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February 10, 2021

VIA FEDERAL EXPRESS

Bill Bilyeu Collin County Administrator Collin County Administration Building 2300 Bloomdale Rd., Suite 4192 McKinney, Texas 75071

Re: Legislation Creating East Collin County Municipal Utility District No. 1

Dear Mr. Bilyeu:

Enclosed is a copy of the draft legislation, together with notice of intent to introduce the referenced legislation, proposing to create East Collin County Municipal Utility District No. 1. The proposed district is not located within the extraterritorial jurisdiction or corporate limits of any city, however the proposed district is located near the community of Copeville, Texas. As we discussed, I used the Van Alstyne MUD No. 1 legislation as a template for this proposed legislation. Please let me know if you have questions or comments.

As an update, my client, LGI Homes has met with Precinct 2 Commissioner Williams to discuss the project. In addition, my client has met with representatives of Copeville SUD and the City of Farmersville to discuss the provision of water and sewer, respectively, and representatives of Josephine and Farmersville to discuss emergency services. We will keep you and Commissioner Williams apprised of the plan for service.

By this correspondence, we formally give you notice of our intent to offer the referenced legislation in the form of a bill to be filed in the 87th Legislature of the State of Texas. On behalf of my client, I look forward to working with you and the County representatives on this project.

Very truly yours,

Julianne B. Kugle /TCS

Julianne B. Kugle

Enclosures

Cc: Commissioner Williams Pat Vedra – LGI Homes

NOTICE OF INTENT TO INTRODUCE A BILL

Pursuant to the Constitution and laws of the State of Texas, notice is hereby given of the intention to apply to the 87th Legislature of the State of Texas at its regular session in Austin, Texas, for the introduction of a bill, the substance of the contemplated law being as follows:

An act relating to the creation, administration, powers, duties, operation, and financing of the East Collin County Municipal Utility District No. 1.

The Act proposes to create a municipal utility district to be known as the East Collin County Municipal Utility District No. 1, located east of State Highway 78, west of County Road 597, and north of FM 1778 being approximately 229.54 acres in Collin County, Texas, not within the extraterritorial jurisdiction or corporate limits of any city, subject to approval at a confirmation election.

All interested persons will, therefore, take notice of the matters and facts set out in the foregoing statement of the substance of the contemplated laws as required by the Constitution and laws of the State of Texas.

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AN ACT

relating to the creation of the East Collin County Municipal Utility District No. 1; granting a limited power of eminent domain; providing authority to issue bonds; providing authority to impose assessments, fees, and taxes.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subtitle F, Title 6, Special District Local Laws

Code, is amended by adding Chapter _____ to read as follows:

CHAPTER . EAST COLLIN COUNTY MUNICIPAL UTILITY DISTRICT NO. 1

SUBCHAPTER A. GENERAL PROVISIONS

- Sec. .0101. DEFINITIONS. In this chapter:
 - (1) "Board" means the district's board of directors.
- (2) "Commission" means the Texas Commission on Environmental Quality.
 - (3) "Director" means a board member.
- (4) "District" means the East Collin County Municipal Utility District No. 1.
- Sec. .0102. NATURE OF DISTRICT. The district is a municipal utility district created under Section 59, Article XVI, Texas Constitution.

Sec. .0103. CONFIRMATION AND DIRECTOR ELECTION REQUIRED.

The temporary directors shall hold an election to confirm the creation of the district and to elect five permanent directors as provided by Section 49.102, Water Code.

Sec. .0104. CONDITIONS PRECEDENT TO CONFIRMATION

ELECTION. (a) The temporary directors may not hold an election

under Section .0103 until:

- (1) each municipality in whose corporate limits or extraterritorial jurisdiction the district is located has consented by ordinance or resolution to the creation of the district and to the inclusion of land in the district; and
- (2) the district has entered into a contract with a municipality, Collin County, or another entity:
- (A) for adequate supplemental police, fire, and emergency services for the district; and
- (B) that is approved by the Commissioners Court of Collin County under Subsection (c).
- (b) A contract under Subsection (a) may include a provision that the contract takes effect only on the approval of the Commissioners Court of Collin County and the voters in the district voting in an election held for that purpose.
- (c) The Commissioners Court of Collin County shall review a contract under Subsection (a) and evaluate the supplemental police, fire, and emergency services provided in the contract. If the

Sec. .0105. FINDINGS OF PUBLIC PURPOSE AND BENEFIT.

