STATE OF TEXAS

COUNTY OF COLLIN

REFORE ME, the undersigned authority, on this day personally appeared **George Purefoy**, City Manager of the City of Frisco, Texas, being the person whose names are subscribed to the foregoing instrument; he acknowledged to me he is the duly authorized representative for the **City of Frisco**, **Texas**, and he executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 23 day of

STATE OF THE STATE

Notary Public in and for the State of Texas My Commission Expires: 0110

BEFORE ME, the undersigned authority, on this day personally appeared Baljeet K. Jawanda, known to me to be one of the persons whose names are subscribed to the foregoing instrument; he acknowledged to me that he has executed said instrument for the purposes and consideration therein expressed.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this 4 day of

June 1 , 200 8.

Notary Public in and for the State of Texas My Commission Expires:

SHANNON W ANDREWS My Commission Expires July 12, 2010

Page 10 of 22

(Westridge Addition Lot i, Block A Public Improvements)

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STATE OF TEXAS	-
~ · · · · ·	ł
COUNTY OF Fairfax	

BEFORE ME, the undersigned authority, on this day personally appeared Daljit S. Hundle, known to me to be one of the persons whose names are subscribed to the foregoing instrument; she acknowledged to me that she has executed said instrument for the purposes and consideration therein expressed.

BARLOW FLORES
NOTARY PUBLIC
COMMONWEATTH OF VIRGINIA
MY COMMISSION EXPIRES SEPT. 30, 2009
COMMISSION # 355897

DEVELOPMENT AGREEMENT

Page 11 of 22

EXHIBIT "A" LEGAL DESCRIPTION OF THE PROPERTY

[Two (2) Pages Attached]

DEVELOPMENT AGREEMENT

Page 12 of 22

LEGAL DESCRIPTION

WESTRIDGE ADDITION LOT 1, BLOCK A

WHEREAS Baljeet K. Jawanda and Daljits S. Hundle are the owners of a tract or parcel of land situated in the City of Frisco, Collin County, Texas, being part of the A.S. Young Survey Abstract Number 1037, being all of that tract of land described in deed to said Baljeet K. Jawanda and Deljits S. Hundle recorded in Volume 5912, Page 6577 of the Deed Records of Collin County, Texas (D.R.C.C.T.) and being more particularly described as follows:

BEGINNING at a ½ inch iron rod with red plastic cap found for corner in the easterly monumented line of Blaise Drive, said corner being the southeast corner of said Jawanda/Hundle tract, same being the northwest corner of a tract of land described by deed to John Barch and wife, Jana K. Barch recorded in Volume 5723, Page 4783, D.R.C.C.T.;

THENCE North 00°02'07" East, along said easterly monumented line of Blaise Drive, a distance of 50.00' to a 1/2" iron rod with a yellow plastic cap stamped "RPLS 5688" set for corner (hereinafter referred to as 1/2" iron rod set), said corner being the southwest corner of the remainder of a tract of land described by deed to William A. Mains and Paula L. Mains recorded in Volume 1024, Page 753, D.R.C.C.T.;

THENCE North 89°57'25" East, along the common line between said Jawanda/Hundle and Mains tracts, a distance of 190.61' to a 1/2" iron rod set for corner;

THENCE North 02°55'18" East, continuing along said common line, a distance of 284.86' to a 1/2" iron rod set for corner, said corner bears South 02°55'18" West, a distance of 70.10' from the southerly right-of-way line of Westridge Boulevard (a 60' right-of-way);

THENCE over and across said Jawanda/Hundle tract, the following courses and distances:

North 89°52'06" East, a distance of 3.73' to a 1/2" iron rod set for an angle point;

North 85°55'23" East, a distance of 145.34' to a 1/2" iron rod set for an angle point;

North 89°52'06" East, a distance of 132.53' to a 1/2" iron rod set for an angle point;

North 89°52'12" East, a distance of 22,78' to a 1/2" iron rod set for corner;

South 00°02'35" East, a distance of 274.95' to a 1/2" iron rod set for corner in the northerly line of said Barch tract, same being in the southerly line of said Jawanda/Hundle tract;

THENCE South 89°57'25" West, along the common line between said Jawanda/Hundle and Barch tracts, a distance of 505.82' to the POINT OF BEGINNING and containing 2.159 acres of land, more or less.

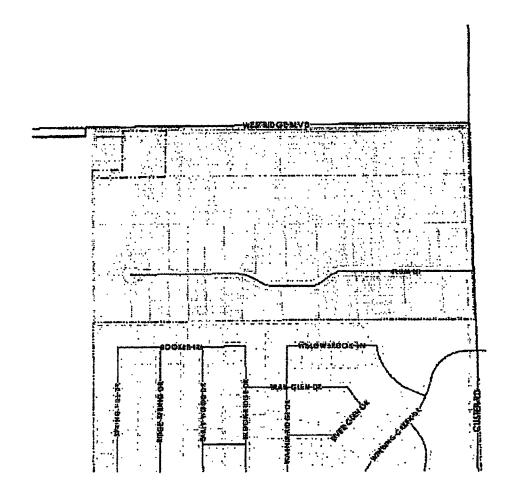
DEVELOPMENT AGREEMENT

Page 13 of 22

(Westridge Addition Lot 1, Block A Public Improvements)

\\Frisco2\engineering\COUNCIL_ITEMS\Council_Agendas\2008\2008-01-02\\\estridge Addition Improvements (DLC)\ARBJ-#503361-v2-\\\\estridge_Montessori_FINAL_Agreement.DOC

WESTRIDGE ADDITION LOT 1, BLKA, LOCATION MAP



DEVELOPMENT AGREEMENT

Page 14 of 22

EXHIBIT "B" PUBLIC WATERLINE IMPROVEMENTS ENGINEER'S OPINION OF PROBABLE **DESIGN AND CONSTRUCTION COSTS**

[Solo Page Attached]

DEVELOPMENT AGREEMENT

Page 15 of 22

(Westridge Addition Lot 1, Block A Public Improvements)

(Frisco2\engineering\COUNCIL_ITEMS\Council_Agendes\2008\2008\2008\-01\-02\\Westridge Addition Improvements (DLC)\ARBJ-#503361-v2\-\Westridge_Montessori_FiNAL_Agroement.DOC

Engineer's Opinion of Probable Design and Construction Cost

Waterline improvements

Westridge Boulevard along Westridge Addition Lot 1, Block A

Item	Description	U/M	Qty.		Jnit Cost		Total Cost
WC1 WC2 WC3 WC4 WC5 WC6 WC7		LF EARTH LST	315 1 0.44 315 1 21,920	\$ \$ \$ \$ \$ \$ \$ \$	47.00 1,600.00 2,000.00 5,000.00 1.00 1,000.00	\$ \$ \$	14,805.00 1,600.00 2,000.00 2,200.00 315.00 1,000.00 3,288.00
•	Subtotal Construction					\$	<u>25,208.00</u>
WE1	Engineering Engineering	EA	25,208		8%	\$	2,017.00
	Subtotal - Engineering Right-of-Way					\$	<u>2.017.00</u>
WR1	Right-of-Way (15' Width)	SF		\$	5.00	\$	****
	Subtotal - Right-of-Way				4-4	.\$	
	Total Project, Estimated Cost					\$	27,225.00

DEVELOPMENT AGREEMENT

Page 16 of 22

Westridge Addition Lot 1, Block A Public Improvements)

