



## Filing Receipt

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**DOCKET NO. 53514**

**PETITION BY SATER L.P. FOR § PUBLIC UTILITY COMMISSION**  
**EXPEDITED RELEASE FROM §**  
**WATER CCN NO. 10150 HELD BY §**  
**MARILEE SPECIAL UTILITY §**  
**DISTRICT IN COLLIN COUNTY § OF TEXAS**  
**§**

**MARILEE SPECIAL UTILITY DISTRICT’S VERIFIED RESPONSE TO  
PETITION OF SATER, L.P. TO AMEND CERTIFICATE OF CONVENIENCE AND  
NECESSITY IN COLLIN COUNTY BY EXPEDITED RELEASE**

TO THE HONORABLE ADMINISTRATIVE LAW JUDGE MARX:

COMES NOW, MARILEE SPECIAL UTILITY DISTRICT (the “District”) and files this Verified Response (“Response”) to Sater, L.P.’s (“Petitioner”) Petition to Amend the District’s Certificate of Convenience and Necessity (“CCN”) in Collin County by Expedited Release (“Petition”), filed pursuant to Texas Water Code (“TWC”) § 13.2541 and 16 Texas Administrative Code (“TAC”) § 24.245(h), in this docket, and respectfully shows as follows:

**I. BACKGROUND**

1. On April 21, 2022, Petitioner filed its Petition for streamlined expedited release seeking to use the streamlined expedited release process found in TWC § 13.2541 and 16 TAC § 24.245(h) to extract approximately 262.79 acres (the “Tract of Land”) from the water utility service area the District serves under Certificate of Convenience and Necessity (“CCN”) No. 10150 in Collin County, Texas.<sup>1</sup> The Petition alleges that the Tract of Land is greater than 25 acres, is not receiving water or sewer service, and is entirely within Collin County.<sup>2</sup>

<sup>1</sup> Petition of Civitas at Sater, L.P. to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release (Apr. 21, 2022). Though the petitioner is, based on the title of the Petition, “Civitas at Sater L.P.,” the Petition alleges that Sater L.P. is Petitioner. *See id.* At 1 (“Sater, L.P. (‘Petitioner’), files this Petition with the Public Utility Commission of Texas (the ‘PUC’) for expedited release[.]”). Therefore, the District refers to “Sater L.P.” as Petitioner throughout this Verified Response.

<sup>2</sup> *Id.* at 2.

2. On April 25, 2022, Honorable Administrative Law Judge (“ALJ”) Marx entered Order No. 1, requiring Staff for the Public Utility Commission (the “Commission”) to file comments regarding the administrative completeness of the Petition and notice by May 23, 2022.<sup>3</sup>

3. On May 6, 2022, Petitioner filed updated mapping information.<sup>4</sup>

4. On May 26, 2022, the ALJ ordered that the Petition was administratively complete, based on Commission Staff’s recommendation, and established a deadline of June 15, 2022, for the District to file its Response to the Petition.<sup>5</sup>

5. On June 6, 2022, the District filed a Motion to Intervene, which is pending for decision.<sup>6</sup> This Response is timely filed.

## **II. RESPONSE**

6. The District is a retail public utility and political subdivision of the State of Texas and the holder of CCN No. 10150. On November 2, 2022, the District was consolidated with Mustang Special Utility District.<sup>7</sup> The District, now that it has been consolidated, currently provides retail water service to approximately 29,500 customers.

7. Petitioner is Sater, L.P., a Texas limited partnership.

8. Petitioner has requested that the Commission decertify the Tract of Land from the District’s CCN 10150 through streamlined expedited release, the statutory mechanism found in TWC § 13.2541 and 16 TAC § 24.245(h). Streamlined expedited release was created in 2019 to be a simplified offshoot of expedited release that better codified the way CCN holders should be

<sup>3</sup> Order No. 1 – Requiring Comments on Administrative Completeness, Notice, and Other Matters, and Establishing Procedural Schedule (Apr. 25, 2022).

<sup>4</sup> PUC Filing Letter – Updated Maps (May 6, 2022).

<sup>5</sup> Order No. 6 – Finding Petition Administratively Complete and Notice Sufficient, and Establishing Procedural Schedule (May 26, 2022).

<sup>6</sup> Marilee Special Utility District’s Motion to Intervene (June 6, 2022).

<sup>7</sup> See *infra* n.31 & accompanying text (describing the districts’ consolidation pursuant to TWC § 65.723).

compensated for property decertified from their CCN service area.<sup>8</sup> The statutory mechanism allows landowners who meet those criteria to decertify their property from the service area of the CCN holder, depriving the CCN holder of the opportunity to serve that landowner's property.

9. To obtain the release of property under TWC § 13.2541, Petitioner must demonstrate with affirmative evidence in a verified petition that the Petitioner owns a tract of land that is at least 25 acres, that the tract of land is located in a qualifying county, and that the tract of land is not receiving "service" of the type that the current CCN holder is authorized to provide under the applicable CCN.<sup>9</sup>

**A. The Petition Must Be Denied Because the District Is Providing Water Service to the Tract of Land.**

10. In the "Definitions" section, the TWC broadly defines "service" as:

any act performed, anything furnished or supplied, and any facilities or lines committed or used by a retail public utility in the performance of its duties...to its patrons, employees, other retail public utilities, and the public, as well as the interchange of facilities between two or more retail public utilities."<sup>10</sup>

11. Based on the statutory definition of "service," whether or not a tract is receiving "service" is not dependent on whether water or sewer is being used or has been requested on the tract. Instead, a tract is "receiving" water or sewer service if either of the following conditions are met:

- Any facilities or lines are committed or used in the performance of the CCN holder's duties as a retail public utility providing service to the property; or

<sup>8</sup> See, e.g., Acts 2019, 86<sup>th</sup> Leg., R.S., Ch. 688, General and Special Laws of Texas (enrolled bill to be codified at TWC § 13.2541). The policies considered by the legislature regarding the substance of both TWC §§ 13.254 and 13.2541 are best reflected by the legislative history for TWC § 13.254, which was enacted in 2005 in House Bill 2876.

<sup>9</sup> TWC § 13.2541(b).

<sup>10</sup> TWC § 13.002(21); see also 16 TAC § 24.3(33) (same definition).

- Any lines are committed or used in the performance of the CCN holder’s duties as a retail public utility.<sup>11</sup>

12. The inquiry into whether a tract is “receiving service” requires the Commission to consider any lines or “facilities” committed to providing water to the tract of land. As defined by the TWC, “Facilities” include:

all the plant and equipment of a retail public utility, including all tangible and intangible real and personal property without limitation, and any and all means and instrumentalities in any manner owned, operated, leased, licensed, used, controlled, furnished, or supplied for, by, or in connection with the business of any retail public utility.<sup>12</sup>

13. The TWC’s definitions of “service” and “facilities” have been analyzed by Texas courts in proceedings brought pursuant to TWC § 13.2541 and 16 TAC § 16.245(h). The Austin Court of Appeals has held, for example, that when water lines are present within a tract and “committed” to the property, the tract is “receiving service,” and a petition for streamlined expedited release under TWC § 13.2541 may not be granted.<sup>13</sup>

14. As described in the previous section, the TWC and Texas cases, like *Crystal Clear*, define “water service” broadly. The District’s Special Projects Inspector, Michael Garrison, and engineer of record, DBI Engineers, are familiar with the Tract of Land, and the District’s service to the Tract of Land. Mr. Garrison has provided an affidavit, attached hereto as “**Exhibit A**” to provide details about the service being provided to the Tract of Land. Eddy Daniel, engineer for DBI Engineers, has provided an affidavit, attached hereto as “**Exhibit B**” to map the Tract of Land and the meters and waterlines on it, surrounding it, and dedicated to serving the Tract of Land.

15. The District maintains the following facilities that currently provide water service to the Tract of Land:

<sup>11</sup> See *id.*; see also *Tex. Gen. Land Office v. Crystal Clear Water Supply Corp.*, 449 S.W.3d 130, 137 (Tex. App.—Austin 2014, pet. denied).

<sup>12</sup> TWC § 13.002(9).

<sup>13</sup> *Crystal Clear*, 449 S.W.3d at 140.

- Meter No. 235, which was carved out from the southwest boundary of the Tract of Land;
- Meter No. 334, which was carved out from the southwestern boundary of the Tract of Land;
- Meter No. 751, which was carved out of the southeastern boundary of the Tract of Land;
- Meter No. 197, which was carved out of the southeastern boundary of the Tract of Land;
- A 6” waterline, inside the southern boundary of the Tract of Land; and
- An 8” waterline, inside the southern boundary of the Tract of Land.<sup>14</sup>

16. Meter No. 235, which was carved out of the southwestern boundary of the Tract of Land, is a District meter in the name of Gregg Allen.<sup>15</sup> Gregg Allen is associated with Petitioner Sater L.P.<sup>16</sup> Meter No. 235 is currently active.<sup>17</sup>

17. Meter No. 334, which was carved out of the southwestern boundary of the Tract of Land, is also a District meter in the name of Gregg Allen.<sup>18</sup> Gregg Allen is associated with Petitioner Sater L.P.<sup>19</sup> The meter is also currently active.<sup>20</sup>

<sup>14</sup> See Exhibit A (Affidavit of Michael Garrison) at ¶¶ 4-5 (describing meters and ownership of same and waterlines); Exhibit B (Affidavit of Eddy Daniel) at ¶¶ 4-5; Ex. B-1 (detailed map showing meters and waterlines both inside and carved outside of the boundaries of the Tract of Land).

<sup>15</sup> See Exhibit A (Affidavit Michael Garrison) at ¶ 3(a) and accompanying exhibits.

<sup>16</sup> See *id.* at n.1 (“Mr. Allen maintains District meter number 257, 1301, and 45 in the name of Sater L.P.”) (citing *Petition of Sater L.P. to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release*, Docket No. 52739, Marilee Special Utility District’s Verified Response, at Exhibit A ¶ 3 (Affidavit of Michael Garrison) (June 2, 2022)).

<sup>17</sup> *Id.* at ¶ 4(a) and accompanying exhibits.

<sup>18</sup> *Id.* at ¶ 4(b) and accompanying exhibits.

<sup>19</sup> See *id.* at n.1 (“Mr. Allen maintains District meter number 257, 1301, and 45 in the name of Sater L.P.”) (citing Docket No. 52739, Marilee Special Utility District’s Verified Response, at Exhibit A ¶ 3 (Affidavit of Michael Garrison) (June 2, 2022)).

<sup>20</sup> *Id.* at ¶ 4(b) and accompanying exhibits.

18. Meter No. 751, which was carved out of the southeastern boundary of the Tract of Land, is also a District meter in the name of Gregg Allen.<sup>21</sup> Gregg Allen is associated with Petitioner Sater L.P.<sup>22</sup> The meter is currently active.<sup>23</sup>

19. Meter No. 197, which was carved out of the southeastern boundary of the Tract of Land, is also a District meter in the name of Gregg Allen.<sup>24</sup> Gregg Allen is associated with Petitioner Sater L.P.<sup>25</sup> The meter is currently active.<sup>26</sup>

20. In addition to the four meters in Gregg Allen's name, the District also maintains approximately ten additional meters in direct proximity to the southern boundary of the Tract of Land.<sup>27</sup>

21. The District maintains active waterlines within the boundaries of the Tract of Land. The District maintains a 6" waterline that runs inside the boundary of the southern portion of the Tract of Land.<sup>28</sup> The District also maintains an 8" waterline that connects to the 6" waterline inside the southern boundary of the Tract of Land.<sup>29</sup>

22. Based on the District's service to the Tract of Land, and meters, waterlines, and other facilities the District maintains within or near the Tract of Land, the District's engineer has

<sup>21</sup> See Exhibit A (Affidavit of Michael Garrison) at ¶ 4(c) and accompanying exhibits.

<sup>22</sup> See *id.* at n.1 ("Mr. Allen maintains District meter number 257, 1301, and 45 in the name of Sater L.P.") (citing Docket No. 52739, Marilee Special Utility District's Verified Response, at Exhibit A ¶ 3 (Affidavit of Michael Garrison) (June 2, 2022)).

<sup>23</sup> *Id.* at ¶ 4(c) and accompanying exhibits.

<sup>24</sup> *Id.* at ¶ 4(d) and accompanying exhibits.

<sup>25</sup> See *id.* at n.1 ("Mr. Allen maintains District meter number 257, 1301, and 45 in the name of Sater L.P.") (citing Docket No. 52739, Marilee Special Utility District's Verified Response, at Exhibit A ¶ 3 (Affidavit of Michael Garrison) (June 2, 2022)).

<sup>26</sup> *Id.* at ¶ 4(d) and accompanying exhibits.

<sup>27</sup> See Exhibit B at ¶ ¶ 4-5 (Affidavit of Eddy Daniel); Ex. B-1 (map of Tract of Land showing nearby District facilities).

<sup>28</sup> Exhibit A (Affidavit of Michael Garrison) at ¶ 5; Exhibit B-1 (map of Tract of Land showing nearby District facilities, including waterlines).

<sup>29</sup> Exhibit A (Affidavit of Michael Garrison) at ¶ 5; Exhibit B-1 (map of Tract of Land showing nearby District facilities, including waterlines).

stated that in his “professional opinion, the District provides and has the ability and facilities dedicated to continue to provide water service to the Tract of Land.”<sup>30</sup>

23. Based on these verified facts, the Tract of Land is receiving water service from the District under TWC § 13.2541, 16 TAC § 24.45(h), and *Crystal Clear*. The Tract of Land is thus not eligible for streamlined expedited release, and the Petition must be denied.