(a) The district is created to serve a public purpose and benefit.

- (b) The district is created to accomplish the purposes of:
- (1) a municipal utility district as provided by general law and Section 59, Article XVI, Texas Constitution; and
- (2) Section 52, Article III, Texas Constitution, that relate to the construction, acquisition, improvement, operation, or maintenance of macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.
- Sec. .0106. INITIAL DISTRICT TERRITORY. (a) The district is initially composed of the territory described by Section 2 of the Act enacting this chapter.
- (b) The boundaries and field notes contained in Section 2 of the Act enacting this chapter form a closure. A mistake made in the field notes or in copying the field notes in the legislative process does not affect the district's:
 - (1) organization, existence, or validity;
- (2) right to issue any type of bond for the purposes for which the district is created or to pay the principal of and interest on a bond;
 - (3) right to impose a tax; or

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(4) legality or operation.

SUBCHAPTER B. BOARD OF DIRECTORS

- Sec. .0201. GOVERNING BODY; TERMS. (a) The district is governed by a board of five elected directors.
- (b) Except as provided by Section .0202, directors serve staggered four-year terms.
- Sec. .0202. TEMPORARY DIRECTORS. (a) On or after September 1, 2021, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as temporary directors the five persons named in the petition. The commission shall appoint as temporary directors the five persons named in the petition.
 - (b) Temporary directors serve until the earlier of:
- (1) the date permanent directors are elected under Section .0103; or
- (2) the fourth anniversary of the effective date of the Act enacting this chapter.
- (c) If permanent directors have not been elected under Section
 .0103 and the terms of the temporary directors have expired,
 successor temporary directors shall be appointed or reappointed as
 provided by Subsection (d) to serve terms that expire on the earlier
 of:
 - (1) the date permanent directors are elected under

Section .0103; or

- (2) the fourth anniversary of the date of the appointment or reappointment.
- (d) If Subsection (c) applies, the owner or owners of a majority of the assessed value of the real property in the district may submit a petition to the commission requesting that the commission appoint as successor temporary directors the five persons named in the petition. The commission shall appoint as successor temporary directors the five persons named in the petition.

SUBCHAPTER C. POWERS AND DUTIES

- Sec. .0301. GENERAL POWERS AND DUTIES. The district has the powers and duties necessary to accomplish the purposes for which the district is created.
- Sec. .0302. MUNICIPAL UTILITY DISTRICT POWERS AND DUTIES.

 The district has the powers and duties provided by the general law of this state, including Chapters 49 and 54, Water Code, applicable to municipal utility districts created under Section 59, Article XVI, Texas Constitution.
- Sec. .0303. AUTHORITY FOR ROAD PROJECTS. Under Section 52, Article III, Texas Constitution, the district may design, acquire, construct, finance, issue bonds for, improve, operate, maintain, and convey to this state, a county, or a municipality for operation and maintenance macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads.

Sec. .0304. ROAD STANDARDS AND REQUIREMENTS. (a) A road project must meet all applicable construction standards, zoning and subdivision requirements, and regulations of each municipality in whose corporate limits or extraterritorial jurisdiction the road project is located.

- (b) If a road project is not located in the corporate limits or extraterritorial jurisdiction of a municipality, the road project must meet all applicable construction standards, subdivision requirements, and regulations of each county in which the road project is located.
- (c) If the state will maintain and operate the road, the Texas

 Transportation Commission must approve the plans and specifications
 of the road project.
- (d) The district shall maintain all roads that the district constructs except for roads constructed by the district that another governmental entity agrees to maintain.
- Sec. .0305. COMPLIANCE WITH MUNICIPAL CONSENT ORDINANCE OR RESOLUTION. The district shall comply with all applicable requirements of any ordinance or resolution that is adopted under Section 54.016 or 54.0165, Water Code, and that consents to the creation of the district or to the inclusion of land in the district.
- Sec. .0306. LIMITATION ON USE OF EMINENT DOMAIN. (a) The district may not exercise the power of eminent domain outside the district to acquire a site or easement for:

- (1) a road project authorized by Section .0303; or
- (2) a recreational facility as defined by Section 49.462, Water Code.

