

Brooke T. Paup, *Chairwoman*  
Bobby Janecka, *Commissioner*  
Catarina R. Gonzales, *Commissioner*  
Kelly Keel, *Executive Director*



RECEIVED  
FEB - 3 2025  
County Judge's  
Office

## TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

*Protecting Texas by Reducing and Preventing Pollution*

January 30, 2025

Mr. Anthony Corbett  
McLean & Howard, LLP  
4301 Bull Creek Road, Suite 150  
Austin, Texas 78731

Re: Liberty Trails Municipal Utility District, Order approving the Creation of the District

Dear Mr. Corbett:

Enclosed is a certified copy of an Order issued by the Texas Commission on Environmental Quality regarding the referenced matter. This action is taken under authority delegated by the Executive Director of the Texas Commission on Environmental Quality.

Should you have a question, please contact Mrs. Cheyenne Connors by phone (512) 239-3583, or by email at [Cheyenne.Connors@tceq.texas.gov](mailto:Cheyenne.Connors@tceq.texas.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Michele Risko".

Michele Risko, Deputy Director  
Water Supply Division

MR/cc

Enclosures

ccs: Mailing list

## MAILING LIST

Liberty Trails Municipal Utility District  
TCEQ Internal Control No. D-09302024-055

<p>Mr. Anthony Corbett McLean &amp; Howard, LLP 4301 Bull Creek Road, Suite 150 Austin, Texas 78731</p> <p>Mr. Ken Heroy, P.E. Jones-Heroy &amp; Associates, Inc. 13915 North Mopac Expressway, Suite 200 Austin, Texas 78728</p> <p>The Honorable Donna Campbell Texas Senate District 25 P.O. Box 12068 Capitol Station Austin, Texas 78711</p> <p>The Honorable John Kuempel Texas House District 44 Room GW.17 P.O. Box 2910 Austin, Texas 78768</p> <p>Mr. George Ortiz TCEQ Region 13 14250 Judson Road San Antonio, Texas 78233</p> <p>Guadalupe County Attn: Honorable Teresa Kiel, County Clerk 211 West Court Street Seguin, Texas 78155</p> <p>The Honorable Kyle Kutscher Guadalupe County Courthouse 101 East Court Street Seguin, Texas 78155</p> <p>Green Valley Special Utility District P.O. Box 99 Marion, Texas 78124</p> <p>Guadalupe-Blanco River Authority 2225 East Common Street New Braunfels, Texas 78130</p>	<p>Texas Commission on Environmental Quality P.O. Box 13087 Austin, Texas 78711-3087</p> <p>Todd Galiga, Senior Attorney, Environmental Law Division, MC-173</p> <p>Cheyenne Connors, Program Specialist II, Districts Creation Review Team, MC-152</p> <p>Stephanie Desouza, Districts Creation Review Team, Districts Section, MC-152</p> <p>Justin P. Taack, Manager, Districts Section, MC-152</p> <p>Michelle Voytko, Drinking Water Special Functions Section, MC-153</p> <p>Garrett Arthur, Office of the Public Interest Counsel, MC-103</p>
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# TEXAS COMMISSION ON ENVIRONMENTAL QUALITY



THE STATE OF TEXAS  
COUNTY OF TRAVIS  
I HEREBY CERTIFY THAT THIS IS A TRUE AND CORRECT COPY  
OF A TEXAS COMMISSION ON ENVIRONMENTAL QUALITY  
DOCUMENT, WHICH IS FILED IN THE PERMANENT RECORDS

JAN 30 2025

OF THE COMMISSION, GIVEN UNDER MY HAND AND THE  
SEAL OF OFFICE ON  
*Laurie Harris*  
LAURIE HARRIS, CHIEF CLERK  
TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

RECEIVED

FEB - 3 2025

County Judge's  
Office

## AN ORDER GRANTING THE PETITION FOR CREATION OF LIBERTY TRAILS MUNICIPAL UTILITY DISTRICT AND APPOINTING TEMPORARY DIRECTORS

A petition by 0 Union Wine Rd, LLC, a Texas limited liability company, (Petitioner) was presented to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) for approval of the creation of Liberty Trails Municipal Utility District (District) pursuant to Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapters 49 and 54.