(Westridge Addition Lot 1, Block A Public Improvements)

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EXHIBIT "C" **PUBLIC SANITARY SEWER IMPROVEMENTS ENGINEER'S OPINION OF PROBABLE DESIGN AND CONSTRUCTION COSTS**

[Solo Page Attached]

DEVELOPMENT AGREEMENT

Page 17 of 22

(Westridge Addition Lot 1, Block A Public Improvements)

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Engineer's Opinion of Probable Design and Construction Cost

Public Sanitary Sewer improvements Westridge Boulevard along Westridge Addition Lot 1, Block A

ltem	Description	U/M	Qty.	L	Jnit Cost	7	Fotal Cost
WWC1 WWC2 WWC3 WWC4 WWC5 WWC6	Construction 8" Sewer Pipe 48" Manhole Trench Safety Staking Testing Construction Contingency Subtotal - Construction	LF EA LF LS LS PCT	315 1 315 1 1 15,340	****	34.00 3,200.00 2.00 300.00 500.00 15%	999999 1	10,710.00 3,200.00 630.00 300.00 500.00 2,301.00
WWE1	Engineering Engineering Subtotal - Engineering	EA	17,641		8%	\$	1,411.00 <u>1,411.00</u>
SSR1	Right-of-Way Right-of-Way (15' Width) Subtotal - Right-of-Way	SF		\$	5.00	\$	-
	Total Project, Estimated Cost					\$	19,052.00

DEVELOPMENT AGREEMENT

Page 18 of 22

(Westridge Addition Lot 1, Block A Public Improvements)

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EXHIBIT "D" PUBLIC STORM DRAINAGE IMPROVEMENTS ENGINEER'S OPINION OF PROBABLE DESIGN AND CONSTRUCTION COSTS

[Solo Page Attached]

DEVELOPMENT AGREEMENT

Page 19 of 22

Engineer's Opinion of Probable Design and Construction Cost

Public Storm Drainage Improvements
Westridge Boulevard along Westridge Addition, Lot 1, Block A

item	Description	U/M	Qty.	Į	Init Cost	٦	Fotal Cost
SDC1 SDC2 SDC3 SDC4 SDC5 SDC6	10' Inlets Trench Safety Staking Testing	LF EA EA LS PCT	315 1 315 1 1 19,695	****	52.00 2,400.00 1.00 300.00 300.00 15%	\$	16,380.00 2,400.00 315.00 300.00 300.00 2,954.00
SDE1	Engineering	EA	22,649		8%	\$	1,812.00
	Subtotal - Engineering					\$	<u>1,812.00</u>
SDR1	Right-of-Way Right-of-Way (15' Width) Subtotal - Right-of-Way	SF		\$	5.00	\$	-
	Total Project, Estimated Cost					\$	24,461.00

DEVELOPMENT AGREEMENT

Page 20 of 22

(Westridge Addition Lot 1, Block A Public Improvements)

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EXHIBIT "E" PUBLIC PAVING IMPROVEMENTS ENGINEER'S OPINION OF PROBABLE DESIGN AND CONSTRUCTION COSTS

[Solo Page Attached]

DEVELOPMENT AGREEMENT

Page 21 of 22

(Westridge Addition Lot 1, Block A Public Improvements)

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Engineer's Opinion of Probable Design and Construction Cost

Public Paving Improvements Westridge Boulevard along Westridge Addition, Lot 1, Block A

Item	Description	U/M	Qty.	Unit Cost		Total Cost
P1 P2 P3 P4 P5 P6 P7 P8 P9 P10 P11	Construction Lime Treated Subgrade Hydrated Lime 8" RCC Pavement 6" Mono Concrete Curb 5' Sidewalk Excavation Stripping / Finish Grade SWPPP Traffic Control Right Tum Lane Construction Contingency	SY TN SY LF SF CY SP CY EA LS EA PCT	1,568 28 1,394 729 1,525 130 1,568 1 1 2 115,784	\$ 2.00 90.00 35.00 included 4.00 9.00 1.00 1,000.00 1,500.00 25,000.00	*****	3,136.00 2,520.00 48,790.00 Included 6,100.00 1,170.00 1,568.00 1,000.00 1,500.00 50,000.00
	Subtotal - Construction				\$	<u>133,152.00</u>
	Engineering					
PE1	Engineering	EA	133,152	8%	\$	10,679.00
	Subtotal - Engineering	;			\$	<u>10,679.00</u>
PR1	Right-of-Way					
	Right-of-Way (15' Width)	SF		\$ 5.00	\$	***
	Subtotal - Right-of-Way				\$	
	Total Project, Estimated Cost				\$.	143,831.00

DEVELOPMENT AGREEMENT

Page 22 of 22

Filed and Recorded Official Public Records Stacey Kemp Collin County, TEXAS 04/18/2008 03:58:00 PM \$104.00 DLAIRD 200804180000469170



Springling

EXHIBIT "E"



	FOR OFFICE USE	ONLY Admin Fee	E-Billing	
Account#		Palian rec	c Dimig	Turner O

Commercial Water Application

	Anninie Mai	adde whhiipadini	ı
siness Name: _	Ker-Seva Ltd.		
Phone:	469-222-8885 Office	Office	Accounts Payable
E-mail: _	jastinderjawanda@ya	hoo.com	
lequested By: _	Jastinder Jawanda	Phone: 469-22	22–8885
	EASE SIGN ME UP FOR E-BILLING	. I UNDERSTAND THAT I WILL N	OT RECEIVE A PAPER STATEM
	ಚಿನಿನಿಸಿಸುವರ New Service	X (Complete Section A below 8	k include copy of Driver's License)
**	***		
	Disconnect	Service(Complete Section	3 Oetow)
Service Address:	9331 Westridge Blv	d., McKinney, TX 75	070
	Street	City/State	25p Code
Billing Address:	10247 Warren Parkwa	y, Frisco, TX 75035	-6075
5	Sred	City/State	Zip Code
Tax ID:2055	34220		
	November	12 2015	
Date to Connect	(Normal Business Day): November	12, 2019	2
The City of Fris	co will bill you a \$1,100.00 deposit on e ction of service *The City of Frisco v	ach account which will be rejunded ajt will bill you a \$20.00 n on-refundable	er 24 montas oj goda service riswi Administrative fee on each accoun
	A 24-hour notice is	s required for all new service accounts.	•
Discorder			
TO COLORD PROCESSION			
- 1	to an energy things the action to action		
	Streat	City/State	Zp Code
Forwarding Addre	ess:		
Service Address: Forwarding Address	Strend	Cuy/ State	Zip Code
Date to Disconne	ct (Normal Business Day):		

- · Each account is billed for water and sewer charges. For rate information, visit the
- If you are continuing services at a commercial location, your property may already have waste services. For information about your property's waste services or to amend the existing waste services, please contact Environmental Services at (972)-292-5900.
- Waste equipment will be removed when water services is disconnected.