SUBCHAPTER D. GENERAL FINANCIAL PROVISIONS

- Sec. .0401. ELECTIONS REGARDING TAXES OR BONDS. (a) The district may issue, without an election, bonds and other obligations secured by:
 - (1) revenue other than ad valorem taxes; or
 - (2) contract payments described by Section .0403.
- (b) The district must hold an election in the manner provided by Chapters 49 and 54, Water Code, to obtain voter approval before the district may impose an ad valorem tax or issue bonds payable from ad valorem taxes.
- (c) The district may not issue bonds payable from ad valorem taxes to finance a road project unless the issuance is approved by a vote of a two-thirds majority of the district voters voting at an election held for that purpose.
- Sec. .0402. OPERATION AND MAINTENANCE TAX. (a) If authorized at an election held under Section .0401, the district may impose an operation and maintenance tax on taxable property in the district in accordance with Section 49.107, Water Code.
- (b) The board shall determine the tax rate. The rate may not exceed the rate approved at the election.
 - Sec. .0403. CONTRACT TAXES. (a) In accordance with

- Section 49.108, Water Code, the district may impose a tax other than an operation and maintenance tax and use the revenue derived from the tax to make payments under a contract after the provisions of the contract have been approved by a majority of the district voters voting at an election held for that purpose.
- (b) A contract approved by the district voters may contain a provision stating that the contract may be modified or amended by the board without further voter approval.

SUBCHAPTER E. BONDS AND OTHER OBLIGATIONS

- Sec. .0501. AUTHORITY TO ISSUE BONDS AND OTHER OBLIGATIONS. The district may issue bonds or other obligations payable wholly or partly from ad valorem taxes, impact fees, revenue, contract payments, grants, or other district money, or any combination of those sources, to pay for any authorized district purpose.
- Sec. .0502. TAXES FOR BONDS. At the time the district issues bonds payable wholly or partly from ad valorem taxes, the board shall provide for the annual imposition of a continuing direct ad valorem tax, without limit as to rate or amount, while all or part of the bonds are outstanding as required and in the manner provided by Sections 54.601 and 54.602, Water Code.
- Sec. .0503. BONDS FOR ROAD PROJECTS. At the time of issuance, the total principal amount of bonds or other obligations issued or incurred to finance road projects and payable from ad

valorem taxes may not exceed one-fourth of the assessed value of the real property in the district.

SECTION 2. The East Collin County Municipal Utility District No. 1 initially includes all the territory contained in the following area:

TRACT 1 PROPERTY DESCRIPTION:

BEING 183.834 acres of land situated in the H. Walters Survey, Abstract No. 958, Collin County, Texas and being all of a 183.753 acre tract of land described in a Deed of Trust executed by Carl Raymond Montgomery and wife, Rheda Beth Montgomery to Paul Bennett or James Blakey, trustees, recorded in Volume 2292, Page 279 of the Deed Records of Collin County, Texas (DRCCT) and this tract being more particularly described as follows:

BEGINNING at a point for corner in a Bois D'Arc tree in the south line of a 73.279 acre tract described in a Deed to Marilyn Rice, recorded in Volume 1732, Page 369 (DRCCT), at the northwest corner of said 183.753 acre tract common to the northeast corner of a 43.635 acre tract of land described in a Deed to Raymon Webb Montgomery and Christa Carol Montgomery, recorded as Instrument No. 20131125001578440 (DRCCT), from which a steel fence post found for reference bears South 02°54'15" East a distance of 3.23 feet;

THENCE South 89°54'18" East, along the north line of said 183.753 acre tract common to the south line of said 73.279 acre tract, a distance of 372.95 feet, to a 5/8" iron rod with a yellow cap,

stamped "RPLS 3963", set at an angle point thereof;