The TCEQ, after having considered the petition, application material, and memorandum from the Executive Director dated January 14, 2025 (Memorandum), attached as Exhibit "B," finds that the petition for creation should be approved.

The TCEQ finds that the creation of the proposed District as set out in the application is feasible, practicable, and necessary, and would be a benefit to the land to be included in the proposed District.

The TCEQ further finds that the proposed District and its system and subsequent development within the proposed District will not have an unreasonable effect on land elevation, subsidence, groundwater level within the region, recharge capability of a groundwater source, natural runoff rates and drainage, water quality, or total tax assessments on all land located within the proposed District.

All of the land and property proposed may properly be included within the proposed District.

All statutory and regulatory requirements for creation of Liberty Trails Municipal Utility District have been fulfilled in accordance with TEX. WATER CODE § 54.021 and 30 TEX. ADMIN. CODE §§ 293.11-293.12.

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

1. The petition for the creation of Liberty Trails Municipal Utility District is hereby granted.
2. The District is created under the terms and conditions of Article XVI, Section 59 of the TEXAS CONSTITUTION and TEX. WATER CODE Chapters 49 and 54.
3. The District shall have, and shall be subject to, all of the rights, duties, powers, privileges, authority, and functions conferred and imposed by the TCEQ and the general laws of the State of Texas relating to municipal utility districts, including road powers under TEX. WATER CODE § 54.234, subject to the requirements of the TCEQ and the general laws of the State of Texas relating to the exercise of such powers.



4. The District shall be composed of the area situated in Guadalupe County, Texas, entirely within the extraterritorial jurisdiction of the City of New Braunfels and is not within the corporate limits or extraterritorial jurisdiction of any other city, as described by metes and bounds in Exhibit "A" attached hereto and incorporated herein for all purposes.

5. The Memorandum dated January 14, 2025, attached as Exhibit "B," is hereby incorporated as part of this Order.

6. The persons listed in Recommendation No. 4 of the Memorandum are hereby named and appointed as temporary directors and shall, as soon as practicable after the date of entry of this Order, execute their official bonds and take their official oaths of office. All such bonds shall be approved by the Board of Directors of the District, and each bond and oath shall be filed with the District and retained in its records.

7. This Order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the petition for creation, nor as a commitment or requirement of the TCEQ in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for TCEQ consideration.

8. This order shall not constitute approval or recognition of the validity of any provision in the City of New Braunfels consent Resolution No. 2024-R51, passed, adopted, and approved on June 10, 2024, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City of New Braunfels, by the laws of the State of Texas.

9. The Chief Clerk of the TCEQ shall forward a copy of this Order to all affected persons.

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

Issue Date: January 27, 2025



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For the Commission

METES AND BOUNDS DESCRIPTION  
FOR A 68.47 ACRE TRACT OF LAND  
LIBERTY TRAILS M.U.D.

Being a 68.47 acre tract of land located in the I.S. Johnson Survey No. 47, Abstract No. 190, Guadalupe County, Texas, being that same land described as 68.47 acres, recorded in Document No. 202299023305 of the Official Public Records of Guadalupe County, Texas. Said tract formerly known as part of the residue of a called 119.25 acre tract, recorded in Volume 378, Pages 636-638, Deed Records, Guadalupe County, Texas, said 68.47 acre tract of land being more particularly described as follows:

BEGINNING at a wire fence corner post in the Southeast right of way line of Union Wine Road for the North corner of the residue of a called 119.25 acre tract, recorded in Volume 378, Pages 636-638, Deed Records, Guadalupe County, Texas, and a Northern East corner of an approximate 1 acre road taking, to Guadalupe County, Texas, recorded in Volume 167, Page 123, Deed Records, Guadalupe County, Texas;

THENCE departing the Southeast right of way line of Union Wine Road, with the Northeast line of said 119.25 acre tract, S 44°15'11" E, a distance of 52.71 feet to a found ½" iron pin with cap "2033 B&A" for the West corner of a called 73.643 acre tract, "Exhibit A", recorded in Volume 4122, Pages 538-544, Official Public Records, Guadalupe County, Texas, same point lying in the Northeast line of said 119.25 acre tract, for a corner of the herein described tract;