HINGE OF CUSTOMER

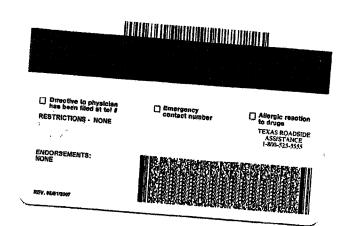
November 6, 2015

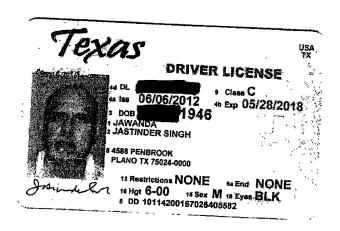
DATE

** 'Ai Delinquenc Accounts will be sent to a Collection Agency**

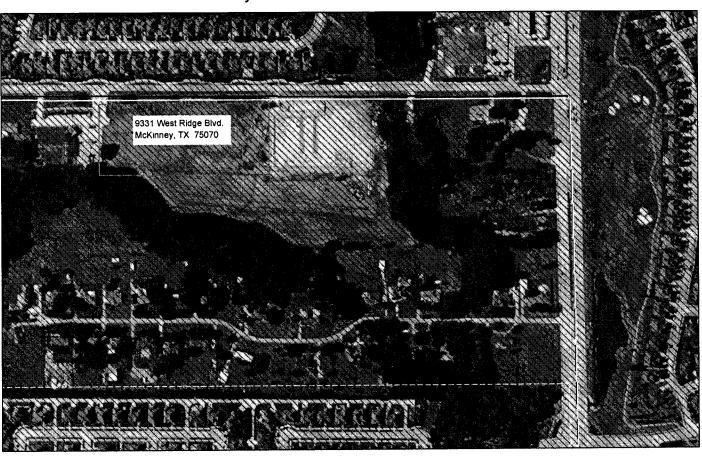
Phone: 972-292-5575 Fax: (972) 292-5585

E-mail: utilitybilling@friscotexas.gov





City of Frisco Sewer CCN 20591



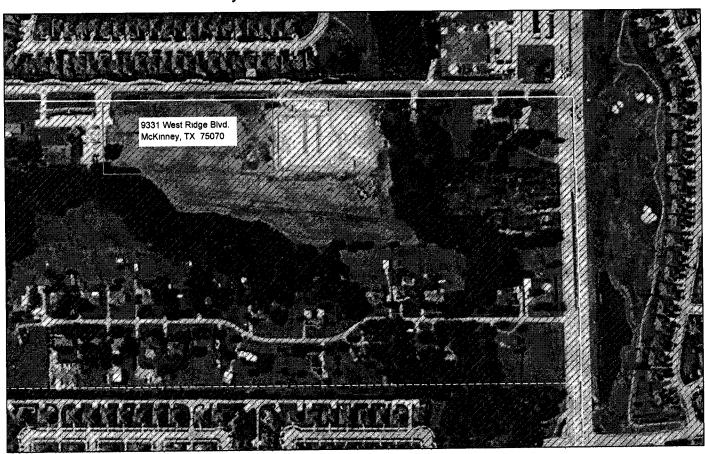
November 5, 2015

Sewer CCN Service Areas

1:4,514
0 0.0375 0.075 0.15 mi
0 0.05 0.1 0.2 km

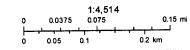
Source Esri, DigitalGobe, GeoEye, Earthstar Geographics, CNES/Airbus
DB, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, exvisatopo, and

City of Frisco Water Line CCN 11772



November 5, 2015

Water CCN Service Areas



Source Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AEX, Getmapping, Aerogrid, IGN, IGP, swisstopo, and





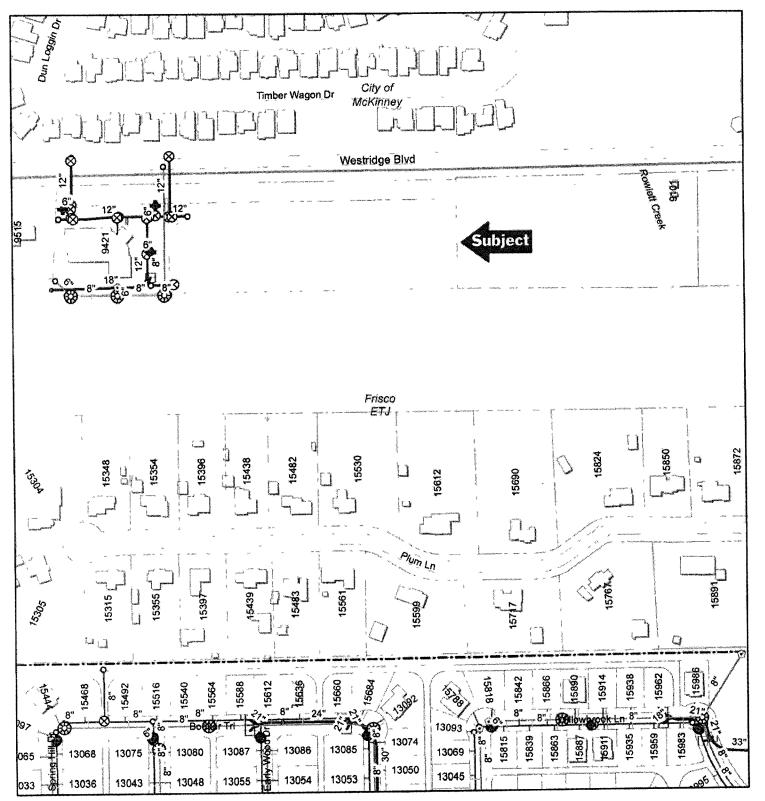


Created on: 2/16/2015

Westridge

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EXPRESSED AND IMPLIED, including the implied warranties of merchantability and fitness for a particular purpose.

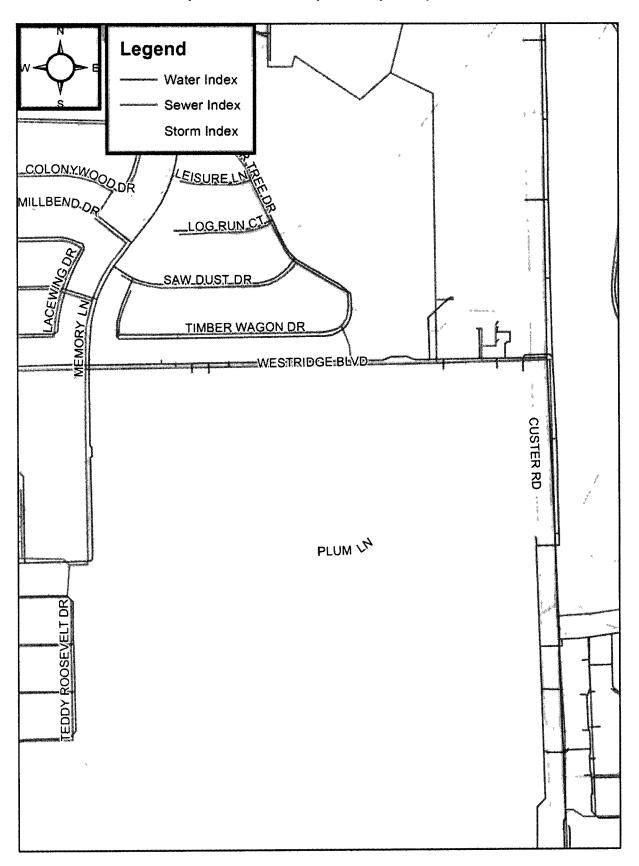


City of Frisco



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City of McKinney Utility Map



RESOLUTION NO. 2011-06-___ (R)

A RESOLUTION AUTHORIZING THE EXECUTION OF CLOSING DOCUMENTS PURSUANT TO A 1994 "AGREEMENT FOR THE PLANNED EXTENSION OF CITY OF MCKINNEY UTILITY SERVICE INTO THE DANVILLE WATER SUPPLY CORPORATION CERTIFICATED AREA" TO ACQUIRE THE ASSETS AND CUSTOMERS OF THE DANVILLE WATER SUPPLY CORPORATION