THENCE South 89°57′56″ East, along the north line of said 183.753 acre tract common to the south lines of said 73.279 acre tract and the south line of a 33.279 acre tract of land described in a Deed to Amy Warren, recorded as Instrument No. 20080812000981780 (DRCCT), a distance of 1003.73 feet, to a 5/8″ iron rod found for corner near the center of a creek at an exterior ell corner of said 183.753 acre tract common to an interior ell corner of said 33.279 acre tract;

THENCE Southeasterly, along the common lines of said 183.753 acre tract and 33.279 acre tract, the following courses:

South $00^{\circ}09'50''$ West, a distance of 65.91 feet, to a 5/8'' iron rod found for corner;

South 75°09'08" East, a distance of 718.73 feet, to a point for corner in a west line of a 36.1891 acre tract described in a Deed to Gene Doc Sohn and Sun Young Choi, husband and wife, and Kyoungjoon Cho and Eun Young Choi, husband and wife, recorded as Instrument No. 20141113001243240 (DRCCT) at the northeast corner of said 183.753 acre tract common to a south corner of said 33.279 acre tract, from which a 60D Nail, set for reference bears South 13°38'28" East a distance of 26.03 feet;

THENCE along the common lines of said 183.753 acre tract and said 36.1891 acre tract, the following courses:

South $00^{\circ}53'07''$ West, a distance of 32.60 feet, to a 5/8'' iron rod found for corner;

South 82°38′52″ West, a distance of 22.40 feet, to a 5/8″ iron rod found for corner;

THENCE South 00°12'03" West, along an east line of said 183.753 acre tract common to the west lines of said 36.1891 acre tract, a 50.001 acre tract described in a Deed to David Reeder and wife, Becky Reeder, recorded as Instrument No. 92-0071701 (DRCCT), and Spencers

Estates Addition, an Addition to Collin County, Texas, recorded in Cabinet H, Slide 622 of the Plat Records of Collin County, Texas (PRCCT), respectively, a distance of 3528.84 feet, to a 1/2" iron rod found for corner in the north right-of-way line of FM 1778 (a 90' a right-of-way) at the southeast corner of said 183.753 acre tract common to the southwest corner of last mentioned Addition;

THENCE South 86°40′47″ West, along a south line of said 183.753 acre tract common to the north right-of-way line of said FM 1778, a distance of distance of 430.99 feet, to a 5/8″ iron rod with a yellow cap, stamped "RPLS 3963″, set for corner at an exterior ell corner of said 183.753 acre tract common to the southeast corner of a 2.00 acre tract described in a Deed to Raymon W. Montgomery, recorded in Volume 2990, Page 495 (DRCCT);

THENCE along common lines of said 183.753 acre tract and said 2.00 acre tract, the following courses:

North $00^{\circ}42'56''$ West, a distance of 540.84 feet, to a 5/8'' iron rod found for corner;

South $85^{\circ}10'46''$ West, a distance of 161.95 feet, to a 1/2'' iron

___.B. No. ____

rod found for corner;

South 00°43′58″ East, a distance of 540.10 feet, to a 5/8″ iron rod with a yellow cap, stamped "RPLS 3963″, set for corner in the north right-of-way line of said FM 1778 at an exterior ell corner of said 183.753 acre tract common to the southwest corner of said 2.00 acre tract;

THENCE along the common lines of said 183.753 acre tract and the right-of-way lines of said FM 1778, the following courses:

South 85°09'47" West, a distance of 358.92 feet, to a 5/8" iron rod found for corner at the beginning of a tangent curve to the right, having a radius of 2820.26 feet, and a chord which bears South 87°45'47" West a distance of 255.85 feet;

Southwesterly, along said curve to the right, having a central angle of 05°11′58″, an arc distance of 255.94 feet, to a 5/8″ iron rod with yellow cap, stamped "RPLS 3963″, set for corner;

North 89°38'11" West, a distance of 76.11 feet, to a 5/8" iron rod found for corner at the southeast corner of a tract of land described in a Deed to First Baptist Church of Copeville, recorded in Volume 900, Page 353 (DRCCT);