**B. Petitioner Has Not Met Petitioner’s Burden of Proof Under TWC § 13.2541 and 16 TAC § 24.245(h).**

24. Petitioner, not the District, bears the burden to prove that the Tract of Land is not receiving service.<sup>31</sup> The Commission’s substantive rules, specifically 16 TAC § 24.245(h)(3)(D), provide that Petitioner must provide a “statement of facts that demonstrate that the property is not currently receiving service” as a required part of the verified petition.<sup>32</sup>

25. The verified “statement of facts” that Petitioner must show to meet its burden under 16 TAC § 24.245(h) is reflected in *Johnson County Special Utility District v. Public Utility Comm’n of Texas*.<sup>33</sup> There, a land broker filed an affidavit swearing that he searched the property for several hours and found no district water meters or facilities, only “two shuttered ground well heads” and a “small, elevated water storage tank . . . implying that any dwelling on the [p]roperty required that water pressure be generated locally and not from a retail water utility service provider.”<sup>34</sup> The Commission, based on this unrebutted recitation of facts, properly found that no part of the property requested to be extracted had received water service since at least 2005.<sup>35</sup>

<sup>30</sup> Exhibit B (Affidavit of Eddy Daniel) at ¶ 6.

<sup>31</sup> The fact that Petitioner must satisfy its burden of proof is important to note because, as streamlined-expedited-release cases are not “contested cases” and the District thus has no right to discovery or to an evidentiary hearing as to whether the District has “facilities” that provide or are capable of providing “service” to the Tract of Land in question. *See* 16 TAC § 24.245(h)(7) (“The commission will base its decision on the information filed by the landowner, the current CCN holder, and commission staff. No hearing will be held.”).

<sup>32</sup> 16 TAC § 24.245(h)(3)(D).

<sup>33</sup> No. 03-17-00160-CV, 2018 WL 2170259 (Tex. App—Austin May 11, 2018, pet. denied) (mem. op.).

<sup>34</sup> *Id.* at \*\*6-7.

<sup>35</sup> *Id.* at \*\*9-10 (citing Commission’s Finding of Fact No. 24).



26. The “statement of facts” that Petitioner must show in its verified petition to meet its burden under 16 TAC § 24.245(h) is also reflected in *Crystal Clear*. Petitioner in that case, the Texas General Land Office, supported the contention that the area requested to be decertified was not receiving water service by explaining that there were “no active water meters or water connections on and no facilities providing current service” and that there was “one abandoned, empty meter box on the eastern portion of the property, which Crystal Clear itself classifies as inoperative.”<sup>36</sup>

27. In this case, Petitioner has not set out facts similar to that in *Johnson County* case or *Crystal Clear*. Petitioner has offered no statement of facts, but only a conclusory one-page affidavit from Jacob Allen, claiming, without support, that, “The Requested Area is not receiving water or sewer service from Marilee SUD or any other water or sewer service provider.”<sup>37</sup> As demonstrated by the District’s affirmative evidence of its meters and waterlines providing service to the Tract of Land, Mr. Allen’s statement is at best misleading. Petitioner has not provided any information regarding an investigation of the Tract of Land. Accordingly, Petitioner has not set out a “statement of facts” to establish that the Tract of Land is not receiving water service, as defined by the TWC, and thus has not satisfied its burden of proof under TWC § 13.2541 and 16 TAC § 24.245(h)(3)(D). As described in the previous section, had Petitioner provided a statement of facts regarding service, the Tract of Land would not be eligible for decertification because the District is providing water service to the Tract of Land through several active meters on and carved outside of the Tract of Land.

28. The District is currently defending against the decertification of 19 tracts of land in its service area, representing a total acreage of approximately 4,581,285 acres.<sup>38</sup> The petitions in

<sup>36</sup> *Crystal Clear*, 449 S.W.3d at 134.

<sup>37</sup> Petition at Exhibit A-1 (Affidavit of Jacob Allen) at ¶ 3.

<sup>38</sup> In addition to this case, the District is the CCN holder in 18 other streamlined decertification cases currently before the Commission. See *Petition of Sterling Deason O’Donnell and Darwin Deason, Co-Trustees of the Sterling Deason O’Donnell DD 2012 Trust Under Agreement of the DD 2014-B Grantor Retained Annuity Trust to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release*, Docket No. 50404 (pending); *Petition of CCD-North Sky, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release*, Docket No. 52101 (pending); *Petition of Celina Partners, L.P. to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release*, Docket No. 52434 (pending); *Petition of Legacy Equestrian Center LLC to Amend Marilee*

most of the 19 dockets are supported by conclusory, barebones affidavits like that provided in this case. The District respectfully submits that it is inequitable and procedurally improper for the District to have to affirmatively prove, via verified response, that each of the properties, including the Tract of Land in this case, is receiving or is capable of readily receiving water service from the District. Rather, Petitioner should be held to the burden of proof under 16 TAC § 24.245(h)(3)(D) to set out a verified statement of facts proving that the requested area is not receiving service before the Petition may be granted.

29. Petitioner has not met its burden of proof to decertify the Tract of Land under TWC § 13.2541 and 16 TAC § 24.245(h)(3)(D) because Petitioner has not provided the required verified “statement of facts.” Accordingly, the District respectfully requests that the Petition be denied because it presents insufficient facts to prove that it is not receiving service from the District under TWC § 13.2541, 16 TAC § 24.245(h)(3)(D), and Texas law.

*Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release, Docket No. 52435 (pending); Petition of Huffines Ranch, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release, Docket No. 52490 (pending); Petition of Clifton Van McKnight and Bryan Jeffery McKnight to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release, Docket No. 52518 (pending); Petition of HC Celina 414, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release, Docket No. 52497 (pending); Petition of E Real Estate, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release (Tract 5), Docket No. 52530 (pending); Petition of E Real Estate, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release (Tract 4), Docket No. 52531 (pending); Petition of E Real Estate, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release (Tract 3), Docket No. 52532 (pending); Petition of E Real Estate, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release (Tract 2), Docket No. 52533 (pending); Petition of Central Frisco, Ltd. to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release, Docket No. 52534 (pending); Petition of E Real Estate, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release (Mesquoakee Ranch), Docket No. 52536 (pending); Petition by Mesquoakee Ranch, LLC for Expedited Release from Water CCN No. 10150 Held by Marilee Special Utility District in Collin County, Docket No. 52542 (pending); Petition of the Moses and Mary Jane Hubbard Trust to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Streamlined Expedited Release, Docket No. 53037 (pending); Petition of Eland Energy, Inc. to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Streamlined Expedited Release, Docket No. 52653 (pending); Petition of VPTM Cross Creek LB, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Streamlined Expedited Release, Docket No. 53450 (pending); Petition of VPTM Cross Creek LB, LLC to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Streamlined Expedited Release, Docket No. 53559 (pending).*

**C. Decertifying the Requested Area Will Curtail and Limit the District’s Ability to Service Its Federal Debt.**

30. Pursuant to the Consolidated Farm and Rural Development Act of 1961 and 7 U.S. Code § 1926, the United States Department of Agriculture (“USDA”) may make or insure loans to associations and public and quasi-public agencies. To protect a USDA debtor’s ability to service its debt, it is prohibited by federal law to “curtail or limit” the service area of a USDA debtor. The statute provides:

The service provided or made available through any such association shall not be curtailed or limited by inclusion of the area served by such association within the boundaries of any municipal corporation or other public body, or by the granting of any private franchise for similar service within such area during the term of such loan; nor shall the happening of any such event be the basis of requiring such association to secure any franchise, license, or permit as a condition to continuing to serve the area served by the association at the time of the occurrence of such event.<sup>39</sup>

31. To be eligible for protection under § 1926(b), the District must show, in addition to federal indebtedness, that it satisfies the “physical abilities” test, as adopted by the U.S. Court of Appeals for the Fifth Circuit, sitting en banc in *Green Valley Special Utility District v. City of Schertz*.<sup>40</sup> Judge Smith, writing for the majority, characterized the “physical abilities” test broadly:

To make the test easy to apply to both water and sewer service, we hold that a utility must show that it has (1) adequate facilities to provide service to the area within a reasonable time after a request for service is made and (2) the legal right to provide service. A utility cannot satisfy that test if it has no nearby infrastructure. But ‘pipes in the ground’ is a colloquial shorthand, not a strict requirement.<sup>41</sup>

32. The en banc court in *Green Valley* cited with approval precedent from the U.S. Court of Appeals for the Sixth Circuit stating that, to satisfy the “physical abilities” test, the utility

<sup>39</sup> 7 U.S.C § 1926(b).

<sup>40</sup> 969 F.3d 460 (5th Cir. 2020) (en banc).

<sup>41</sup> *Green Valley*, 969 F.3d at 477.

must have “something in place to merit § 1926(b)’s protection.”<sup>42</sup> The Court further explained the broad interpretation, “[s]ervice may be ‘available’ even if it cannot be immediately used. No water or sewer utility can make service immediately available to rural, undeveloped land; providing such service involves building or installing facilities, which necessarily takes time to accomplish.”<sup>43</sup> Additionally, upon remand of the case to the U.S. District Court for the Western District of Texas, Judge Yeakel, in granting Green Valley’s motion for a new trial, held that “a request for service is a prerequisite for obtaining decertification rather than for resisting decertification.”<sup>44</sup> Based on the District’s meters and waterlines located inside and carved outside of the boundaries of the Tract of Land, as reflected in Exhibit B-1, the District is unquestionably providing actual service to the Tract of Land and, accordingly, more than satisfies the “physical abilities” test. Moreover, Petitioner cannot show that it has ever requested service from the District, which the *Marquez* order indicates is necessary for Petitioner to show that the District does not satisfy the “physical abilities” test.

33. Under *Green Valley*, a federally indebted CCN holder has an equitable cause of action for prospective injunctive relief, preventing ongoing or future limitation or curtailment of its service area by the Commissioners.<sup>45</sup>

34. The District is now consolidated with Mustang Special Utility District (“Mustang SUD”) (together with the District, the “Consolidated District”), in accordance with TWC Chapter

<sup>42</sup> *Id.* at 477 & n.36 (quoting *Lexington—S. Elkhorn Water Dist. v. City of Wilmore*, 93 F.3d 230, 238 (6th Cir. 1996)).

<sup>43</sup> *Id.* at n.38.

<sup>44</sup> *Green Valley Special Utility District v. Marquez*, Cause No. 1:17-CV-819-LY (W.D. Tex. Mar. 25, 2022) (order remanding for new trial).

<sup>45</sup> *See id.* at 475 (“Because . . . Green Valley has satisfied *Young*’s requirements, its suit for injunctive relief against the PUC Officials may go forward.”) (citing *Ex parte Young*, 209 U.S. 123 (1908)).

65, Subchapter H.<sup>46</sup> Voters within the two districts passed measures consolidating the districts on November 2, 2021 and the elections have been canvassed.<sup>47</sup>

35. Prior to consolidation with the District, Mustang SUD was already indebted to the United States of America Department of Agriculture, Rural Utilities Service, which purchased bonds from Mustang SUD in 2016, in the amount of \$14,142,000 and 2018, in the amount of \$1,000,000 (collectively, the “Bonds”).<sup>48</sup> The District assumed Mustang SUD’s federal indebtedness when the District and Mustang SUD were consolidated.<sup>49</sup> The District will be required to make payments on the Bonds until 2055 (2016 Bonds) and 2058 (2018 Bonds).<sup>50</sup>

36. On July 12, 2021, the District received approval from the USDA for a Water and Wastewater Guaranteed loan of \$1,553,000.<sup>51</sup> The District has not closed on the USDA loan but is working diligently to do so.

37. As the Consolidated District is federally indebted, and with the scheduled closing of the USDA loan approaching, the District has a federal equitable cause of action against the Commissioners should the Commissioners take action to limit or curtail of its service area.

**D. Alternatively, the District Must Be Compensated if the Petition is Granted.**

38. The Petition should be dismissed for the reasons the District has given; however, if the Commission does decertify the Tract of Land and reduce the District’s CCN No. 10150, the District is entitled to a determination of just and adequate compensation.

<sup>46</sup> See TWC § 65.723 (“Two or more districts governed by this chapter may consolidate into one district as provided by this subchapter.”); see also Exhibit A (Affidavit of Michael Garrison) at ¶¶ 9-10 & accompanying exhibits (affirming that the District has been consolidated with Mustang SUD) and Exhibit C (Affidavit of Chris Boyd) ¶¶ 3-4 & accompanying exhibits (affirming that Mustang SUD has been consolidated with the District).

<sup>47</sup> See TWC § 65.724 (describing procedure).

<sup>48</sup> See Exhibit C (Affidavit of Chris Boyd), at ¶ 5.

<sup>49</sup> See TWC § 65.726

<sup>50</sup> Exhibit C (Affidavit of Chris Boyd), at ¶ 5.

<sup>51</sup> Exhibit A (Affidavit of Michael Garrison), at ¶¶ 6-8 & accompanying exhibits.