- WHEREAS, the City of McKinney and Danville Water Supply Corporation ("DWSC") have previously entered into an agreement that includes provisions requiring the City's ultimate acquisition of the DWSC system, including the entirety of its assets/liabilities; and
- WHEREAS, a primary purpose for the agreement was the orderly acquisition and integration of the then rural water customers into the City's urban water utility system—as inevitable growth occurred; and
- WHEREAS, the acquisition will result in single certification of the current DWSC area thereby resulting in most of McKinney's ETJ being contained within the McKinney water CCN.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF McKINNEY, TEXAS, THAT:

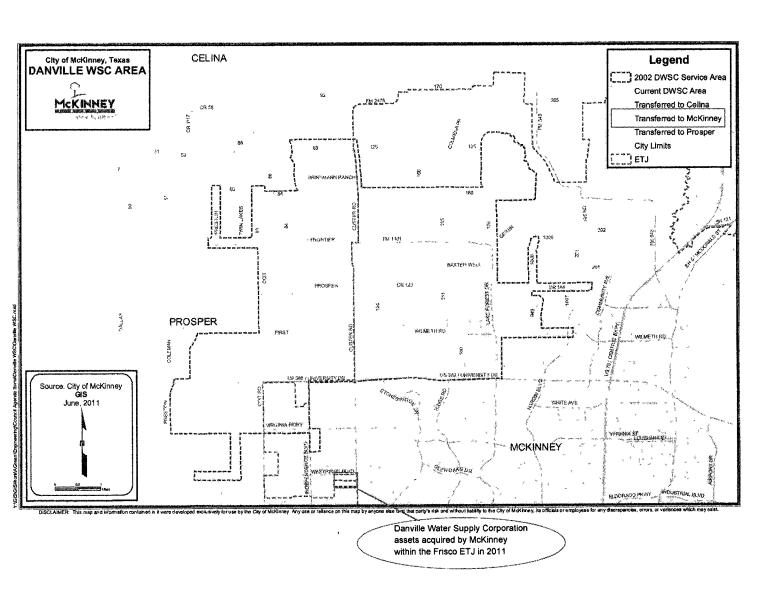
- Section 1. The City Manager is hereby authorized to take actions as necessary and to execute documents related to the acquisition of the Danville Water Supply Corporation and to resolve any outstanding debts and liabilities associated with the system.
- Section 2. This Resolution shall take effect immediately from and after the date of passage and is so resolved.

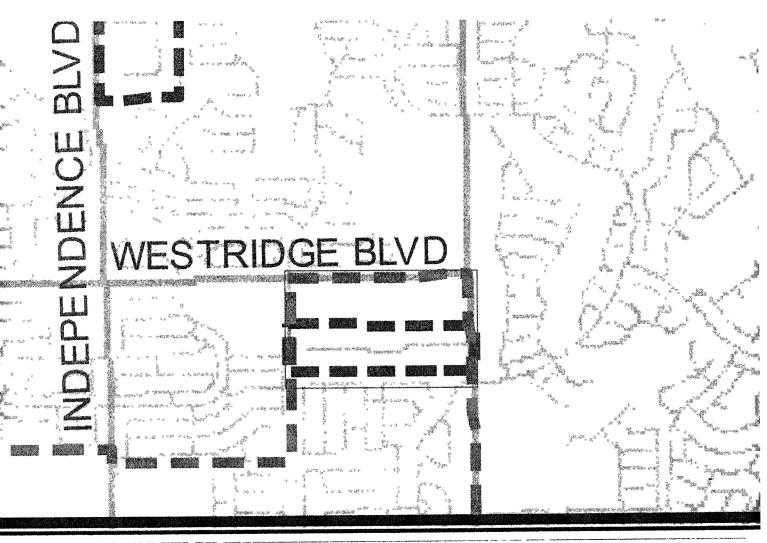
DULY PASSED AND APPROVED BY THE CITY COUNCIL OF THE CITY OF McKINNEY, TEXAS ON THE 21st DAY OF JUNE, 2011.

CITY OF McKINNEY, TEXAS

	BRIAN LOUGHMILLER Mayor	
ATTEST:		
SANDY HART, TRMC, MMC City Secretary BLANCA I. GARCIA Assistant City Secretary		
APPROVED AS TO FORM:		
MARK S. HOUSER		

City Attorney





y use or reliance on this map by anyone else

Buddy Garcia, Chairman Larry R. Soward, Commissioner Bryan W. Shaw, Ph.D., Commissioner Mark R. Vickery, P.G., Executive Director



TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

November 21, 2008

Ms. LaDonna Castañuela, Chief Clerk Office of the Chief Clerk Texas Commission on Environmental Quality P.O. Box 13087, MC-105 Austin, Texas 78711-3087

TCEQ Docket No. 2008-0063-UCR; Consideration of a request for a Commission order Re: approving a contract designating water service areas between the City of Frisco (Frisco), Certificate of Convenience and Necessity (CCN) No. 11772, and the City of McKinney (McKinney), CCN No. 10194.

Dear Ms. Castañuela:

Transmitted herewith for filing with the Texas Commission on Environmental Quality (Commission or TCEQ) are the following items to be filed as backup materials for a commission agenda on a date to be determined, on a request for an order approving a contract designating water service areas between the City of Frisco and the City of McKinney:

- 1. Proposed Order;
- Agenda Executive Summary; 2.
- Caption 3.
- Staff memo detailing financial, managerial, and technical capabilities of Frisco and 4. McKinney to provide continuous and adequate service to the affected area;
- Request for Commission order approving a Texas Water Code Section 13.248 agreement 5. filed jointly by Frisco and McKinney on August 22, 2007;
- Texas Water Code, Section 13.248 agreement between Frisco and McKinney, executed on 6. March 9, 2007; and
- Amended Map of the service area subject to the 13.248 agreement and consent forms signed 7. by the parties indicating their concurrence with TCEQ's Amended Map.

Please do not hesitate to contact me at (512) 239-1088 if you have any questions regarding this material. Thank you for your attention to this matter.

Respectfully submitted,

Shana L. Horton, Staff Attorney Environmental Law Division

Shana Z. Horton

Enclosures

Texas Commission on Environmental Quality



AN ORDER approving an agreement designating service areas between the City of Frisco and City of McKinney pursuant to Texas Water Code Section 13.248; TCEQ Docket No. 2008-0063-UCR.

A request for a Commission order approving a contract designating service areas between the City of Frisco (Frisco) Certificate of Convenience and Necessity (CCN) No. 11772, and the City of McKinney (McKinney), CCN No. 10194, in Collin County, Texas, was presented to the Texas Commission on Environmental Quality ("Commission") for approval pursuant to Section 13.248 of the Texas Water Code and Title 30, Section 291.117 of the Texas Administrative Code.

On August 22, 2007, the City of Frisco and the City of McKinney filed with the TCEQ an agreement (the "Agreement") regarding their respective water service areas. The Agreement addresses the transfer of the City of Frisco's authority to provide water service to approximately 696.5 acres and provides that the City of McKinney will be the sole provider of retail water service in that service area. The Agreement also addresses the transfer of the City of McKinney's authority to provide water service to approximately 1,888.5 acres and provides that the City of Frisco will be the sole provider of retail water service in that service area. The agreement transfers retail water customers within each area transferred from the city currently providing service to the city to which the area is transferred. The agreement also transfers all facilities, waterlines, easements or equipment used to provide service in the transferred areas transferred from the city currently providing service to the city to which the area is transferred. The Agreement is attached to this Order.