THENCE along the common lines of said 183.753 acre tract and said First Baptist Church of Copeville tract, the following courses:

North 02°55'02" East, a distance of 307.96 feet, to a 5/8" iron rod with a yellow plastic cap, stamped "RPLS 3963", set for corner;

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North 89°45'11" West, a distance of 517.40 feet, to a wooden fence post found for corner at the most eastern southeast corner of said 43.635 acre tract common to the northwest corner of said First Baptist Church of Copeville tract;

THENCE along the common lines of said 183.753 acre tract and said 43.635 acre tract, the following courses;

North $63^{\circ}55'42''$ West, a distance of 546.96 feet, to a 5/8'' iron rod found for corner;

North 19°42'16" West, a distance of 246.95 feet, to a point for corner from which an iron axle found for reference bears North 47°16'17" West, a distance of 4.36 feet;

North $88^{\circ}17'53''$ East, a distance of 21.83 feet, to a 3/4'' iron pipe found for corner;

North 05°29'46" East, a distance of 3124.24 feet, to THE POINT OF BEGINNING and containing 8,007,806 square feet, or 183.834 acres of land.

TRACT 2 PROPERTY DESCRIPTION:

BEING 43.704 acres of land situated in the H. Walters Survey, Abstract No. 958, Collin County, Texas and being all of a 43.635 acre tract of land described in a Deed to Raymon Webb Montgomery and Christa Carol Montgomery, recorded as Instrument No. 20131125001578440 of the Deed Records of Collin County, Texas (DRCCT) and this tract being more particularly described as follows:

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BEGINNING at a 3/8" iron rod found in the east right-of-way line of Burlington Northern & SF Rail Road at the northwest corner of said 43.635 acre tract common to the southwest corner of a 73.279 acre tract of land described in a Deed to Marilyn Rice, recorded in Volume 1732, Page 369, (DRCCT);

THENCE South 89°23′59″ East, along the north line of said 43.635 acre tract common to the south line of said 73.279 acre tract, a distance of 557.73 feet, to a point for corner in a Bois D'Arc tree at the northeast corner of said 43.635 acre tract common to the northwest corner of a 183.753 acre tract of land described in a Deed of Trust executed by Carl Raymond Montgomery and wife, Rheda Beth Montgomery to Paul Bennett or James Blakey, trustees, recorded in Volume 2292, Page 279 (DRCCT), from which a steel fence post found for reference bears South 02°54′15″ East a distance of 3.23 feet;

THENCE along the common lines of said 43.635 acre tract and said 183.753 acre tract, the following courses:

South $05^{\circ}29'46''$ West, a distance of 3124.24 feet, to a 3/4'' iron pipe found for corner;

South $88^{\circ}17'53''$ West, a distance of 21.83 feet, to a point for corner from which an iron axle found for reference bears North $47^{\circ}16'17''$ West a distance of 4.36 feet;

South $19^{\circ}42'16''$ East, a distance of 246.95 feet, to a 5/8'' iron rod found for corner;

South $63^{\circ}55'42''$ East, a distance of 546.96 feet, to a wooden

THENCE South 02°37'47" West, along a southeast line of said 43.635 acre tract common to the west line of said First Baptist Church of Copeville tract, a distance of 321.86 feet, to a point for corner near the base of a wood highway marker in the north right-of-way line of FM 1778 (a 60' right-of-way at this point going west), at the most southern southeast corner of said 43.635 acre tract;

THENCE North 89°38′13″ West, along a south line of said 43.635 acre tract common to the north right-of-way line of said FM 1778, a distance of 282.00 feet, to a point for corner at a south corner of said 43.635 acre tract common to the southeast corner of a 8.22 acre tract of land described in a Deed to Susan Annie Potter and Jon Trace Hailey, recorded as Instrument No. 20101102001194000 (DRCCT), from which a 1/2″ iron rod found for reference bears North 20°20′21″ West a distance of 1.42 feet;

THENCE North 20°20'21" West, along a southwest line of said 43.635 acre tract common to the northeast line of said 8.22 acre tract, a distance of 860.95 feet, to a wood fence post found at a common corner thereof;