39. The TWC prohibits a retail public utility from “in any way render[ing] retail water or sewer service directly or indirectly to the public in an area that has been decertified ... unless just and adequate compensation ... has been paid to the decertified retail public utility,” in this case, the District.<sup>52</sup> Under the TWC and the Commission’s implementing regulations, “the value of real property owned and utilized by the retail public utility for its facilities shall be determined according to the standards set forth in Chapter 21, Property Code, governing actions in eminent domain,”<sup>53</sup> and the value of personal property shall be determined according to the factors in that subsection. The factors ensuring that the compensation to a retail public utility is just and adequate shall include:

The amount of the retail public utility’s debt allocable for service to the area in question; the value of the service facilities of the retail public utility located within the area in question; the amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question; the amount of the retail public utility’s contractual obligations allocable to the area in question; any demonstrated impairment of service or increase of cost to consumers of the retail public utility remaining after the decertification; the impact on future revenues lost from existing customers; necessary and reasonable legal expenses and professional fees; and other relevant factors.<sup>54</sup>

40. If the Tract of Land is removed from the District’s CCN No. 10150, the District is entitled to compensation under several of these factors including, but not limited to, the amount of its debt allocable for service to the area; the amount of any expenditures for planning, design, or construction of service facilities that are allocable to service to the area in question; the costs of obtaining permits, planning, design, and construction of facilities, and the necessary and reasonable legal expenses and professional fees that are incurred as a result of the Petition.

<sup>52</sup> TWC § 13.254(d); see also TWC § 13.2541(a) (providing that “Sections 13.254(a-7), (c), (d), and (h) apply to a proceeding under this section.”).

<sup>53</sup> TWC § 13.254(g); *see also* TWC § 13.2541(h) (providing that “Section 13.254(g) applies to a determination of the monetary amount of compensation under this section.”).

<sup>54</sup> *See* TWC § 13.254(g) (“The utility commission shall adopt rules governing the evaluation of these factors.”).

### III. PRAYER

WHEREFORE, PREMISES CONSIDERED, the District respectfully requests that the ALJ enter a Proposed Order denying the Petition because (1) the District is actively providing water service, under TWC § 13.2541, 16 TAC § 24.245(h) and Texas state law, to the Tract of Land through multiple meters and waterlines; (2) Petitioner failed to satisfy its burden of proof under TWC § 13.2541, 16 TAC § 24.245(h) and Texas state law; and (3) the federally indebted District is protected from limitation or curtailment of its service area under 7 U.S.C. § 1926(b). Alternatively, if the ALJ proposes that the Petition be granted, the District seeks just and adequate compensation for the reduction of its CCN No. 10150. The District also seeks all other and further relief to which it may be justly entitled at law or in equity.

Respectfully submitted,

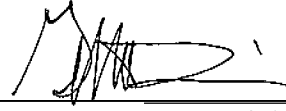
By: 

John J. Carlton  
State Bar No. 03817600  
Grayson E. McDaniel  
State Bar No. 24078966  
The Carlton Law Firm P.L.L.C.  
4301 Westbank Drive, Suite B-130  
Austin, Texas 78746  
(512) 614-0901  
Fax (512) 900-2855  
[john@carltonlawaustin.com](mailto:john@carltonlawaustin.com)  
[grayson@carltonlawaustin.com](mailto:grayson@carltonlawaustin.com)  
[kelsey@carltonlawaustin.com](mailto:kelsey@carltonlawaustin.com)

ATTORNEYS FOR MARILEE SPECIAL  
UTILITY DISTRICT

**CERTIFICATE OF SERVICE**

I hereby certify that I have served or will serve a true and correct copy of the foregoing document via hand delivery, facsimile, electronic mail, overnight mail, U.S. mail and/or Certified Mail Return Receipt Requested to all parties on this 15<sup>th</sup> day of June 2022.



---

Grayson E. McDaniel



**EXHIBIT A**

**AFFIDAVIT OF MICHAEL GARRISON,  
SPECIAL PROJECT INSPECTOR FOR MUSTANG SPECIAL UTILITY DISTRICT**

**DOCKET NO. 53514**

**PETITION BY SATER L.P. FOR § PUBLIC UTILITY COMMISSION**  
**EXPEDITED RELEASE FROM §**  
**WATER CCN NO. 10150 HELD BY §**  
**MARILEE SPECIAL UTILITY §**  
**DISTRICT IN COLLIN COUNTY § OF TEXAS**  
**§**

**SUPPORTING AFFIDAVIT OF MICHAEL GARRISON,**  
**SPECIAL PROJECT INSPECTOR FOR MUSTANG SPECIAL UTILITY DISTRICT**

**STATE OF TEXAS §**  
**§**  
**COUNTY OF COLLIN §**

BEFORE ME, the undersigned authority, on this date personally appeared Michael Garrison who being by me first duly sworn, on his oath deposed and testified as follows:

1. “My name is Michael Garrison. I am more than 18 years of age and I am of sound mind and qualified to make this affidavit. I have personal knowledge of all facts stated herein.
2. “Marilee Special Utility District was consolidated with Mustang Special Utility District in November 2021. Since the consolidation, I have served as the Special Project Inspector for the consolidated district, which is called Mustang Special Utility District (the “Consolidated District” or the “District”). Prior to the consolidation of the two districts, I served the duly appointed Assistant Manager of the District from 2008-2021.
3. “I am authorized to make this affidavit on behalf of the District in Docket 53514 in support of its response to Sater, L.P.’s (“Petitioner”) request to remove 262.79 acres of land (the “Tract of Land”) from areas for which the District holds water certificate of convenience and necessity (“CCN”) No. 10150.
4. “The District maintains four active meters within or just outside the boundaries of the Tract of Land sought to be decertified in this proceeding from the District’s water certificate of convenience and necessity (“CCN”) No. 10150. The District’s meters that serve the Tract of Land are accurately reflected in Exhibit B-1 to the affidavit of the District’s engineer. Details about the four meters are as follows:
  - a. Meter No. 235, which is located just outside of the southwest boundary of the Tract of Land, is a District meter in the name of Gregg Allen, who is associated with the Petitioner, Sater L.P.<sup>1</sup> The meter is currently active, with a “last payment” date of

<sup>1</sup> Mr. Allen maintains District meter number 257, 1301, and 45 in the name of Sater L.P., as stated in my affidavit, attached to the District’s Verified Response as Exhibit A, in *Petition of Sater L.P. to Amend Marilee Special Utility District’s Certificate of Convenience and Necessity in Collin County by Expedited Release*, Docket No. 52739, at ¶ 3 (June 2, 2022).

June 6, 2022. The exhibit attached to this affidavit as **Exhibit A-1** reflect true and correct copies of District records regarding Meter No. 235.

- b. Meter No. 334, which is located just outside of the southwestern boundary of the Tract of Land, is also a District meter in the name of Gregg Allen, who is associated with the Petitioner, Sater L.P. The meter is currently active, with a “last payment” date of June 6, 2022. The exhibit attached to this affidavit as **Exhibit A-2** reflect true and correct copies of District records regarding Meter No. 334.
  - c. Meter No. 751, which is located just outside of the southeastern boundary of the Tract of Land, is also a District meter in the name of Gregg Allen, who is associated with the Petitioner, Sater L.P. The meter is currently active, with a “last payment” date of June 6, 2022. The exhibit attached to this affidavit as **Exhibit A-3** reflect true and correct copies of District records regarding Meter No. 751.
  - d. Meter No. 197, which is located just outside of the southeastern boundary of the Tract of Land, is also a District meter in the name of Gregg Allen, who is associated with the Petitioner, Sater L.P. The meter is currently active, with a “last payment” date of June 6, 2022. The exhibit attached to this affidavit as **Exhibit A-4** reflect true and correct copies of District records regarding Meter No. 197.
  - e. Multiple other District meters are in close proximity to the Tract of Land, as are accurately reflected in Exhibit B-1 to the affidavit of the District’s engineer.
5. “The District maintains active waterlines within the boundaries of the Tract of Land. The District’s 6” waterline that runs along the southern portion of the Tract of Land, as well as the District’s 8” waterline that connects to the 6” waterline, are accurately reflected in Exhibit B-1 to the affidavit of the District’s engineer.
  6. “On February 11, 2021, the District’s Board of Directors authorized Donna Loiselle, the District’s General Manager, to prepare and submit application documents as needed to Live Oak Banking Company (“Live Oak”) in an effort to secure funding for construction of a 300,000-gallon water tank.
  7. “Live Oak sent a commitment letter to the District’s Board on April 13, 2021, committing to provide the District with a \$1,553,000 loan through the United States Department of Agriculture (“USDA”) Water and Environmental Guaranteed Loan Program. A true and correct copy of that letter is attached to this affidavit as Exhibit A-4.
  8. “The USDA sent correspondence to Ms. Loiselle, dated July 19, 2021, stating that USDA Rural Development approved the Loan on July 12, 2021. A true and correct copy of that letter is attached to this affidavit as Exhibit A-5.
  9. “On November 2, 2021, an election was held in Collin County on a proposition to authorize the District to consolidate with Mustang Special Utility District (“Mustang”). On the same day, an election was held in Mustang on a proposition to authorize Mustang to consolidate with the District. A true and correct copy of the District’s proposition as it appeared on the

Collin County ballot is attached hereto as Exhibit A-6. A true and correct copy of Mustang's proposition as it appeared on the ballot is attached as Exhibit C-1 to the affidavit of Chris Boyd, Mustang's manager.

10. "The elections resulted in the Mustang's and the District's voters approving consolidation of Mustang with the District, authorizing the consolidated district to be named Mustang Special Utility District (the "Consolidated District"), and authorizing each district to assume the other district's bonds, notes, and other obligations. A true and correct copy of the District's election results in Collin County is attached hereto as Exhibit A-7. A true and correct copy of Mustang's election results is attached as Exhibit C-2 to the affidavit of Chris Boyd, Mustang's manager.

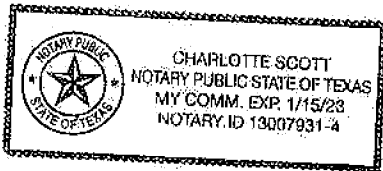
FURTHER, AFFIANT SAYETH NOT.

*Michael Garrison*

Michael Garrison

Special Project Inspector for Mustang Special  
Utility District

SWORN TO AND SUBSCRIBED before me by Michael Garrison on this 14 day of June 2022.



*Charlotte Scott*

Notary Public in and for the State of Texas

# **EXHIBIT A-1**

Mustang SUD

### Customer Detail

Allen, Gregg

Account Number

235

Allen, Gregg  
16400 Dallas Pkwy  
Ste 100

Dallas TX  
75248 (214)507-7846

(214)368-6100

Service Address: 8436 CR# 134

Months On System	342
Total Usage	527,400
Average Usage	1,542
Sequence Number	5540
Meter Serial Number	32599734
Route Number	1
Last Read Date	5/19/2022
12 Month Average	0
Last Year Average	0
Previous Year Average	17,300
Last Paid On Time" Date	6/6/2022
Last Late Charge Date	9/16/2020
Number Of Late Months	52
Next Due Date	6/15/2022
Year To Date Charges	\$143.67

Date Turned On	
Date Turned Off	
Meter Check Date	11/23/2016
Rate Code	1
Pump/Well Number	23
Last Reading	4297
Previous Reading	4297
Usage	0
# of Units	1

Meter	86576730 Z
Old Account #	235
Servicezipcode	75,009.00

Readresolution 1.00 brand&size Badger .625

#### Deposit Information

Deposit Amount	\$100.00	Deposit Date		Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date		Services	Current Balance
0					
	Usage	Charges	Read Date	Reading	
January	0	29.55	1/20/2022	4297	
February	0	28.53	2/21/2022	4297	
March	0	28.53	3/23/2022	4297	
April	0	28.53	4/21/2022	4297	
May	0	28.53	5/19/2022	4297	
June	0	29.55	6/23/2021	4297	
July	0	29.55	7/20/2021	4297	
August	0	29.55	8/23/2021	4297	
September	0	29.55	9/21/2021	4297	
October	0	29.55	10/20/2021	4297	
November	0	29.55	11/22/2021	4297	
December	0	0.00	12/17/2021	4297	

Previous Charges	\$28.53
Paid This Month	\$28.53
<b>Current Balance</b>	<b>0.00</b>

Last Payment	6/6/2022	\$28.53	Check Number	6,275	
Age 1	\$0.00	Age 2	\$0.00	Age 3	\$0.00

wk ext 2140 gallen@elandenergy.com no deposit

#235

Marilee Special Utility District  
P. O. Box 1017  
Celina, TX 75009  
972-382-3222

**COST OF SERVICE NOTICE**  
*(Residential Service)*

APPLICANT(S): Gregg Allen DATE: 12 / 20 / 2021

PROPERTY: 8436 CR 134

The District has determined the cost for providing service to your property in the amount stated below. By signing this notice, you acknowledge that all charges and fees for service are non-refundable except for the deposit. If you sell or vacate the property, you must request a final monthly bill and provide a forwarding address. The District will apply your deposit to the final bill and refund the difference. This notice is provided in accordance with Section E.2(b)(5) of the District's Rate Order and shall remain in effect for thirty (30) days from the date above.