THENCE with the Northeast line of said residue of a called 119.25 acre tract and the Southwest line of said 73.643 acre tract, S 45°58'10" E, a distance of 1080.29 feet to a set ½" iron pin with cap "HMT" for the West corner of a called 1.60 acre tract recorded in Document No. 201899011991, Official Public Records, Guadalupe County, Texas, same point being the South corner of said 73.643 acre tract, and a Northeast corner of the herein described tract;

THENCE continuing with the Northeast line of said 119.25 acre tract and the Southwest line of said 1.60 acre tract, S 45°15'46" E, a distance of 251.10 feet to a found ½" iron pin with cap "TX Landmark Surveying" for the West corner of a called 0.80 of an acre tract recorded in Document No. 201899011989, Official Public Records, Guadalupe County, Texas, same point being the South corner of said 1.60 acre tract, and a corner of the herein described tract;

THENCE with the Northeast line of said 119.25 acre tract and the Southwest line of said 0.80 of an acre tract, S 45°17'37" E, a distance of 181.28 feet to found ½" iron pin for the West corner of a called 0.42 of an acre tract, "Tract 1", Roaming Fork Subdivision (unrecorded), recorded in Document No. 2015008350, Official Public Records, Guadalupe County, Texas, same point being the South corner of said 0.80 of an acre tract, and a corner of the herein described tract;

THENCE with the Northeast line of said 119.25 acre tract and the Southwest line of said called 0.42 of an acre tract, "Tract 1", S 45°20'14" E, a distance of 93.10 feet to a found ½" iron pin for the West corner of a called 0.469 of an acre tract, "Tract 2", Roaming Fork Subdivision (unrecorded), recorded in Document No. 2014020904, Official Public Records, Guadalupe County, Texas, same point being the South corner of said 0.42 of an acre tract, "Tract 1", and a corner of the herein described tract;



THENCE with the Northeast line of said 119.25 acre tract and the Southwest line of said called 0.469 of an acre tract, "Tract 2", S 45°05'45" E, a distance of 139.85 feet to a found ½" iron pin for the Southwest corner of a called 0.742 of an acre tract, "Tract 3", Roaming Fork Subdivision (unrecorded), recorded in Volume 695, Page 612, Official Public Records, Guadalupe County, Texas, same point being the South corner of said 0.469 of an acre tract, "Tract 2", and a corner of the herein described tract;

THENCE with the Northeast line of said 119.25 acre tract and the Southwest line of said 0.742 of an acre tract, "Tract 3", S 45°22'49" E, a distance of 135.76 feet to a found ½" iron pin for the Southwest corner of a called 10.00 acre tract recorded in Document No. 202199013281, Official Public Records, Guadalupe County, Texas, same point being the South corner of said 0.742 of an acre tract, "Tract 3", and a corner of the herein described tract;

THENCE with the Northeast line of said 119.25 acre tract and the South line of said 10.00 acre tract, S 44°56'31" E, a distance of 278.06 feet to a found 60D nail in a 6" wooden fence post for a Northwest corner of Lot 21, Green Pastures, recorded in Volume 8, Pages 462-463, Map and Plat Records, Guadalupe County, Texas, same point being the South corner of said 10.00 acre tract, the East corner of said 119.25 acre tract, and a corner of the herein described tract;

THENCE with the Southeast line of said 119.25 acre tract and the Northwest line of Lot 21, S 44°07'49" W, a distance of 23.68 feet to a found ½" iron pin with cap "HMT" for the West corner of Lot 21, same point being the North corner of Lot 22, and a corner of the herein described tract;

THENCE with the Southeast line of said 119.25 acre tract and the Northwest line of said Lot 22, S 43°56'06" W, a distance of 313.28 feet to a found ½" iron pin for a North corner of a called 168.784 acre tract, "Exhibit A", recorded in Volume 2274, Pages 382-392, Official Public Records, Guadalupe County, Texas, same point being the West corner of Lot 22, and a corner of the herein described tract;

THENCE continuing with the Southeast line of said 119.25 acre tract and the North line of said 168.784 acre tract, "Exhibit A", S 43°56'26" W, a distance of 1704.93 feet to a set ½" iron pin with cap "HMT" for the South corner of the herein described tract, also being the Southeast corner of a called 50.00 acre tract, recorded in Document No. 202299023317 of the Official Public Records of Guadalupe County, Texas, from which a found cotton spindle for the South corner of said 119.25 acre tract bears S 43°56'26" W, 200.00 feet;