THENCE South 89°34'33" West, along a south line of said 43.635 acre tract common to the north line of said 8.22 acre tract, a distance

of 617.61 feet, to a 5/8" iron rod found for corner at a common west corner thereof and being in the east right-of-way line of said Burlington Northern & SF Rail Road, said point being in a curve to the left, having a radius of 1960.08 feet and a chord which bears North 15°08'31" East a distance of 671.75 feet;

THENCE Northeasterly, along the west lines of said 43.635 acre tract common to the east right-of-way lines of said Burlington Northern & SF Rail Road, the following courses:

Northeasterly with said curve to the left, having a central angle of 19°44'01", an arc distance of 675.09 feet, to the point of tangent;

North 05°16'30" East, a distance of 2468.30 feet, to THE POINT OF BEGINNING and containing 1,903,758 square feet, or 43.704 acres of land.

TRACT 3 PROPERTY DESCRIPTION:

BEING 2.002 acres of land situated in the H. Walters Survey, Abstract No. 958, Collin County, Texas and being all of a 2.00 acre tract of land described in a Deed to Raymon W. Montgomery, recorded in Volume 2990, Page 495 of the Deed Records of Collin County, Texas (DRCCT) and this tract being more particularly described as follows:

BEGINNING at a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set for corner in the north right-of-way line of FM 1778 (a 90' right-of-way) at the southeast corner of said 2.00 acre tract common to an exterior ell corner of a 183.753 acre tract of land

described in a Deed of Trust executed by Carl Raymond Montgomery and wife, Rheda Beth Montgomery to Paul Bennett or James Blakey, trustees, recorded in Volume 2292, Page 279 (DRCCT);

THENCE Southwesterly along the south lines of said 2.00 acre tract common to the north right-of-way lines of said FM 1778, the following courses:

South 86°40'47" West, a distance of 29.08 feet, to a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set for corner;

South 85°09'47" West, a distance of 132.67 feet, to a 5/8" iron rod with a yellow cap, stamped "RPLS 3963", set for corner at the southwest corner of said 2.00 acre tract common to an exterior ell corner of said 183.753 acre tract;

THENCE along the common lines of said 2.00 acre and 183.753 acre tracts, the following courses:

North $00^{\circ}43'58''$ West, a distance of 540.10 feet, to a 1/2'' iron rod found for corner;

North $85^{\circ}10'46''$ East, a distance of 161.95 feet, to a 5/8'' iron rod found for corner;

South 00°42'56" East, a distance of 540.84 feet, to THE POINT OF BEGINNING and containing 87,213 square feet, or 2.002 acres of land.

SECTION 3. (a) The legal notice of the intention to introduce this Act, setting forth the general substance of this Act, has been published as provided by law, and the notice and a copy of this Act

have been furnished to all persons, agencies, officials, or entities to which they are required to be furnished under Section 59, Article XVI, Texas Constitution, and Chapter 313, Government Code.

- (b) The governor, one of the required recipients, has submitted the notice and Act to the Texas Commission on Environmental Quality.
- (c) The Texas Commission on Environmental Quality has filed its recommendations relating to this Act with the governor, the lieutenant governor, and the speaker of the house of representatives within the required time.
- (d) All requirements of the constitution and laws of this state and the rules and procedures of the legislature with respect to the notice, introduction, and passage of this Act are fulfilled and accomplished.
- SECTION 4. (a) Section _____.0306, Special District Local Laws Code, as added by Section 1 of this Act, takes effect only if this Act receives a two-thirds vote of all the members elected to each house.
- (b) If this Act does not receive a two-thirds vote of all the members elected to each house, Subchapter C, Chapter _____, Special District Local Laws Code, as added by Section 1 of this Act, is amended by adding Section _____.0306 to read as follows:

Sec. .0306. NO EMINENT DOMAIN POWER. The district may not exercise the power of eminent domain.

(c) This section is not intended to be an expression of a legislative interpretation of the requirements of Section 17(c), Article I, Texas Constitution.

SECTION 5. This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2021.

	B. No
President of the Senate	Speaker of the House