**Check all that apply:**

- Deposit.....\$ 200.00
- Activation Fee.....\$ 25.00
- Connection Fee.....\$ \_\_\_\_\_
- Reserved Service Charges.....\_\_\_\_\_
- Easement Fee.....\_\_\_\_\_
- Street Crossing: County Road (Road Bore).....\_\_\_\_\_
- Street Crossing: State Highway (Road Bore).....\_\_\_\_\_
- Other \_\_\_\_\_

TOTAL: N/A  
~~\$ 225.00~~

*Has several accounts*

Applicant Signature: Gregg Allen Drivers License# 03203346

Co-Applicant Signature: \_\_\_\_\_ Drivers License# \_\_\_\_\_

**NON DISCLOSURE**

I/we hereby request that the District keep the personal information in my/our account record confidential, including my/our address, telephone number and social security number(s), to the extent permitted by federal and state law.

Gregg Allen  
Applicant Signature

\_\_\_\_\_  
Co-Applicant Signature

MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
972-382-3222

<u>DISTRICT USE ONLY</u>	
Date Approved:	_____
Service Classification:	_____
Cost:	_____
Work Order #	_____
Account No.	_____
Service Inspection Date:	_____

### SERVICE APPLICATION

DATE: 12 / 20 / 2021

APPLICANT'S NAME: Gregg Allen

CO-APPLICANT'S NAME: \_\_\_\_\_

CURRENT BILLING ADDRESS:  
16400 Dallas Pkwy.  
Suite 100  
Dallas, TX 75248

EMAIL ADDRESS: gallen@elandenergy.com  
HOME PHONE: (\_\_\_\_) 214-507-7846  
WORK PHONE: (\_\_\_\_) 214-368-6100 x2140

STREET ADDRESS OF PROPERTY: 8436 CR 134-Barn, 8436 CR 134-Shed

LEGAL DESCRIPTION OF PROPERTY (If applicable, subdivision with lot and block number):  
ABS A0093 B E Blackwell Survey, Tract 18

ACREAGE: 145.532 Acres

DWELLING SIZE: NA

NUMBER IN FAMILY: NA

LIVESTOCK & NO.: NA

PREVIOUS OWNER'S NAME: Charles Carter/Carter Family Farms

SPECIAL SERVICE NEEDS OF APPLICANT: NA

NA

NOTE: This service application form must be completed by the applicant(s) only. A map or plat of the service location must be submitted with this application copy as well as a copy of the warranty deed for the location.

#### EQUAL OPPORTUNITY PROGRAM:

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.					
<input checked="" type="checkbox"/> White, Not of Hispanic Origin	<input type="checkbox"/> Black, Not of Hispanic Origin	<input type="checkbox"/> American Indian or Alaskan Native	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Asian or Pacific Islander	<input type="checkbox"/> Other (Specify)
					<input checked="" type="checkbox"/> Male <input type="checkbox"/> Female



MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
(972) 382-3222

SERVICE AGREEMENT

This agreement is made by Gregg Allen ("Customer") and Marilee Special Utility District (the "District") and is effective upon approval and acceptance by the District as shown below. The District will maintain a copy of this agreement as long as the Customer and/or the property is connected to the District's water system. The District and Customer must execute this service agreement before the District provides service to Customer.

The District agrees to provide retail water utility service to Customer at the property described below, and Customer agrees to pay all applicable fees for such service, in accordance with the Rate Order of the District, as amended.

All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill; allowing approximately fifteen (15) days to pay. A one-time penalty of \$10.00 or 10.0%, whichever is larger, shall be applied to delinquent bills. A monthly bill for utility service is delinquent if full payment, including any outstanding late fees and regulatory assessments, is not received at the District by 5:00 p.m. on the due date. Payments made by mail will be considered late if postmarked after the past due date. If full payment is not timely received by the District, a final notice shall be mailed allowing ten (10) additional days for payment prior to disconnection. If Customer's service is disconnected, the District shall charge Customer a Reconnect Fee (\$50.00 during regular business hours; \$85.00 at any other time) before restoring Customer's service. The District's regular business hours are from 8:00a.m. to 4:30p.m., Monday to Friday.

Customer agrees to comply with the District's Drought Contingency Plan in the event the District's total water supply becomes insufficient to meet the needs of all District customers.

All water furnished by the District shall be metered by meters installed, maintained and owned by the District. The meter and connection is for the sole use of Customer and is to provide service to only one (1) dwelling or one (1) business. Any attempt to tamper with or to by-pass a meter, or to divert water utility service from one property to another, or to share, resell or submeter water to any other person, dwelling, business or property is prohibited. Unauthorized users of District services shall be prosecuted to the extent allowed by law under the Texas Penal Code § 28.03.

If required by the District in its sole discretion, the Customer agrees that the Customer and all persons or entities owning an interest in the property served by the meter will execute before a notary public the District's standard waterline easement adopted by the District pursuant to its Rate Order. At the sole option of the District, this requirement is a prerequisite for water service from the District.

The District shall have the right to select the location of the water service meter, pipe and appurtenant equipment on Customer's property necessary to connect Customer to the District's water system. The District shall have access to its meter and equipment located on Customer's property at all reasonable times for any purpose connected with or in the furtherance of the District's business operations, and upon disconnection or discontinuance of service, the District shall have the right to remove any of the District's property from Customer's property.

The District is responsible for protecting the drinking water supply from contamination or pollution, which could result from improper plumbing practices. This Service Agreement serves notice to each customer of the plumbing restrictions in place to provide this protection. The District shall enforce these restrictions to ensure the public health and welfare. The following unauthorized practices are prohibited by state regulations:

(1) Direct connections between a public drinking water supply and a potential source of contamination are prohibited. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with state plumbing codes.

(2) Cross-connections between a public drinking water supply and a private water system are prohibited. These potential threats to the public drinking water supply shall be eliminated at the service connection by proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for an annual inspection and testing by a certified backflow prevention inspector.

(3) Connections that allow condensing, cooling, or industrial process water to be returned to a public drinking water supply are prohibited.

(4) Pipe and pipe fittings containing more than 8.0% lead may not be used to install or repair plumbing at any connection that provides water for human consumption installed on or after July 1, 1988; or pipe and pipe fittings that contain more than 0.25% lead installed on or after January 4, 2014.

(5) Beginning July 1, 1988, solder or flux containing more than 0.2% lead may not be used to install or repair plumbing at any connection that provides water for human consumption.

(6) The installation of any plumbing fixture not in compliance with a state approved plumbing code is prohibited.

The District shall maintain a copy of this Service Agreement as long as the Customer and/or premise is connected to the District's water system. The Customer shall allow the District to inspect the Customer's property for possible cross-connections and other unauthorized plumbing practices during the District's regular business hours.

The District shall notify the Customer in writing of any cross-connection or other unauthorized plumbing practices found by the District during the initial or subsequent

inspections. The Customer shall immediately correct any unauthorized plumbing practice on their premises. The Customer shall, at Customer's expense, properly install, test and maintain any backflow prevention assembly required by the District. Customer shall provide the District with a copy of all backflow prevention assembly test and maintenance records. Failure to comply with the terms of this Service Agreement shall cause the District to either terminate service or, at its sole discretion, to install, test and maintain an appropriate backflow prevention assembly at the service connection. Any expenses associated with the enforcement of this Service Agreement shall be billed to the Customer.

By execution hereof, the Customer shall hold the District harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other persons or customers of the District, normal failures of the system, or other events beyond the District's control.

By execution hereof, the Customer expressly agrees that Customer's failure to comply the terms of this Service Agreement shall entitle the District to deny or discontinue service until such time as the violation(s) are corrected to the satisfaction of the District.

Any misrepresentation of facts by the Customer on this Service Agreement or the Service Application shall entitle the District to deny or discontinue service pursuant to the terms and conditions of the District's Rate Order.

(Please initial in the space below upon reading the following)

JA Customer acknowledges that the District's water system provides potable water for domestic consumption only and may not provide "fire flows" to the Service Address below as defined by the Uniform Fire Code or similar code or regulation to fight structure fires.

BREBB ALLEN

Customer Signature

Customer Signature

Service Address: 8436 CR 134, Celina, TX

Attach or State Legal Description: ABS A0093 B E Blackwell Survey,

Tract 18. 145.532 Acres

ACCEPTED AND APPROVED by \_\_\_\_\_ on \_\_\_\_\_, 20\_\_

Account No. \_\_\_\_\_ Work Order No. \_\_\_\_\_

Deposit Paid: \$ \_\_\_\_\_ By: \_\_\_\_\_

# **EXHIBIT A-2**

Mustang SUD

### Customer Detail

Allen, Gregg

Account Number

334

Allen, Gregg  
16400 Dallas Pkwy  
Ste 100  
Dallas TX  
75248  
Service Address: 8436 CR# 134

(214)507-7846 (214)368-6100

Months On System 342  
Total Usage 5,144,800  
Average Usage 15,043  
Sequence Number 5580  
Meter Serial Number 32599736  
Route Number 1  
Last Read Date 5/19/2022  
12 Month Average 16,883  
Last Year Average 9,900  
Previous Year Average 37,600  
Last 'Paid On Time' Date 6/6/2022  
Last Late Charge Date 9/16/2020  
Number Of Late Months 60  
Next Due Date 6/15/2022  
Year To Date Charges \$525.92

Date Turned On  
Date Turned Off  
Meter Check Date 9/28/2010  
Rate Code 1  
Pump/Well Number 23  
Last Reading 21549  
Previous Reading 21498  
Usage 5,100  
  
# of Units 1

Meter 82552969 Z  
Old Account # 334  
Servicezipcode 75,009.00

Readresolution 1.00 brand&size Badger .625

#### Deposit Information

Deposit Amount	\$100.00	Deposit Date	Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date	Services	Current Balance
0	Usage	Charges	Read Date	Reading
January	115,800	340.59	1/20/2022	21338
February	5,500	47.24	2/21/2022	21393
March	4,900	44.83	3/23/2022	21442
April	5,600	47.63	4/21/2022	21498
May	5,100	45.63	5/19/2022	21549
June	14,100	115.79	6/23/2021	19664
July	9,800	84.33	7/20/2021	19762
August	10,600	89.48	8/23/2021	19868
September	7,700	70.83	9/21/2021	19945
October	9,000	79.19	10/20/2021	20035
November	8,200	74.04	11/22/2021	20117
December	6,300	0.00	12/17/2021	20180

Previous Charges \$45.63  
Paid This Month \$45.63  
**Current Balance 0.00**

Last Payment 6/6/2022 \$45.63 Check Number 6,275  
Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

wk ext 2140 gallen@elandenergy.com no deposit

#334

Marilee Special Utility District  
P. O. Box 1017  
Celina, TX 75009  
972-382-3222

**COST OF SERVICE NOTICE**  
(Residential Service)

APPLICANT(S): Gregg Allen DATE: 12 / 20 / 2021

PROPERTY: 8436 CR 134

The District has determined the cost for providing service to your property in the amount stated below. By signing this notice, you acknowledge that all charges and fees for service are non-refundable except for the deposit. If you sell or vacate the property, you must request a final monthly bill and provide a forwarding address. The District will apply your deposit to the final bill and refund the difference. This notice is provided in accordance with Section E.2(b)(5) of the District's Rate Order and shall remain in effect for thirty (30) days from the date above.

**Check all that apply:**

- Deposit.....\$ 200.00
- Activation Fee.....\$ 25.00
- Connection Fee.....\$ \_\_\_\_\_
- Reserved Service Charges..... \_\_\_\_\_
- Easement Fee..... \_\_\_\_\_
- Street Crossing: County Road (Road Bore)..... \_\_\_\_\_
- Street Crossing: State Highway (Road Bore)..... \_\_\_\_\_
- Other \_\_\_\_\_

TOTAL: N/A  
~~\$ 225.00~~

Has several  
Accounts

Applicant Signature: Gregg Allen Drivers License# 03203346

Co-Applicant Signature: \_\_\_\_\_ Drivers License# \_\_\_\_\_

**NON DISCLOSURE**

I/we hereby request that the District keep the personal information in my/our account record confidential, including my/our address, telephone number and social security number(s), to the extent permitted by federal and state law.

Gregg Allen  
Applicant Signature

\_\_\_\_\_  
Co-Applicant Signature

MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
972-382-3222

DISTRICT USE ONLY	
Date Approved:	_____
Service Classification:	_____
Cost:	_____
Work Order #:	_____
Account No.:	_____
Service Inspection Date:	_____

### SERVICE APPLICATION

DATE: 12 / 20 / 2021

APPLICANT'S NAME: Gregg Allen

CO-APPLICANT'S NAME: \_\_\_\_\_

CURRENT BILLING ADDRESS:	EMAIL ADDRESS: <u>gallen@elandenergy.com</u>
<u>16400 Dallas Pkwy.</u>	HOME PHONE: (____) <u>214-507-7846</u>
<u>Suite 100</u>	
<u>Dallas, TX 75248</u>	WORK PHONE: (____) <u>214-368-6100 x2140</u>

STREET ADDRESS OF PROPERTY: 8436 CR 134-Barn, 8436 CR 134-Shed

LEGAL DESCRIPTION OF PROPERTY (If applicable, subdivision with lot and block number):  
ABS A0093 B E Blackwell Survey, Tract 18

ACREAGE: 145.532 Acres DWELLING SIZE: NA

NUMBER IN FAMILY NA LIVESTOCK & NO.: NA

PREVIOUS OWNER'S NAME Charles Carter/Carter Family Farms

SPECIAL SERVICE NEEDS OF APPLICANT NA

NA

NOTE: This service application form must be completed by the applicant(s) only. A map or plat of the service location must be submitted with this application copy as well as a copy of the warranty deed for the location.

