND THE	§	OF
TOWN OF WESTLAKE	§	
FOR SEWER CCNs	§	ADMINISTRATIVE HEARINGS

ORDER NO. 9
CLARIFYING HEARING LOCATION AND TIME

This case has been reassigned to the undersigned Administrative Law Judge (ALJ). The previous order setting this case for hearing on January 10 and 11, 2000, did not specify the time and location of the hearing. The hearing will convene at 9:00 a.m., on January 10, 2000, at the Stephen F. Austin Building, Suite 1100, 1700 North Congress Avenue, Austin, Texas. It will continue day after day thereafter until concluded.

Recent filings indicate that Circle T MUD No. 2 wishes to withdraw its sewer application and now supports Westlake's sewer application and that Circle T MUD No. 2 may as well. Unless the case settles, the ALJ will address those withdrawals when the hearing convenes.

Issued January 6, 2000.



William G. Newchurch
Administrative Law Judge