Contracts between retail public utilities that designate areas to be served and customers to be served by those retail public utilities, when approved by the Commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity. Texas Water Code §13.248.

The Commission held a hearing on the request at the December 10, 2008 agenda and found the request had merit.

The City of Frisco is capable of rendering continuous and adequate water service to every customer in the area transferred to it by the Agreement. The decertification of the City of McKinney's authority to provide service in that portion of the affected area, which results in City of Frisco being the sole service provider remaining in that area, is necessary for the service, accommodation, convenience, or safety of the public.

The City of McKinney is capable of rendering continuous and adequate water service to every customer in the area transferred to it by the Agreement. The decertification of the City of Frisco's authority to provide service in that portion of the affected area, which results in City of McKinney being the sole service provider remaining in that area, is necessary for the service, accommodation, convenience, or safety of the public.

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

The Agreement addressing the transfer of portions of service area between the City of Frisco's CCN No. 11772 and the City of McKinney's CCN No. 10194 and designating by whom retail water service shall be provided in those areas, is hereby approved.

CCN No. 11772 in Collin County, held by the City of Frisco, is hereby amended in accordance with the Agreement.

CCN No. 10194 in Collin County, held by the City of McKinney, is hereby amended in accordance with the Agreement.

The Executive Director is directed to redraw the maps of the respective CCNs as provided in the Agreement and as set forth on the map attached to this Order, and to amend the Commission's official water service area map for Collin County, Texas. The certificate amendment requested in this application is necessary for the service, accommodation, convenience, and safety of the public.

The Chief Clerk of the Texas Commission on Environmental Quality shall forward a copy of this Order to the parties.

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

TEXAS COMMISSION ON
ENVIRONMENTAL QUALITY
Buddy Garcia, Chairman

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

TO:

Texas Commission on Environmental Quality

DATE: November 21, 2008

THRU:

LaDonna Castañuela, Chief Clerk

FROM:

Shana Horton, Staff Attorney, Environmental Law Division

SUBJECT:

TCEQ Docket No. 2008-0063-UCR. Consideration of a request for a

Commission order approving a contract designating service areas between the

City of Frisco and the City of McKinney

DESCRIPTION OF APPLICATION

Applicant:

City of Frisco and City of McKinney

Regulated Activity:

Retail water utility service

Type of Application:

Request for a Commission Order approving a contract

Commission Action:

Hearing regarding approval of the contract

Authority:

Texas Water Code § 13.248 and 30 Texas Administrative Code

§ 291.117

FACTUAL BACKGROUND

The City of Frisco (Frisco), water certificate of convenience and necessity (CCN) No. 11772, and the City of McKinney (McKinney), water CCN No. 10194, provide retail water service in Collin County, Texas. The City of Frisco and City of McKinney entered into an agreement regarding their respective water service areas pursuant to section 13.248 of the Texas Water Code.

Under the agreement, Frisco will transfer 696.476 acres of its CCN area to McKinney and McKinney will transfer 1,888.48 acres of its CCN area to Frisco. The agreement transfers retail water customers within each area transferred from the city currently providing service to the city to which the area is transferred. The agreement also transfers all facilities, waterlines, easements or equipment used to provide service in the transferred areas transferred from the city currently providing service to the city to which the area is transferred.

LEGAL AUTHORITY

The Texas Water Code prohibits a utility, a utility operated by an affected county, or a water supply corporation from rendering retail water or sewer utility service directly or indirectly to the public without first obtaining a CCN.¹ Conversely, a municipality is not required to obtain a CCN to provide retail water service.² However, a municipality may not provide service to areas that are outside of its corporate boundaries but within the CCN of another retail public utility without first obtaining written consent from that retail public utility.³

The Texas Water Code and TCEQ rules allow retail public utilities to enter into service area agreements and have the Commission affirm the agreements by amending the entities' respective CCNs.⁴ A transfer of a water or sewer system that also includes the transfer of customers and/or facilities may, in some cases, also require separate Commission approval for the transfer of customers and/or facilities.⁵

The request to approve a 13.248 agreement is not subject to the notice provisions of section 291.106, Title 30 of the Texas Administrative Code, which apply to applications for new and amended CCNs. The Commission may approve the service area agreement pursuant to section 13.248 of the Texas Water Code with the appropriate notice under the Open Meetings Act. The Executive Director will mail notice of the hearing upon the setting of an Agenda date.

BASIS FOR STAFF RECOMMENDATION

The following items were considered in developing the staff's recommendation:

1. Request for a Commission order approving the 13.248 agreement filed by the City of Frisco and City of McKinney on August 22, 2007 (application no. 35786-C);

¹ TEX. WATER CODE ANN. § 13.242(a) (Vernon 2006).

² A municipality is a "retail public utility" under section 13.002(19) of the Texas Water Code but is not a "utility" under section 13.002(23). Therefore, the section 13.242(a) requirement that a "utility" must obtain a CCN before providing retail water utility service does not apply to a municipality.

³ Id. § 13.242(b).

⁴ Id. § 13.248; 30 Tex. ADMIN. CODE § 291.117 (West 2005) (Tex. Comm'n on Envtl. Quality, Contracts Valid and Enforceable). Section 13.248 states "[c]ontracts between retail public utilities designating areas to be served and customers to be served by those retail public utilities, when approved by the commission after public notice and hearing, are valid and enforceable and are incorporated into the appropriate areas of public convenience and necessity."

⁵ TEX. WATER CODE § 13.301. The section requires that some applicants also demonstrate "adequate financial, managerial, and technical capability for providing continuous and adequate service to the service area being acquired and to any areas currently certificated to the person" for the separate transaction relating to the transfer of facilities and/or customers.

- 2. Agreement between the City of Frisco and City of McKinney, executed on March 9, 2007;
- 3. Map of the service area subject to the 13.248 agreement submitted by the City of Frisco and City of McKinney;
- 4. Financial, Managerial, and Technical analysis of City of Frisco to operate in the affected area; and
- 5. Financial, Managerial, and Technical analysis of City of McKinney to operate in the affected area.

STAFF RECOMMENDATION

Based on the facts stated in the application and the supporting documentation submitted by the City of Frisco and City of McKinney, Staff supports the request for a Commission order approving a contract designating service areas between the City of Frisco and City of McKinney. Staff has confirmed that both parties are retail public utilities with active water CCNs and that the area the parties are seeking to transfer is either dually certificated to both parties or abuts the CCN of the entity receiving the CCN. Further, staff is satisfied that the City of Frisco and City of McKinney possess the adequate financial, managerial, and technical capability to provide continuous and adequate service to the area being transferred to each, respectively.