#### EQUAL OPPORTUNITY PROGRAM:

<p>The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.</p>							
<input checked="" type="checkbox"/> White, Not of Hispanic Origin	<input type="checkbox"/> Black, Not of Hispanic Origin	<input type="checkbox"/> American Indian or Alaskan Native	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Asian or Pacific Islander	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Male	<input type="checkbox"/> Female

MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
(972) 382-3222

SERVICE AGREEMENT

This agreement is made by Gregg Allen ("Customer") and Marilee Special Utility District (the "District") and is effective upon approval and acceptance by the District as shown below. The District will maintain a copy of this agreement as long as the Customer and/or the property is connected to the District's water system. The District and Customer must execute this service agreement before the District provides service to Customer.

The District agrees to provide retail water utility service to Customer at the property described below, and Customer agrees to pay all applicable fees for such service, in accordance with the Rate Order of the District, as amended.

All bills shall be due and payable upon receipt and are past due beyond the date indicated on the bill; allowing approximately fifteen (15) days to pay. A one-time penalty of \$10.00 or 10.0%, whichever is larger, shall be applied to delinquent bills. A monthly bill for utility service is delinquent if full payment, including any outstanding late fees and regulatory assessments, is not received at the District by 5:00 p.m. on the due date. Payments made by mail will be considered late if postmarked after the past due date. If full payment is not timely received by the District, a final notice shall be mailed allowing ten (10) additional days for payment prior to disconnection. If Customer's service is disconnected, the District shall charge Customer a Reconnect Fee (\$50.00 during regular business hours; \$85.00 at any other time) before restoring Customer's service. The District's regular business hours are from 8:00 a.m. to 4:30 p.m., Monday to Friday.

Customer agrees to comply with the District's Drought Contingency Plan in the event the District's total water supply becomes insufficient to meet the needs of all District customers.

All water furnished by the District shall be metered by meters installed, maintained and owned by the District. The meter and connection is for the sole use of Customer and is to provide service to only one (1) dwelling or one (1) business. Any attempt to tamper with or to by-pass a meter, or to divert water utility service from one property to another, or to share, resell or submeter water to any other person, dwelling, business or property is prohibited. Unauthorized users of District services shall be prosecuted to the extent allowed by law under the Texas Penal Code § 28.03.

If required by the District in its sole discretion, the Customer agrees that the Customer and all persons or entities owning an interest in the property served by the meter will execute before a notary public the District's standard waterline easement adopted by the District pursuant to its Rate Order. At the sole option of the District, this requirement is a prerequisite for water service from the District.



The District shall have the right to select the location of the water service meter, pipe and appurtenant equipment on Customer's property necessary to connect Customer to the District's water system. The District shall have access to its meter and equipment located on Customer's property at all reasonable times for any purpose connected with or in the furtherance of the District's business operations, and upon disconnection or discontinuance of service, the District shall have the right to remove any of the District's property from Customer's property.

The District is responsible for protecting the drinking water supply from contamination or pollution, which could result from improper plumbing practices. This Service Agreement serves notice to each customer of the plumbing restrictions in place to provide this protection. The District shall enforce these restrictions to ensure the public health and welfare. The following unauthorized practices are prohibited by state regulations:

(1) Direct connections between a public drinking water supply and a potential source of contamination are prohibited. Potential sources of contamination shall be isolated from the public water system by an air gap or an appropriate backflow prevention assembly in accordance with state plumbing regulations. Additionally, all pressure relief valves and thermal expansion devices must be in compliance with state plumbing codes.

(2) Cross-connections between a public drinking water supply and a private water system are prohibited. These potential threats to the public drinking water supply shall be eliminated at the service connection by proper installation of an air gap or a reduced pressure-zone backflow prevention assembly and a service agreement must exist for an annual inspection and testing by a certified backflow prevention inspector.

(3) Connections that allow condensing, cooling, or industrial process water to be returned to a public drinking water supply are prohibited.

(4) Pipe and pipe fittings containing more than 8.0% lead may not be used to install or repair plumbing at any connection that provides water for human consumption installed on or after July 1, 1988; or pipe and pipe fittings that contain more than 0.25% lead installed on or after January 4, 2014.

(5) Beginning July 1, 1988, solder or flux containing more than 0.2% lead may not be used to install or repair plumbing at any connection that provides water for human consumption.

(6) The installation of any plumbing fixture not in compliance with a state approved plumbing code is prohibited.

The District shall maintain a copy of this Service Agreement as long as the Customer and/or premise is connected to the District's water system. The Customer shall allow the District to inspect the Customer's property for possible cross-connections and other unauthorized plumbing practices during the District's regular business hours.

The District shall notify the Customer in writing of any cross-connection or other unauthorized plumbing practices found by the District during the initial or subsequent

inspections. The Customer shall immediately correct any unauthorized plumbing practice on their premises. The Customer shall, at Customer's expense, properly install, test and maintain any backflow prevention assembly required by the District. Customer shall provide the District with a copy of all backflow prevention assembly test and maintenance records. Failure to comply with the terms of this Service Agreement shall cause the District to either terminate service or, at its sole discretion, to install, test and maintain an appropriate backflow prevention assembly at the service connection. Any expenses associated with the enforcement of this Service Agreement shall be billed to the Customer.

By execution hereof, the Customer shall hold the District harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other persons or customers of the District, normal failures of the system, or other events beyond the District's control.

By execution hereof, the Customer expressly agrees that Customer's failure to comply the terms of this Service Agreement shall entitle the District to deny or discontinue service until such time as the violation(s) are corrected to the satisfaction of the District.

Any misrepresentation of facts by the Customer on this Service Agreement or the Service Application shall entitle the District to deny or discontinue service pursuant to the terms and conditions of the District's Rate Order.

(Please initial in the space below upon reading the following)

GA Customer acknowledges that the District's water system provides potable water for domestic consumption only and may not provide "fire flows" to the Service Address below as defined by the Uniform Fire Code or similar code or regulation to fight structure fires.

BREBB ALLEN

Customer Signature

Customer Signature

Service Address: 8436 CR 134, Celina, TX

Attach or State Legal Description: ABS A0093 B E Blackwell Survey,

Tract 18, 145.532 Acres

ACCEPTED AND APPROVED by \_\_\_\_\_ on \_\_\_\_\_, 20\_\_

Account No. \_\_\_\_\_ Work Order No. \_\_\_\_\_

Deposit Paid: \$ \_\_\_\_\_ By: \_\_\_\_\_

# **EXHIBIT A-3**

Mustang SUD

### Customer Detail

**Allen, Gregg**

Allen, Gregg  
16400 Dallas Pkwy  
Ste 100

Dallas TX  
75248 (214)507-7846

Service Address: CR# 134

**Account Number**

**751**

Winker, Glenda C

0-0

Date Turned On  
Date Turned Off  
Meter Check Date 1/15/2021  
Rate Code 1  
Pump/Well Number 23  
Last Reading 1360  
Previous Reading 1360  
Usage 0  
  
# of Units 1

Months On System 342  
Total Usage 2,018,800  
Average Usage 5,903  
Sequence Number 5600  
Meter Serial Number 200589743  
Route Number 1  
Last Read Date 5/20/2022  
12 Month Average 11,060  
Last Year Average 9,100  
Previous Year Average 12,800  
Last "Paid On Time" Date 6/6/2022  
Last Late Charge Date 9/16/2020  
Number Of Late Months 57  
Next Due Date 6/15/2022  
Year To Date Charges \$342.84

Meter 120772137J  
Old Account # 751  
Servicezipcode 75,009.00

Readresolution 0.01 brand&size Badger .625

#### Deposit Information

Deposit Amount	\$100.00	Deposit Date	Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date	Services	Current Balance
0				
	Usage	Charges	Read Date	Reading
January	23,700	198.49	1/21/2022	1276
February	8,300	58.47	2/21/2022	1359
March	100	28.82	3/23/2022	1360
April	0	28.53	4/21/2022	1360
May	0	28.53	5/20/2022	1360
June	6,200	61.18	6/23/2021	316
July	11,300	93.98	7/21/2021	429
August	12,100	99.31	8/23/2021	550
September	16,800	138.04	9/22/2021	718
October	11,300	93.98	10/20/2021	831
November	10,500	88.84	11/22/2021	936
December	10,300	0.00	12/17/2021	1039
			Previous Charges	\$28.53
			Paid This Month	\$28.53
			<b>Current Balance</b>	<b>0.00</b>

Last Payment 6/6/2022 \$28.53 Check Number 6,275  
Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

wk ext 2140 gallen@elandenergy.com no deposit meter is the closest to PR 5116

#751

Marilee Special Utility District  
P. O. Box 1017  
Celina, TX 75009  
972-382-3222

**COST OF SERVICE NOTICE**  
(Residential Service)

APPLICANT(S): Gregg Allen DATE: 12 / 20 / 2021

PROPERTY: Winkler Tract (Account #197 and #751)

The District has determined the cost for providing service to your property in the amount stated below. By signing this notice, you acknowledge that all charges and fees for service are non-refundable except for the deposit. If you sell or vacate the property, you must request a final monthly bill and provide a forwarding address. The District will apply your deposit to the final bill and refund the difference. This notice is provided in accordance with Section E.2(b)(5) of the District's Rate Order and shall remain in effect for thirty (30) days from the date above.

**Check all that apply:**

- Deposit.....\$ 200.00
- Activation Fee.....\$ 25.00
- Connection Fee.....\$ \_\_\_\_\_
- Reserved Service Charges..... \_\_\_\_\_
- Easement Fee..... \_\_\_\_\_
- Street Crossing: County Road (Road Bore)..... \_\_\_\_\_
- Street Crossing: State Highway (Road Bore)..... \_\_\_\_\_
- Other \_\_\_\_\_

TOTAL: N/A  
~~\$ 225.00~~

Has several  
Accounts

Applicant Signature: Gregg Allen Drivers License# 03203346

Co-Applicant Signature: \_\_\_\_\_ Drivers License# \_\_\_\_\_

**NON DISCLOSURE**

I/we hereby request that the District keep the personal information in my/our account record confidential, including my/our address, telephone number and social security number(s), to the extent permitted by federal and state law.

Gregg Allen  
Applicant Signature

\_\_\_\_\_  
Co-Applicant Signature

MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
972-382-3222

DISTRICT USE ONLY	
Date Approved:	_____
Service Classification:	_____
Cost:	_____
Work Order #:	_____
Account No.:	_____
Service Inspection Date:	_____

SERVICE APPLICATION

DATE: 12 / 20 / 2021

APPLICANT'S NAME: Gregg Allen

CO-APPLICANT'S NAME: \_\_\_\_\_

CURRENT BILLING ADDRESS:	EMAIL ADDRESS: <u>gallen@elandenergy.com</u>
<u>16400 Dallas Pkwy.</u>	HOME PHONE: (____) <u>214-507-7846</u>
<u>Suite 100</u>	
<u>Dallas, TX 75248</u>	WORK PHONE: (____) <u>214-368-6100 x2140</u>

STREET ADDRESS OF PROPERTY: 400 PR 5116 and 10231 PR 5116

LEGAL DESCRIPTION OF PROPERTY (If applicable, subdivision with lot and block number):  
ABS A0093 B E Blackwell Survey, Tract 13

ACREAGE: <u>129.978 Acres</u>	DWELLING SIZE: <u>875 Sq. Ft.</u>
NUMBER IN FAMILY <u>NA</u>	LIVESTOCK & NO.: <u>NA</u>

PREVIOUS OWNER'S NAME: Glenda Carter Winkler Revocable Trust

SPECIAL SERVICE NEEDS OF APPLICANT: NA

NOTE: This service application form must be completed by the applicant(s) only. A map or plat of the service location must be submitted with this application copy as well as a copy of the warranty deed for the location.

**EQUAL OPPORTUNITY PROGRAM:**

The following information is requested by the Federal Government in order to monitor compliance with Federal laws prohibiting discrimination against applicants seeking to participate in this program. You are not required to furnish this information, but are encouraged to do so. This information will not be used in evaluating your application or to discriminate against you in any way. However, if you choose not to furnish it, we are required to note the race/national origin of individual applicants on the basis of visual observation or surname.

White, Not of Hispanic Origin   
  Black, Not of Hispanic Origin   
  American Indian or Alaskan Native   
  Hispanic   
  Asian or Pacific Islander   
  Other (Specify)   
  Male   
  Female

MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
(972) 382-3222

SERVICE AGREEMENT

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- (3) Connections that allow condensing, cooling, or industrial process water to be returned to a public drinking water supply are prohibited.
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(Please initial in the space below upon reading the following)

GA Customer acknowledges that the District's water system provides potable water for domestic consumption only and may not provide "fire flows" to the Service Address below as defined by the Uniform Fire Code or similar code or regulation to fight structure fires.