STAFF CONTACTS

Shana Horton, Environmental Law Division (239-1088) Heidi Graham, Water Supply Division (239-0084)

CAPTION CITY OF FRISCO/CITY OF MCKINNEY Application No. 35786-C

TCEQ Docket No. 2008-0063-UCR. Consideration of a request for a Commission order approving an agreement designating service areas between the City of Frisco (Frisco), water certificate of convenience and necessity (CCN) No. 11772, and City of McKinney (McKinney) water CCN No. 10194, in Collin County, Texas pursuant to section 13.248 of the Texas Water Code. Currently, each party holds a CCN that includes some of the area that is the subject of the agreement. Under the agreement, Frisco will transfer 696.476 acres of its CCN to McKinney and McKinney will transfer 1888.48 acres of its CCN area to Frisco. The exchange of portions of the parties' respective CCN areas will result in each city's CCN boundary more closely corresponding with the boundaries of its own corporate limits and extraterritorial jurisdiction (ETJ). The agreement transfers retail water customers within each area transferred from the city currently providing service to the city to which the area is transferred. The agreement also transferred areas transferred from the city currently providing service to the city to which the area is transferred. (Shana Horton, Heidi Graham)

Texas Commission on Environmental Quality

INTEROFFICE MEMORANDUM

To:

Environmental Law Division

Date: January 23, 2008

Thru:

Heidi Graham/Tammy Benter

From:

Dan Smith

Subject:

Contract Service Agreement Pursuant to Texas Water Code Section 13.248, from the City of Frisco, Certificate of Convenience and Necessity (CCN) No. 11772, to Transfer a Portion of CCN No. 10194 from the City of McKinney and to Transfer a Portion of CCN 11772 from the City of Frisco to the City of McKinney, CCN No. 10194, in

Collin County; Application No. 35786-C

CN: 600245526; RN: 101430437 (City of Frisco) CN: 600437867; RN: 101414647 (City of McKinney)

In my opinion, the Cities of Frisco and McKinney have demonstrated adequate financial, managerial and technical capability to provide service to the areas contracted for transfer.

Signed: Date: January 18, 2008

The Cities of Frisco and McKinney have entered an agreement March 9, 2007 for exchange of two areas totaling 1,887 acres going to Frisco and one area of 698 acres going to McKinney, to be generally coterminous with their current city limits and extraterritorial jurisdictions. There is no indication of numbers of existing customers. Frisco provides service to about 30,000 customers and is ranked superior. McKinney has about 36,000 connections and is also ranked superior.

I have reviewed an unqualified opinion audit for the City of Frisco for the fiscal year ended 9/30/06. The balance sheet shows utility fund total assets of \$271.2 mil., long-term liabilities of \$91.7 mil., and net assets (equity) of \$167.3 mil., for a debt-to-equity ratio of .55:1. The debt-to-equity ratio of both general fund and business-type activities is .69:1.

The statement of revenues and expenses for Frisco utility operations showed a net income before capital contributions of \$4.7 mil. after covering depreciation

Cities of Frisco and McKinney – Exchange of CCN Areas by Chapter 13.248 Financial and Managerial Capability Analysis
Page 2

expense of \$6.6 mil. and interest expense of \$3.3 mil. So cash available for debt service totaled \$14.6 mil. while required debt service was \$8.3 mil. The debt service coverage ratio was 1.76:1.

I also have reviewed an unqualified opinion audit for the City of McKinney for the fiscal year ended 9/30/06. The balance sheet shows utility fund total assets of \$269.7 mil., long-term liabilities of \$60.5 mil., and net assets (equity) of \$199.3 mil., for a debt-to-equity ratio of .30:1. The debt-to-equity ratio of both general fund and business-type activities is .37:1.

The statement of revenues and expenses for Frisco utility operations showed a net income before capital contributions and transfers, of \$11.9 mil. after covering depreciation expense of \$4.2 mil. and interest expense of \$2.4 mil. So cash available for debt service totaled \$18.5 mil. while required debt service was \$6.0 mil. The debt service coverage ratio was 3.1:1.

Neither city has any pending enforcement actions in the database.

This information supports a finding of adequate financial and managerial capability to provide service to the area requested.

Bickerstaff Heath Delgado Acosta LLP

HO- 2PP mappi

816 Congress Avenue

Suite 1700

Austin, Texas 78701

(512) 472-8021

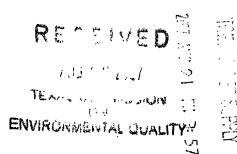
Fax (512) 320-5638

www.bickerstaff.com

August 21, 2007

Via Messenger

Tammy Benter
Utilities & Districts Section
Water Permits & Resource Management Division
Texas Commission on Environmental Quality
12100 Park 35 Circle
Building F, Room 31050
Austin, Texas 78711-3087



RE:

Texas Water Code § 13.248 Agreement between the City of McKinney (CCN No. 10194) and the City of Frisco (CCN No. 11772).

Dear Ms. Benter:

Please find enclosed four copies of the March 9, 2007 Transfer Retail Water Utility Service Area Agreement ("March 9, 2007 Agreement") between the City of McKinney (McKinney) and the City of Frisco (Frisco) concerning water service territory in Collin County, Texas. Also, please find four copies of the map identifying the areas to be transferred and four CDs with the electronic data that is used to create the map.

The Agreement designates territory between Frisco, which holds Water Certificate of Convenience and Necessity (CCN) No. 11772, and McKinney, which holds Water CCN No. 10194. The March 9, 2007 Agreement provides for the transfer of territory identified on the attached map.

In accordance with 30 Tex. Admin. Code § 291.117, McKinney and Frisco respectfully request that the March 9, 2007 Agreement between them be noticed for and set on Texas Commission on Environmental Quality agenda so that the March 9, 2007 Agreement may be considered and incorporated into the appropriate areas of public convenience and necessity, as set forth in Texas Water Code § 13.248.

As required by Texas Water Code § 5.701, please find enclosed a \$100 filing fee. If you have any questions or comments, please do not hesitate to call me at 512-472-8021 or Art Rodriguez at 512-930-1317. Thank you for your attention to this matter.

Sincerely,

Emily W. Rogers

Tammy Benter August 21, 2007 Page 2

cc. Mark Houser, City Attorney, City of McKinney
Jack Carr, City Engineer, City of McKinney
Art Rodriguez, Attorney for City of Frisco
George Purefoy, City Manager, City of Frisco
Henry Hill, Deputy City Manager, City of Frisco



TRANSFER RETAIL WATER UTILITY SERVICE AREA AGREEMENT

§

STATE OF TEXAS
COUNTY OF COLLIN

THIS AGREEMENT to Transfer Retail Water Utility Service Area is made and entered into on this the Triday of 2007 (the "Effective Date"), by and between the City of Frisco, Texas (hereinafter "Frisco"), and the City of McKinney, Texas (hereinafter "McKinney"). Frisco and McKinney may be collectively referred to herein as the "Parties."

RECITALS

WHEREAS, Frisco is a Texas municipal corporation which holds Certificate of Convenience and Necessity ("CCN") No. 11772 and owns water facilities, transmission lines and distribution lines in Collin and Denton Counties in and around McKinney, and provides retail water utility service to customers within its certificated service area;

WHEREAS, McKinney is a Texas municipal corporation which holds CCN No. 10194 and owns water facilities, transmission lines and distribution lines in Collin County in and around Frisco, and provides retail water utility service to customers within its certificated service area;

WHEREAS, McKinney desires to decertify certain CCN area within Frisco's city limits and extraterritorial jurisdiction ("ETP"), and Frisco desires to certificate said CCN service area as more precisely defined later in this Agreement;

WHEREAS, Frisco desires to decertify certain CCN area within McKinney's city limits and ETJ, including an area subject to a municipal boundary dispute between Frisco and McKinney located generally along the southernmost border of the Custer West development, and McKinney desires to certificate said CCN service area as more precisely defined later in this Agreement;

WHEREAS, Frisco and McKinney desire to continue discussions outside of this Agreement regarding the municipal boundary dispute;

WHEREAS, Frisco and McKimney desire to amend their respective CCNs to be generally coterminous with their current city limits and ETJs.

NOW, THEREFORE, for and in consideration of the foregoing mutual benefits, covenants, and agreements herein expressed and other good and valuable consideration, the receipt of which is hereby acknowledged, Frisco and McKinney agree as follows:

TERMS OF AGREEMENT

IN CONSIDERATION of the mutual promises and covenants contained in this Agreement, including the recitals set forth above, and other good and valuable consideration, the receipt of which is hereby acknowledged, by their representatives affixing signatures below, Frisco and McKinney agree as follows:

- (1) Frisco Transfer Area. The water utility service area to be transferred to Frisco is specifically identified as the cross-hatched area on the attached map, attached hereto and incorporated herein for all purposes as Exhibit A attached hereto and incorporated herein for all purposes, and designated herein as the "Frisco Transfer Area."
- (2) Transfer to Frisco. Frisco and McKinney agree that, after the Transfer Effective Date, Frisco shall have the sole right to provide retail water service within the Frisco Transfer Area, and McKinney will have no further obligation or right to provide water service to any existing or future customers in the Frisco Transfer Area, except as may be agreed by the Parties in writing.
- (3) Current Customers in Frisco Transfer Area. All current retail water customers of McKinney and any customers added between the date of this Agreement and the Transfer Effective Date whose place of use of water is located within the Frisco Transfer Area will, after the Transfer Effective Date, become customers of Frisco.
- (4) Facilities and Waterlines in Frisco Transfer Area. All facilities, waterlines, easements, or equipment belonging to McKinney used to provide service in the Frisco Transfer Area shall be transferred to Frisco by this Agreement. To the extent McKinney has facilities, waterlines, easements, or equipment belonging to McKinney in the Frisco Transfer Area that are not used to serve the area, but are used to provide service to McKinney's service territory, those facilities, waterlines, easements, or equipment shall not be transferred.
- (5) Temporary Service. Should it be necessary for Frisco to provide retail water service to the Frisco Transfer Area following execution of the Agreement by the Parties, but prior to approval of the CCN transfer by the TCEQ, the Parties agree that Frisco shall be entitled to provide temporary water service to the Frisco Transfer Area. All revenue, fees, charges, or other monies collected by Frisco during the period of temporary service shall inure to Frisco's benefit.
- (6) McKinney Transfer Area. The water utility service area to be transferred to McKinney is specifically identified as the cross-hatched area on the attached map, attached hereto and incorporated herein for all purposes as Exhibit A, attached hereto and incorporated herein for all purposes, and designated herein as the "McKinney Transfer Area."

- (7) Transfer to McKinney. Frisco and McKinney agree that, after the Transfer Effective Date, McKinney shall have the sole right to provide retail water service within the McKinney Transfer Area, and Frisco will have no further obligation or right to provide water service to any existing or future customers in the McKinney Transfer Area, except as may be agreed by the Parties in writing.
- (8) <u>Current Customers in McKinney Transfer Area</u>. All current retail water customers of Frisco and any customers added between the date of this Agreement and the Transfer Effective Date whose place of use of water is located within the McKinney Transfer Area will, after the Transfer Effective Date, become customers of McKinney.
- (9) Facilities and Waterlines in the McKinney Transfer Area. All facilities, waterlines, easements, or equipment belonging to Frisco used to provide service in the McKinney Transfer Area shall be transferred to McKinney by this Agreement. To the extent Frisco has facilities, waterlines, easements, or equipment belonging to Frisco in the McKinney Transfer Area that are not used to serve the area, but are used to provide service to Frisco's service territory, those facilities, waterlines, easements, or equipment shall not be transferred.
- (10) Service by McKinney to the Transfer Area. McKinney currently provides retail water service to the McKinney Transfer Area, and the Parties agree that McKinney shall be entitled to continue to provide temporary water service to the McKinney Transfer Area. All revenue, fees, charges, or other monies collected by McKinney during the period of temporary service shall inure to McKinney's benefit.
- (11) Transfer and Amendment of CCNs. Frisco and McKinney shall each file appropriate applications with the Texas Commission on Environmental Quality ("TCEQ") to formally transfer the Transfer Areas from McKinney's CCN to Frisco's CCN and from Frisco's CCN to McKinney's CCN. Frisco and McKinney shall endeavor to obtain TCEQ approval of the CCN transfers contemplated herein in an expeditious manner and will support and cooperate with each other and the TCEQ to accomplish this goal. The Parties shall file the necessary application to transfer the CCNs by December 31, 2007. The Parties shall make all reasonable efforts to file the applications simultaneously with the TCEQ. Each Party shall bear their own costs associated with preparing and filing the CCN applications and the pursuit of regulatory approvals.

- (12) Transfer of Customers. Frisco and McKinney shall cooperate in providing notice of the transfer to customers located within the Transfer Area, if any. McKinney shall be entitled to receive all water utility service revenues and fees for water utility services rendered by McKinney prior to the execution date of the Agreement, unless otherwise contracted. Frisco shall be entitled to receive all water utility service revenues and fees for water utility services rendered by Frisco prior to the execution date of the Agreement, unless otherwise contracted. The Parties shall transfer all customers within 90 days after the issuance date of the TCEQ order approving the transfer.
- (13) Effective Dates. This Agreement is effective and enforceable as between Frisco and McKinney following execution by both parties. The transfer of the Transfer Areas to the other Party is effective and enforceable upon notice of the intended date of transfer of the retail water service (the "Transfer Effective Date").
- (14) Filing of Agreement. After Execution of the Agreement by the Parties, a copy of the Agreement shall be filed with the TCEQ.
- (15) Section 13.248. This Agreement shall be construed and interpreted in accordance with Section 13.248 of the Texas Water Code.

MISCELLANEOUS

- (16) Applicable Texas Law. This Agreement shall be governed by and construed and enforced under the laws of the State of Texas.
- (17) Performance. The obligations and undertakings of each of the parties to this Agreement shall be performed in Collin County, Texas. Except for matters within the jurisdiction of the TCEQ (or its successor), the parties expressly agree that all judicial proceedings to enforce any of the provisions of this Agreement shall take place in Collin County, Texas.
- (18) Entire Agreement. This Agreement contains the entire agreement of Frisco and McKinney with respect to the subject matter of the Agreement. No Agreement, statement, or promise made by any party or to any employee, agent, or officer of any party, that is not contained in this Agreement shall be valid, binding, or of any force or effect. Any amendments to this Agreement must be in writing and signed by the party or parties to be charged.
- (19) Successors and Assigns. This Agreement shall be binding upon the parties hereto and their respective successors, heirs, representatives, and assigns.

- (20) Agreement Drafted Equally. This Agreement shall be deemed drafted equally by the Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against either Party shall not apply.
- (21) Severability. Should any provision of this Agreement be declared void by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.
- (22) Attorney's Fees. In the event of any suit or other adjudication between the Parties to enforce any claim arising out of this Agreement, or to interpret the terms of this Agreement, the prevailing Party shall be entitled to recover its fees, damages, costs, attorneys' fees, and such other and further relief from the non-prevailing Party, general or special, at law or in equity, to which the prevailing Party may show itself justly entitled as provided by Texas Local Government Code § 271.159.
- (23) Covenant of Authority. The respective signatories to this Agreement covenant that they are fully authorized to sign this Agreement on behalf of their respective party.