BREBB ALLEN

Customer Signature

Customer Signature

Service Address: 400 PR 5116 & 10231 PR 5116

Attach or State Legal Description: ABS A0093 B E Blackwell Sur., Tr. 13,  
129.978 Acres

ACCEPTED AND APPROVED by \_\_\_\_\_ on \_\_\_\_\_, 20\_\_

Account No. \_\_\_\_\_ Work Order No. \_\_\_\_\_

Deposit Paid: \$ \_\_\_\_\_ By: \_\_\_\_\_

# **EXHIBIT A-4**

Mustang SUD

Customer Detail

Allen, Greg

Account Number

197

Allen, Greg  
 16400 Dallas Pkwy  
 Ste 100  
 Dallas TX  
 75248  
 Service Address: CR# 134

(214)507-7846 (214)368-6100

Months On System 342  
 Total Usage 532,900  
 Average Usage 1,558  
 Sequence Number 10820  
 Meter Serial Number 210620669  
 Route Number 2  
 Last Read Date 5/20/2022  
 12 Month Average 0  
 Last Year Average 0  
 Previous Year Average 0  
 Last "Paid On Time" Date 6/6/2022  
 Last Late Charge Date 5/17/2021  
 Number Of Late Months 26  
 Next Due Date 6/15/2022  
 Year To Date Charges \$143.67

Date Turned On  
 Date Turned Off  
 Meter Check Date 8/3/2021  
 Rate Code 1  
 Pump/Well Number 5  
 Last Reading 1392  
 Previous Reading 1392  
 Usage 0  
 # of Units 1

Meter 120502328J  
 Old Account # 197  
 Servicezipcode 75,009.00

Readresolution 0.01 brand&size Badger .625

Deposit Information

Deposit Amount	\$100.00	Deposit Date	Certificate Number	0
Deposit Amount 2	\$0.00	Deposit 2 Date	Services	Current Balance
Usage	Charges	Read Date	Reading	
January	0	29.55	1/19/2022	1392
February	0	28.53	2/18/2022	1392
March	0	28.53	3/21/2022	1392
April	0	28.53	4/22/2022	1392
May	0	28.53	5/20/2022	1392
June	0	29.55	6/21/2021	4507
July	0	29.55	7/19/2021	4507
August	0	29.55	8/18/2021	1392
September	0	29.55	9/21/2021	1392
October	0	29.55	10/18/2021	1392
November	0	29.55	11/18/2021	1392
December	0	0.00	12/16/2021	1392

Previous Charges \$28.53  
 Paid This Month \$28.53  
**Current Balance 0.00**

Last Payment 6/6/2022 \$28.53 Check Number 6,275  
 Age 1 \$0.00 Age 2 \$0.00 Age 3 \$0.00

wk # ext 2140 gallen@elandenergy.com no deposit  
 meter north of PR 5116

#197

Marilee Special Utility District  
P. O. Box 1017  
Celina, TX 75009  
972-382-3222

**COST OF SERVICE NOTICE**  
(Residential Service)

APPLICANT(S): Gregg Allen DATE: 12 / 20 / 2021

PROPERTY: Winkler Tract (Account #197 and #751)

The District has determined the cost for providing service to your property in the amount stated below. By signing this notice, you acknowledge that all charges and fees for service are non-refundable except for the deposit. If you sell or vacate the property, you must request a final monthly bill and provide a forwarding address. The District will apply your deposit to the final bill and refund the difference. This notice is provided in accordance with Section E.2(b)(5) of the District's Rate Order and shall remain in effect for thirty (30) days from the date above.

**Check all that apply:**

- Deposit.....\$ 200.00
- Activation Fee.....\$ 25.00
- Connection Fee.....\$ \_\_\_\_\_
- Reserved Service Charges..... \_\_\_\_\_
- Easement Fee..... \_\_\_\_\_
- Street Crossing: County Road (Road Bore)..... \_\_\_\_\_
- Street Crossing: State Highway (Road Bore)..... \_\_\_\_\_
- Other \_\_\_\_\_

TOTAL: NA  
~~\$ 225.00~~

*Has several accounts*

Applicant Signature: Gregg Allen Drivers License# 03203346

Co-Applicant Signature: \_\_\_\_\_ Drivers License# \_\_\_\_\_

**NON DISCLOSURE**

I/we hereby request that the District keep the personal information in my/our account record confidential, including my/our address, telephone number and social security number(s), to the extent permitted by federal and state law.

Gregg Allen  
Applicant Signature

\_\_\_\_\_  
Co-Applicant Signature

MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
972-382-3222

<b>DISTRICT USE ONLY</b>	
Date Approved:	_____
Service Classification:	_____
Cost:	_____
Work Order #:	_____
Account No.:	_____
Service Inspection Date:	_____

**SERVICE APPLICATION**

DATE: 12 / 20 / 2021

APPLICANT'S NAME: Gregg Allen

CO-APPLICANT'S NAME: \_\_\_\_\_

CURRENT BILLING ADDRESS:	EMAIL ADDRESS: <u>gallen@elandenergy.com</u>
<u>16400 Dallas Pkwy.</u>	HOME PHONE: (____) <u>214-507-7846</u>
<u>Suite 100</u>	
<u>Dallas, TX 75248</u>	WORK PHONE: (____) <u>214-368-6100 x2140</u>

STREET ADDRESS OF PROPERTY: 400 PR 5116 and 10231 PR 5116

LEGAL DESCRIPTION OF PROPERTY (If applicable, subdivision with lot and block number):  
ABS.A0093 B E Blackwell Survey, Tract 13

ACREAGE: 129.978 Acres DWELLING SIZE: 875 Sq. Ft.

NUMBER IN FAMILY NA LIVESTOCK & NO.: NA

PREVIOUS OWNER'S NAME Glenda Carter Winkler Revocable Trust

SPECIAL SERVICE NEEDS OF APPLICANT NA

NA

NOTE: This service application form must be completed by the applicant(s) only. A map or plat of the service location must be submitted with this application copy as well as a copy of the warranty deed for the location.

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<input checked="" type="checkbox"/> White, Not of Hispanic Origin	<input type="checkbox"/> Black, Not of Hispanic Origin	<input type="checkbox"/> American Indian or Alaskan Native	<input type="checkbox"/> Hispanic	<input type="checkbox"/> Asian or Pacific Islander	<input type="checkbox"/> Other (Specify)	<input checked="" type="checkbox"/> Male	<input type="checkbox"/> Female

MARILEE SPECIAL UTILITY DISTRICT  
P.O. Box 1017  
Celina, Texas 75009  
(972) 382-3222

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(3) Connections that allow condensing, cooling, or industrial process water to be returned to a public drinking water supply are prohibited.

(4) Pipe and pipe fittings containing more than 8.0% lead may not be used to install or repair plumbing at any connection that provides water for human consumption installed on or after July 1, 1988; or pipe and pipe fittings that contain more than 0.25% lead installed on or after January 4, 2014.

(5) Beginning July 1, 1988, solder or flux containing more than 0.2% lead may not be used to install or repair plumbing at any connection that provides water for human consumption.

(6) The installation of any plumbing fixture not in compliance with a state approved plumbing code is prohibited.

The District shall maintain a copy of this Service Agreement as long as the Customer and/or premise is connected to the District's water system. The Customer shall allow the District to inspect the Customer's property for possible cross-connections and other unauthorized plumbing practices during the District's regular business hours.

The District shall notify the Customer in writing of any cross-connection or other unauthorized plumbing practices found by the District during the initial or subsequent

inspections. The Customer shall immediately correct any unauthorized plumbing practice on their premises. The Customer shall, at Customer's expense, properly install, test and maintain any backflow prevention assembly required by the District. Customer shall provide the District with a copy of all backflow prevention assembly test and maintenance records. Failure to comply with the terms of this Service Agreement shall cause the District to either terminate service or, at its sole discretion, to install, test and maintain an appropriate backflow prevention assembly at the service connection. Any expenses associated with the enforcement of this Service Agreement shall be billed to the Customer.

By execution hereof, the Customer shall hold the District harmless from any and all claims for damages caused by service interruptions due to waterline breaks by utility or like contractors, tampering by other persons or customers of the District, normal failures of the system, or other events beyond the District's control.

By execution hereof, the Customer expressly agrees that Customer's failure to comply the terms of this Service Agreement shall entitle the District to deny or discontinue service until such time as the violation(s) are corrected to the satisfaction of the District.

Any misrepresentation of facts by the Customer on this Service Agreement or the Service Application shall entitle the District to deny or discontinue service pursuant to the terms and conditions of the District's Rate Order.

(Please initial in the space below upon reading the following)

GA Customer acknowledges that the District's water system provides potable water for domestic consumption only and may not provide "fire flows" to the Service Address below as defined by the Uniform Fire Code or similar code or regulation to fight structure fires.

BREBB ALLEN

Customer Signature

Customer Signature

Service Address: 400 PR 5116 & 10231 PR 5116

Attach or State Legal Description: ABS A0093 B E Blackwell Sur., Tr. 13,  
129.978 Acres

ACCEPTED AND APPROVED by \_\_\_\_\_ on \_\_\_\_\_, 20\_\_

Account No. \_\_\_\_\_ Work Order No. \_\_\_\_\_

Deposit Paid: \$ \_\_\_\_\_ By: \_\_\_\_\_



# **EXHIBIT A-5**



## LOAN COMMITMENT LETTER

**April 13, 2021**

Board of Directors  
Marilee Special Utility District  
230 W. Pecan Street  
Celina, TX 75009

Dear Board of Directors:

Live Oak Banking Company dba Live Oak Bank ("Live Oak") is pleased to commit to provide Marilee Special Utility District (Borrower), a credit facility (Loan) in the principal amount of \$1,553,000 through the USDA Water and Environmental Guaranteed Loan Program. The following credit facility described is subject to all the terms and conditions contained herein, provided there has been no material adverse change in Borrower's financial condition as determined by the Bank.

**Borrower:** Marilee Special Utility District

**Borrowing Amount:** \$1,553,000; funded under USDA Water and Environmental Program Guaranteed term loan

**Purpose:** To provide funds to finance a new 300,000-gallon elevated storage tank; related soft costs and closing costs.

### **Construction Phase**

**Interest Rate:** The loan will have an interest rate that is adjusted quarterly during the construction phase based on Wall Street Journal Prime plus 2.00% at the time of closing. If the loan were to close today, the fully indexed rate would be 5.25%. The interest rate will continue to adjust quarterly at the then current index plus applicable spread until the loan is converted to the permanent phase.

**Floor Rate:** 5.00%

**Repayment:** Interest only during the construction phase up to a maximum of 12 months.

**Prepayment Penalty:** A 10% penalty will be applied on any amount prepaid prior to conversion to the permanent phase.

**DEDICATED  
TO THE  
DOERS™**

1741 Tiburon Dr  
Wilmington, NC 28403  
[liveoakbank.com](http://liveoakbank.com)

©2020 Live Oak Banking Company. All rights reserved. Member FDIC. Equal Housing Lender. 



**Construction Origination Fee:** 1% of the total loan amount

**Permanent Phase**

**Interest Rate:** The loan will have an interest rate that fixed for fifteen years based on the Fifteen-Year LIBOR (or similar index if that index becomes unavailable) plus 3.75%, adjusting at the end of the initial fixed rate period based on the then current index (or index equivalent) plus the original spread. If the loan were to close today, the fully indexed rate would be 5.71%.

**Repayment:** 348 regular monthly payments (29 years) of principal and interest payments. If the loan were to fund today, the monthly payments of principal and interest would be \$9,225.

**Prepayment Penalty:** There will be a sliding prepayment allowed over the life of the proposed loan request (10% in year one, 9% in year two, 8% in year three, 7% in year four, 6% in year five, 5% in year six, 4% in year seven, 3% in year eight, 2% in year nine, 1% in year 10). The ten-year prepayment timeline begins once the loan is fully disbursed.

**Maturity Date:** 360 months from the date the loan closes.

**USDA Fee:** 1.00% of the guaranteed portion of the loan

**Origination Fee:** 1% of the total loan amount

**USDA Annual Renewal Fee:** N/A – The USDA does not charge an annual renewal fee on WEP Guaranteed Loans per Fiscal Year 2021 Annual Notice.

**Source and Use of Proceeds:**

<b>Use of Proceeds:</b>	<b>Total</b>
Construction – Elevated Tank	\$ 1,057,500
Contingency	\$ 106,317
Engineering, Testing, Inspection	\$ 171,525
Interest Reserve	\$ 92,644
USDA Guaranty Fee	\$ 12,424
LOB Origination Fee	\$ 31,060
Closing Costs & Other Misc.	\$ 81,530
<b>Total</b>	<b>\$ 1,553,000</b>

**Borrower acknowledges that they must notify Live Oak Bank before proceeding with any changes as it relates to the use of funds as referenced above. All loan funds are to be used to cover cost**



**associated with the expansion of the facility and cannot be used for any capital expenditures that have not been approved. (Initial)**

CO

**Collateral:** The loan will be evidenced by a water and sewer revenue bond issued by the District. The bond will be payable from and secured by a pledge of net revenues of the District's water and sewer system, on parity with the Districts outstanding Water and Sewer Revenue Bonds; UCC-1 financing statement on all business assets in best available position.

**Insurance:** Business Personal Property Insurance  
Borrower to provide Business Personal Property Insurance (Business Contents) in the amount of the replacement cost of the business assets collateral listed above with a Mortgagee Clause, or a Lender's Loss Payable Endorsement in favor of Live Oak Banking Company, ISAOA (satisfactory to the bank) prior to final disbursement of the loan. A Loss Payable Endorsement equivalent to a Lender's Loss Payable may be permissible if a copy of the endorsement on the policy is received and approved by the Bank.