IN WITNESS WHEREOF, EXECUTED by the City of Frisco and the City of McKinney under the authority of their respective governing bodies in Duplicate Originals on the dates indicated below.

CITY OF FRISCO

THE CONTRACTOR OF THE CONTRACT

Danie Purch

ATTEST:

CITY OF MCKINNEY

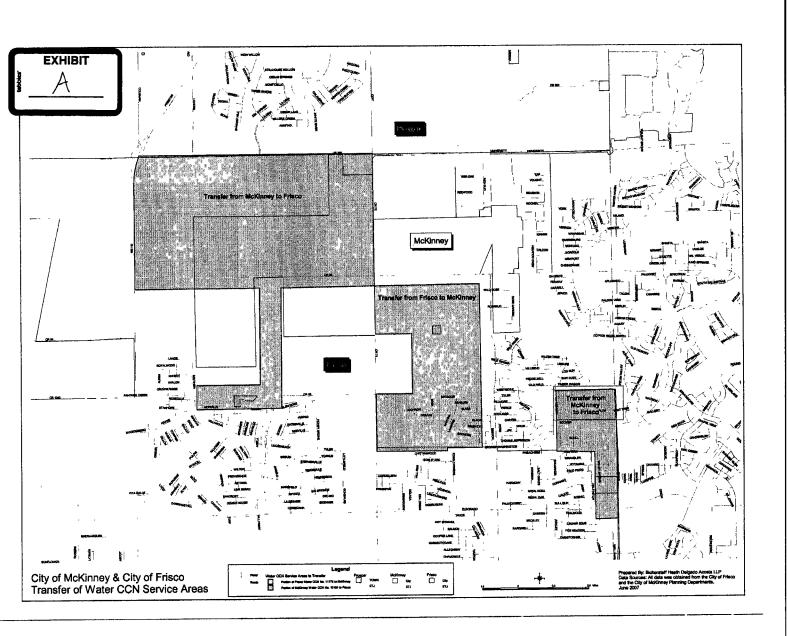
BY:

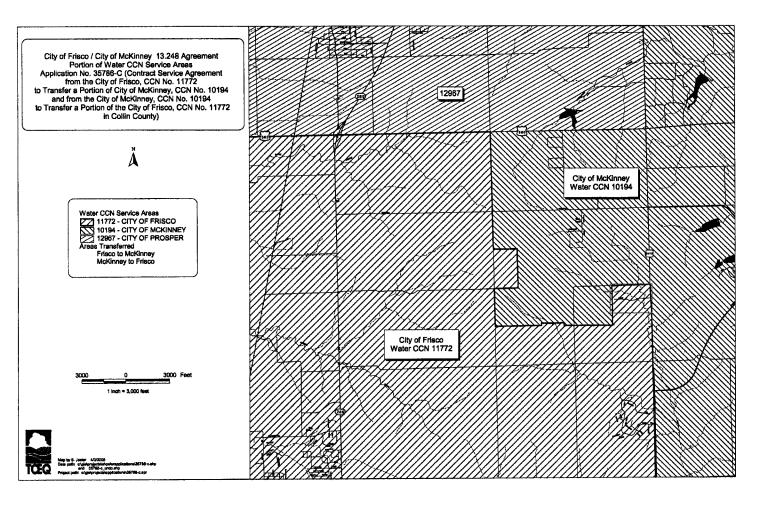
Lawrence W. Robinson, by Regie Neff, Assistant City Manager and authorized signatory

Date:

ATTEST:

6





CONSENT FORM

	cant's Name: City of Frisco/City of McKinney 13.248 Agreement cation No.: 35786-C
¤	I concur with the map created 4/3/2008 as a result of the above mentioned application.
0	I do not concur with the map created 4/3/2008 and intend to respond by letter dated
I am a	uthorized by the City of McKinney, to sign this form.
_	by Rick Charling Assistant City Manager and Buthorized signatory I Name: FRANK RAGAN
Relatio	onship to Applicant: <u>CITY MANAGER</u>
Date si	igned: 4-14-08

Mail to or fax to:
Heidi Graham
Utilities & Districts Section, MC 153
Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax (512) 239-6972

CONSENT FORM

Appl Appl	icant's Name: City of Frisco/City of McKinney 13.248 Agreement ication No.: 35786-C
×	I concur with the map created 4/3/2008 as a result of the above mentioned application.
	I do not concur with the map created 4/3/2008 and intend to respond by letter dated
	authorized by the City of Frisco, to sign this form.
Printe	d Name: GEORGE PUREFOY
	onship to Applicant: CITY MANAGEE
Date si	igned: 4/7/08

Mail to or fax to:
Heidi Graham
Utilities & Districts Section, MC 153
Water Supply Division
Texas Commission on Environmental Quality
P.O. Box 13087
Austin, TX 78711-3087
Fax (512) 239-6972

WATER SUPPLY DIV.

EXHIBIT "F"

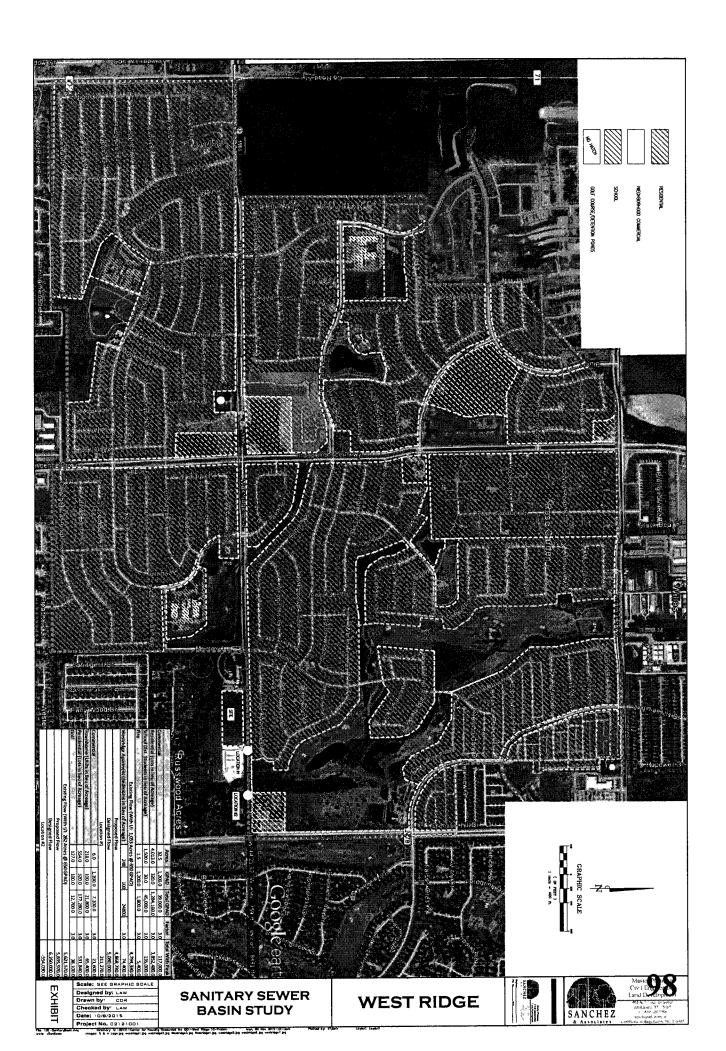


EXHIBIT "G"