Worker's Compensation Insurance  
Worker's Compensation Insurance in an amount meeting the state law requirement and with an insurance company satisfactory to Live Oak Bank.

General Liability Insurance  
General Liability Insurance policy in an amount meeting typical requirements for a manufacturing facility of similar size and an amount that is deemed acceptable by the USDA.

**Disbursements:** The loan will be disbursed over 12 months following closing. All disbursements from the control account will be made in accordance with the USDA authorization and as defined in the Loan Agreement.

**Financial Reporting:**

Quarterly:

- Internally prepared financial statements in accordance with GAAP within 45 days of quarter end for the borrowing entity and consolidated.

Annually:

- Audited financial statements prepared in accordance with GAAP within 120 days after fiscal year end for the borrowing entity and consolidated.
- Officer Compliance Certificate
- Annual approved operating budget



**Covenants:**

- Minimum DSCR  $\geq 1.10x$  (tested annually based on audited financial statements)
- Borrower must obtain approval to from Live Oak Bank prior to any purchases over \$5,000,000 related to fixed assets

**Power of Attorney  
For UCC Filings:**

Borrower appoints Live Oak its true attorney in fact to prepare, execute, file, record, or deliver financing statements, continuation statements, termination statements, statements of assignment, applications for registration, or like papers to perfect, preserve, or release Live Oak's interests in the Collateral; cause any Collateral to be transferred to Live Oak's name or the name of Live Oak's nominee; and execute all documents in the name of Borrower or otherwise as Live Oak deems necessary, proper, or convenient in order to preserve, perfect, or enforce its rights in the Collateral.

**Material Adverse  
Change:**

Live Oak's obligations and Commitments under this letter are subject to the accuracy of all information, representations, and materials submitted with or in support of the Borrower's request for the Loan and any material and inaccuracy, omission or change therein, shall, in the Live Oak's discretion, operate to terminate this offer and the Live Oak's Commitment hereunder. This Commitment letter may also be terminated by Live Oak upon the occurrence of any material adverse change in the financial condition, business, prospects, properties, or management of the Borrower or the occurrence of any other event as a result of which Live Oak believes that the prospect of the Borrower repaying its liabilities to Live Oak as contemplated herein may be impaired. Without limiting the generality of the foregoing, the Commitment hereunder shall immediately terminate in the event the Borrower becomes the subject of any proceeding under the United States Bankruptcy Code or any other insolvency, reorganization, liquidation, or moratorium of law.

**Expenses:**

The Loan shall be made and administered without cost to the Live Oak. The Borrower's and any guarantor acceptance of this Commitment shall constitute the unconditional agreement, jointly and severally, whether or not the Loan closes, to pay all reasonable fees, expenses, taxes, costs and charges incurred in connection with the Loan, or in any way incident to the making of or the ongoing administration of the Loan, including, but not limited to, reasonable attorneys' fees and expenses (including fees and expenses of the Live Oak's counsel), appraisal fees, title searching fees, title or other insurance premiums, fees and costs for environmental tests and studies, engineer's and architect's fees, inspector's fees, surveyor's fees, recording costs, and recordation and transfer taxes. The Live Oak shall not pay any brokerage fees or commissions arising from the Loan, and the borrower and all guarantors agree, jointly and severally, to defend, indemnify, and hold the Live Oak harmless against any and all expenses,



liabilities and losses (including attorneys' fees) arising from any such claims. The Borrower and each of the guarantors, jointly and severally, promise to pay to the Live Oak on demand all costs and expenses incurred by the Live Oak in connection with the enforcement of this Commitment or any of the Live Oak's rights hereunder or any defense of the Live Oak against any claim made in connection with or arising out of this Commitment, including, without limitation, all of the Live Oak's reasonable attorneys' fees and expenses and court costs, whether or not proceedings are brought.

#### **LIBOR**

##### **Replacement:**

Notwithstanding any provision to the contrary set forth in this letter, the applicable interest rate for this loan shall be subject to LIBOR replacement rate language, stating that, in the event the Lender determines that reasonable means do not exist for ascertaining the applicable LIBOR rate and the Lender determines that the syndicated loan market has broadly accepted a replacement standard for the LIBOR rate, then the Lender may, without the consent of the borrower, apply such new broadly accepted market standard and make such other changes as shall be necessary or appropriate in the good faith determination of the Lender in order to implement such new market standard.

**Commitment Fee:** A \$10,000 commitment fee is required upon execution of the commitment letter and due within fourteen days from the date of this letter; otherwise, this commitment will have expired. The commitment fee will be applied to engage legal counsel and any other third-party costs incurred. The deposit held by Live Oak will be applied to any expenses incurred by Live Oak in connection with the Loan, including without limitation, lien and judgement searches, title searching fees, appraisals, business valuations, surveys, environmental tests and studies, and reasonable attorneys' fees and expenses, should the Loans not close. At the time the Loan closes, any unused portion of the deposit, if any, shall be returned to the borrower.

This Commitment letter is addressed solely to you, it is solely for your benefit, and may not be relied upon or used by any other person or entity and may not be disclosed by you without LOB's prior written consent to any person other than your attorneys and other advisors. This Commitment letter and the Commitment evidenced herein may not be assigned by you to any other person or entity.

This Commitment letter shall be governed by the laws of the state of North Carolina.

Live Oak's obligations and/or Commitments as contained in this letter are also subject to approval by the United States Department of Agriculture and the issuance of a written loan authorization by the USDA setting forth the terms and conditions of such Loan. In the event that there is any discrepancy between the terms of the Commitment as contained herein and the loan authorization as issued and approved by the USDA for this Loan, then the terms of the USDA loan authorization shall control. In the event that the USDA should fail or refuse to issue a Loan Note Guarantee as to this Loan, then this



Commitment shall terminate, and Live Oak shall have no further obligations or responsibilities hereunder. Furthermore, Live Oak's obligations hereunder are contingent upon the Borrower and/or Guarantor(s) being in compliance with all terms and conditions of any USDA Conditional Commitment which may be issued as to this Loan, and failure to comply with such will likewise terminate the terms and conditions of the Commitment letter and Live Oak shall have no further obligations hereunder in such event.

This credit accommodation is made available subject to the terms, conditions, and provisions of comprehensive loan documents to be executed within 180 days from Live Oak's Credit approval dated **April 12, 2021**. Should the loan not close within 180 days of same approval, updated financials and re-approval will be required.

If the terms outlined in this commitment letter are acceptable to you, please execute and return a copy to Live Oak Bank.

Sincerely,

Anna West  
Loan Officer  
Live Oak Bank

Accepted By:

**Name:** Donna Loiselle  
**Title:** General Manager  
**Date:**

**Other Conditions:**

Please note that a detailed checklist will be prepared for use during the closing process by your closing specialist.

# **EXHIBIT A-6**





JUL 19 2021

Ms. Donna Loiselle  
Marilee Special Utility District (SUD)  
P. O. Box 1017  
Celina, TX 75009

Dear Ms. Loiselle:

Congratulations on being selected to receive a \$1,553,000 Water and Waste Guaranteed Loan for Marilee SUD.

We have enclosed a copy of USDA-RD Form RD 1940-3, "Request for Obligation of Funds Guaranteed Loan." This form indicates that on July 12, 2021, USDA Rural Development approved loan of \$1,553,000 for Marilee SUD.

USDA Rural Development works to support the sustainable development of rural communities and to improve the quality of life in rural areas.

Sincerely,

DANIEL TORRES  
Acting State Director

Enclosure

UNITED STATES DEPARTMENT OF AGRICULTURE  
RURAL DEVELOPMENT  
FARM SERVICE AGENCY

**REQUEST FOR OBLIGATION OF FUNDS  
GUARANTEED LOANS**

INSTRUCTIONS: Complete Items 1 through 25 and applicable Items 26 through 35. See FMI.				
1. CASE NUMBER ST CO BORROWER ID 49-093-*****8804		2. LOAN NUMBER 40	3. FISCAL YEAR 21	4. SOURCE OF FUNDS 1 (See FMI)
5. BORROWER NAME Marilee Special Utility District		6. NUMBER NAME FIELDS   (1, 2, or 3 from Item 5)		
7. STATE NAME Texas		8. COUNTY NAME Collin		
9. RACE CODE 1 - WHITE 4 - HISPANIC 2 - BLACK 5 - A/PI 3 - A/IN 1	10. EMPLOYEE RELATIONSHIP CODE (See FMI)	11. SEX CODE 1 - MALE 4 - ORGANIZATION MALE OWNED 2 - FEMALE 5 - ORGANIZATION FEMALE OWNED 3 - FAMILY UNIT 6 - PUBLIC BODY 6		12. MARITAL STATUS 1 - MARRIED 2 - SEPARATED 3 - UNMARRIED (INCLUDES WIDOWED OR DIVORCED) 1
13. VETERAN CODE 1 - YES 2 - NO 1	14. TYPE OF PAYMENT 3 1 - MONTHLY 3 - SEMI-ANNUALLY 2 - ANNUALLY 4 - QUARTERLY		15. COMMUNITY SIZE 1 - 10,000 OR LESS (FOR SFH ONLY) 2 - OVER 10,000	
16. TYPE OF ASSISTANCE 061 (See FMI)	17. PURPOSE CODE	18. GUARANTEE PERCENT OF LOAN 1 %		
19. TERM OF INTEREST ASSISTANCE	20. SUBMISSION CODE 2 1 - INITIAL 2 - SUBSEQUENT	21. AMOUNT OF LOAN 1,553,000.0		
22. APPROVAL DATE MO DA YR JUL 12 2021	23. NOTE INTEREST RATE 5.7100 %		24. BORROWER EFFECTIVE INTEREST RATE %	
25. REPAYMENT PERIOD 30	26. INCOME CATEGORY 1 - VERY LOW 2 - LOW 3 - MODERATE		27. ADJUSTED FAMILY INCOME	
28. TYPE OF UNIT 1 - FARM TRACT 2 - NON-FARM TRACT	29. DWELLING TYPE USE OF FUNDS CODE (See FMI)		30. INTEREST ASSISTANCE CODE 1 - ELIGIBLE FOR INTEREST ASSIST PROGRAM 2 - INELIGIBLE FOR INTEREST ASSIST PROGRAM	
31. PERCENT OF INTEREST ASSISTANCE %	32. HIGH COST AREA Y = YES N = NO	33. BORROWER HISTORY CODE (See FMI)		
34. AMOUNT AGENCY DIRECT DEBT REFINANCE		35. OBLIGATION DATE (Finance Office use only) MO DA YR JUL 12 2021		
36. BEGINNING FARMER/RANCHER (See FMI)				

**CERTIFICATION APPROVAL**

**APPROVAL CONDITIONS:**

(1) (Farm Loan Programs Only) This loan guarantee is approved subject to the availability of funds. If this loan guarantee is not issued for any reason within 90 calendar days from the date of approval on this document, the approval official may request updated information concerning the lender and the loan applicant. The approval official will have 14 working days to review any updated information and decide whether to submit this document for obligation of funds.

(2) This loan guarantee is approved subject to the conditions on the Conditional Commitment.

**37. COMMENTS AND REQUIREMENTS OF CERTIFYING OFFICIAL**

38. I HEREBY CERTIFY that all determinations and certifications required by the respective United States Department of Agriculture (USDA) Agency regulations prerequisite to providing assistance of the type indicated above have been made and that evidence thereof is in the docket, and that all requirements of pertinent regulations have been complied with. I hereby approve the above-described assistance in the amount set forth above, subject to the availability of funds, and subject to conditions prescribed by Agency regulations applicable to this type of assistance.

I further certify that USDA has complied with the applicable provisions of Title XI, Public Law 95-630, seeking financial information regarding the applicant.

  
*(Signature of Approval Official)*

Typed or Printed Name: Daniel Torres

Date Approved JUL 12 2021

Title: Acting State Director

39. TO THE APPLICANT/LENDER: As of this date JUL 12 2021, this is notice that your application for the above loan guarantee/Interest Assistance from USDA has been approved, as indicated above, subject to the availability of funds and other conditions required by the respective USDA Agency. If you have any questions contact the Approval Official.

**EXHIBIT A-7**

November 2, 2021  
(2 de noviembre, 2021)

MARILEE SPECIAL UTILITIES DISTRICT  
(*Distrito Especial de Servicios Públicos de  
Marilee*)

PROPOSITION A

FOR ( )	Shall Marilee Special Utility District and Mustang Special Utility District be authorized to consolidate into one district; Authorize the name of the consolidated district to be Mustang Special Utility District; Authorize each district to assume the other district's bonds, notes, or other obligations?
AGAINST ( )	
Each voter may vote for or against the proposition by placing an "X" in the square beside the word "FOR" or in the square beside the word "AGAINST".	

*PROPOSICIÓN A*

<i>A FAVOR ( )</i>	<i>¿Serán autorizados el Distrito Especial de Servicios Públicos de Marilee y el Distrito Especial de Servicios Públicos de Mustang para que sean consolidados en un solo distrito; Autorizar que el nombre del distrito consolidado sea Distrito Especial de Servicios Públicos de Mustang; Autorizar que cada distrito asuma los bonos, pagarés, y otras obligaciones del otro distrito?</i>
<i>EN CONTRA ( )</i>	
<i>Cada votante puede votar a favor o en contra de la proposición marcando una "X" en el cuadro enseguida de la palabra "A FAVOR" o en el cuadro enseguida de la palabra "EN CONTRA".</i>	

# **EXHIBIT A-8**

Summary Results Report  
 General and Special Elections  
 November 2nd, 2021

Combined Accumulated Totals  
 57 of 57 Vote Centers Reporting  
 FINAL RESULTS Collin County

**Marilee Special Utilities District - Proposition A**

Vote For 1

	TOTAL	VOTE %	Election Day	Early Voting	Mail	Provisional	Limited
For	123	67.21%	82	37	4	0	0
Against	60	32.79%	42	16	2	0	0
Total Votes Cast	183	100.00%	124	53	6	0	0
Overvotes	0		0	0	0	0	0
Undervotes	17		12	5	0	0	0
Contest Totals	200		136	58	6	0	0

**EXHIBIT B**

**AFFIDAVIT OF EDDY DANIEL,  
REPRESENTATIVE OF MARILEE SPECIAL UTILITY DISTRICT'S  
ENGINEER OF RECORD**



**DOCKET NO. 53514**

**PETITION BY SATER L.P. FOR § PUBLIC UTILITY COMMISSION**  
**EXPEDITED RELEASE FROM §**  
**WATER CCN NO. 10150 HELD BY §**  
**MARILEE SPECIAL UTILITY §**  
**DISTRICT IN COLLIN COUNTY § OF TEXAS**  
**§**

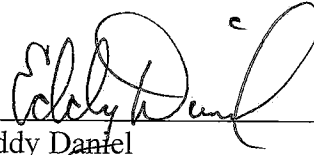
**SUPPORTING AFFIDAVIT OF EDDY DANIEL,**  
**PROFESSIONAL ENGINEER FOR MARILEE SPECIAL UTILITY DISTRICT**

**STATE OF TEXAS §**  
**§**  
**COUNTY OF COLLIN §**

BEFORE ME, the undersigned authority, on this date personally appeared Eddy Daniel, who being by me first duly sworn, on his oath deposed and testified as follows:

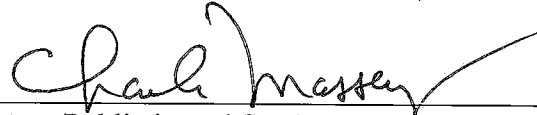
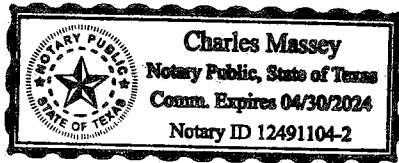
1. “My name is Eddy Daniel. I am more than 18 years of age and I am of sound mind and qualified to make this affidavit. I have personal knowledge of all facts stated herein.
2. “I am an engineer and employee of Dunaway|DBI Engineers. The company serves as the engineer of record for Marilee Special Utility District (the “District”), the Intervenor in this matter, and I am a project engineer for the utility.
3. “I am authorized to make this affidavit on behalf of the District in Docket 53514 in support of its response to Sater, L.P.’s (“Petitioner”) request to remove 262.79 acres of land (“Tract of Land”) from areas for which the District holds water certificate of convenience and necessity (“CCN”) No. 10150.
4. “I supervised the preparation of the map of the Tract of Land attached to this affidavit as Exhibit B-1.
5. “The District maintains active meters and waterlines within and around the boundaries of the Tract of Land. The District’s meters and waterlines are marked on Exhibit B-1.
6. “In my professional opinion, the District provides water service to the Tract of Land through its existing meters and waterlines, and has the ability and facilities dedicated to continue to provide water service to the Tract of Land.

FURTHER, AFFIANT SAYETH NOT.



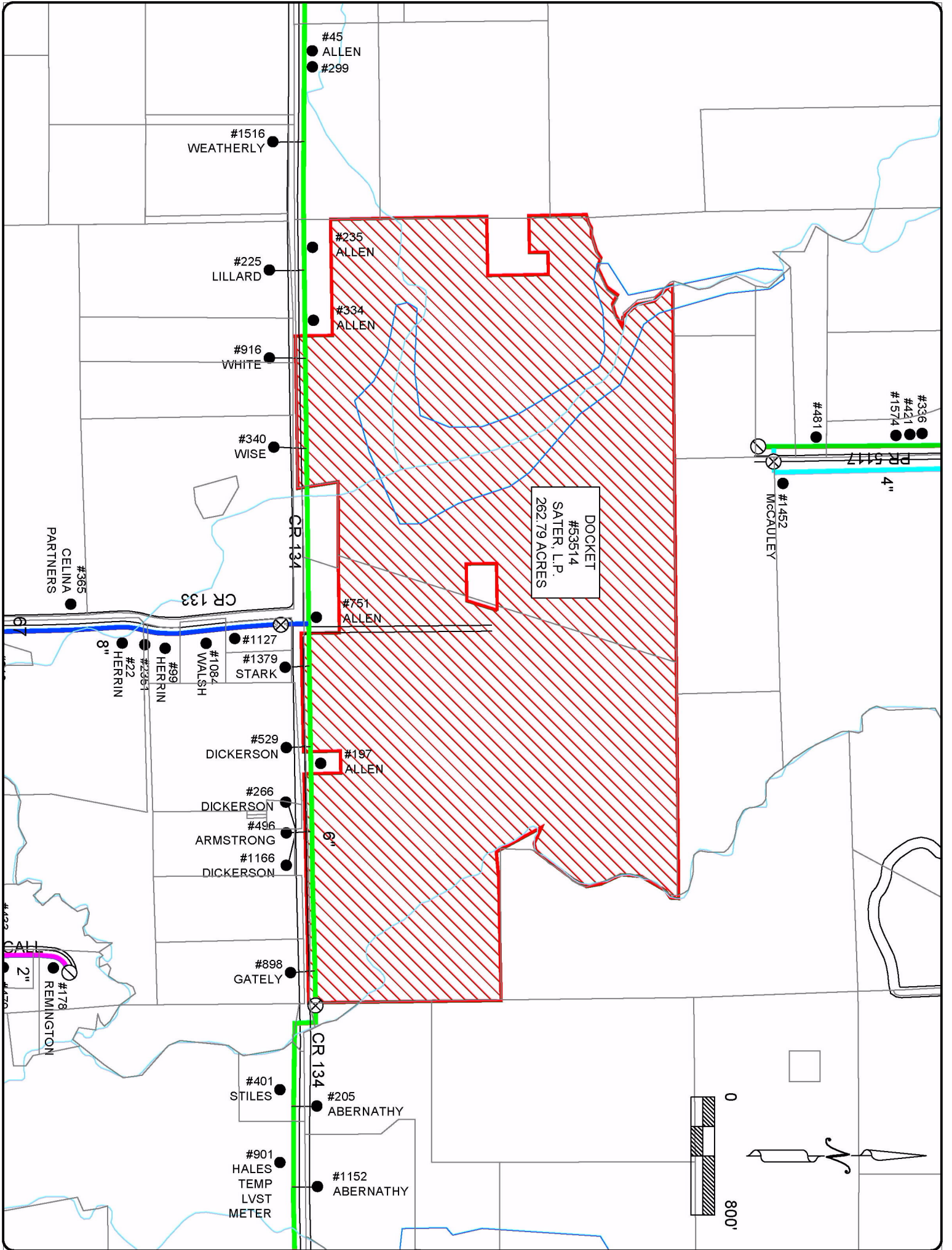
Eddy Daniel  
Engineer of Record for Marilee Special Utility  
District

SWORN TO AND SUBSCRIBED before me by Eddy Daniel on this 13 day of June 2022.



Notary Public in and for the State of Texas

# **Exhibit B-1**



#45  
● ALLEN  
● #299

#1516  
WEATHERLY ●

#225  
LILLARD ●

#916  
WHITE ●

#340  
WISE ●

#365  
CELINA  
PARTNERS ●

CR 133

#22  
HERRIN ●  
#2361  
HERRIN ●

#1127 ●  
#1084  
WALSH ●  
#99  
HERRIN ●

#1379  
STARK ●

#529  
DICKERSON ●

#266  
DICKERSON ●

#496  
ARMSTRONG ●

#1166  
DICKERSON ●

#898  
GATELY ●

#401  
STILES ●

#901  
HALES ●  
TEMP  
LVST  
METER

#205  
ABERNATHY ●

#1152  
ABERNATHY ●

#235  
ALLEN ●

#334  
ALLEN ●

#751  
ALLEN ●

#197  
ALLEN ●

DOCKET  
#53614  
SATER, L.P.  
262.79 ACRES

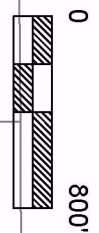
#481 ●

#336 ●  
#421 ●  
#1574 ●

#1452  
MCCOULEY ●

PR 5117

4"



**EXHIBIT C**

**AFFIDAVIT OF CHRIS BOYD  
MUSTANG SPECIAL UTILITY DISTRICT'S GENERAL MANAGER**

**DOCKET NO. 53514**

**PETITION BY SATER L.P. FOR § PUBLIC UTILITY COMMISSION**  
**EXPEDITED RELEASE FROM §**  
**WATER CCN NO. 10150 HELD BY §**  
**MARILEE SPECIAL UTILITY §**  
**DISTRICT IN COLLIN COUNTY § OF TEXAS**  
**§**

**SUPPORTING AFFIDAVIT OF CHRIS BOYD,**  
**GENERAL MANAGER FOR MUSTANG SPECIAL UTILITY DISTRICT**

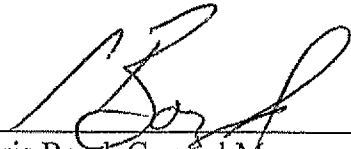
**STATE OF TEXAS §**  
**§**  
**COUNTY OF COLLIN §**

BEFORE ME, the undersigned authority, on this date personally appeared Chris Boyd, who being by me first duly sworn, on his oath deposed and testified as follows:

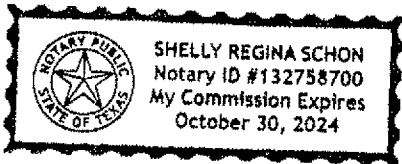
1. "My name is Chris Boyd. I am more than 18 years of age and I am of sound mind and qualified to make this affidavit. I have personal knowledge of all facts stated herein.
2. "I am the General Manager for Mustang Special Utility District ("Mustang"). I have been in that position for 19 years.
3. "On November 2, 2021, an election was held in Denton County on a proposition to authorize Mustang to consolidate with Marilee Special Utility District ("Marilee"). On the same day, an election was held in Collin County on a proposition to authorize Marilee to consolidate with Mustang. A true and correct copy of Mustang's proposition as it appeared on the ballot is attached hereto as Exhibit C-1.
4. "The election resulted in the Mustang's and Marilee's voters approving consolidation of Mustang with Marilee, authorizing the consolidated district be named Mustang Special Utility District (the "Consolidated District"), and authorizing each district to assume the other district's bonds, notes, and other obligations. A true and correct copy of the election results in Denton County is attached hereto as Exhibit C-2.
5. "Mustang has federal indebtedness that has been assumed by the Consolidated District. The United States of America Department of Agriculture, Rural Utilities Service, purchased bonds from Mustang in 2016, in the amount of \$14,142,000, and in 2018, in the amount of \$1,000,000 (collectively, the "Bonds"). The Consolidated District will be required to make payments on the 2016 bonds until 2055. The Consolidated District will be required to make payments on the 2018 bonds until 2058.
6. "I am authorized to make this affidavit on behalf of the Consolidated District in Docket 53514 in support of Marilee's response to Sater, L.P.'s ("Petitioner") request to remove

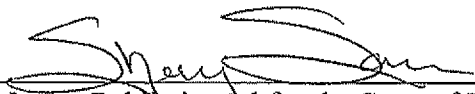
approximately 262.79 acres of land (the "Tract of Land") from areas for which the Consolidated District holds water certificate of convenience and necessity ("CCN") No. 10150.

FURTHER, AFFIANT SAYETH NOT.

  
Chris Boyd, General Manager  
Mustang Special Utility District

SWORN TO AND SUBSCRIBED before me by Chris Boyd, General Manager of Mustang Special Utility District on this 14 day of June 2022.



  
Notary Public in and for the State of Texas

# **Exhibit C-1**



**Mustang Special Utilities District Proposition A**

Shall Mustang Special Utility District and Marilee Special Utility District be authorized to consolidate into one district; Authorize the name of the consolidated district to be Mustang Special Utility District; Authorize each district to assume the other district's bonds, notes, or other obligations?

For

Against

Contests: **1**

Options: **2**

## **Exhibit C-2**

**Cumulative Results Report****Denton County****Official Results**

Official Results

## Mustang Special Utility District Special Election

Registered Voters

172 of 37553 = 0.46%

Precincts Reporting

15 of 15 = 100.00%

Run Time 11:02 AM

11/2/2021

Run Date 11/09/2021

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**Mustang Special Utility District Proposition A**

Choice	Party	Absentee Voting		Early Voting		Election Day Voting		Total	
For		18	56.25%	39	76.47%	47	53.41%	104	60.82%
Against		14	43.75%	12	23.53%	41	46.59%	67	39.18%
	Cast Votes:	32	100.00%	51	100.00%	88	100.00%	171	100.00%
	Undervotes:	0		0		1		1	
	Overvotes:	0		0		0		0	

\*\*\* End of report \*\*\*