THENCE departing the Southeast line of said 119.25 acre tract and the North line of said 168.784 acre tract, continuing with the East line of said 50.00 acre tract and the West line of said 68.47 acre tract, the following four (4) calls:

1. N 04°52'32" W, a distance of 761.97 feet to a point in Long Creek for a corner;
2. N 45°57'15" W, a distance of 683.84 feet to a set ½" iron pin with cap "HMT" for a corner;
3. N 44°18'01" E, a distance of 681.52 feet to a set ½" iron pin with cap "HMT" for a corner;
4. N 45°57'38" W, a distance of 1039.31 feet to a set ½" iron pin with cap "HMT" in the aforementioned Southeast right of way line of Union Wine Road, for the Northwest corner of



290 S. Castell Avenue, Ste. 100  
New Braunfels, TX 78130  
(830) 625-8555  
TBPE-FIRM F-10961  
TBPLS FIRM 10153600

said 68.47 acre tract and the Northeast corner of said 50.00 acre tract, from which a found fence corner post for a Northwest corner of said 119.25 acre tract bears S 44°58'11" W, 24.03 feet;

THENCE with the Southeast right of way line of Union Wine Road and the Northwest line of said 68.47 acre and 119.25 acre tracts, the following two (2) calls:

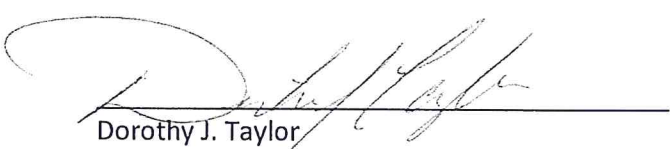
1. N 44°58'11" E, a distance of 642.02 feet to a wire fence corner post for a corner, and the beginning of a curve;
2. Along a fence generally following the arc of a curve to the right, having a radius of 931.23 feet, an arc length of 244.15 feet and a chord bearing and distance of N 60°22'08" E, 243.45 feet to the POINT OF BEGINNING, containing 68.47 acres of land in Guadalupe County, Texas.

Bearings shown hereon are based on the Texas Coordinate System, South Central Zone (4204), NAD 83.

Written November 28, 2023. Revised 11/30/2023 Name change.

Reference survey of said 68.47 acre tract of land prepared this same date.

THIS DOCUMENT WAS PREPARED UNDER 22 TAC §138.95, DOES NOT REFLECT THE RESULTS OF AN ON THE GROUND SURVEY, AND IS NOT TO BE USED TO CONVEY OR ESTABLISH INTERESTS IN REAL PROPERTY EXCEPT THOSE RIGHTS AND INTERESTS IMPLIED OR ESTABLISHED BY THE CREATION OR RECONFIGURATION OF THE BOUNDARY OF THE POLITICAL SUBDIVISION FOR WHICH IT WAS PREPARED.

  
Dorothy J. Taylor

Registered Professional Land Surveyor No. 6295

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# Texas Commission on Environmental Quality

## TECHNICAL MEMORANDUM

**To:** Justin P. Taack, Manager *for*  
Districts Section *1/15/2025*

**Date:** January 14, 2025

**Thru:** Michael Briscoe, Team Lead  
Districts Creation Review Team

**From:** Cheyenne Connors  
Districts Creation Review Team

**Subject:** Petition by 0 Union Wine Rd, LLC for Creation of Liberty Trails Municipal Utility District; Pursuant to Texas Water Code Chapter 49 and Chapter 54.  
TCEQ Internal Control No. D-09302024-055 (TC)  
CN: 606310282 RN: 112056155

### A. GENERAL INFORMATION

The Texas Commission on Environmental Quality (TCEQ) received a petition within the application requesting approval for the creation of Liberty Trails Municipal Utility District (District). The petition was signed by Fred Heimer, manager of 0 Union Wine Rd, LLC, a Texas limited liability company. The petition states that the Petitioner holds title to a majority in value of the land in the proposed District, and it further states that there are no lienholders against the land to be included in the proposed District.

The District is proposed to be created and organized according to the terms and provisions of Article XVI, Section 59, of the Texas Constitution and Chapters 49 and 54 of the Texas Water Code (TWC).

#### Location and Access

The proposed District is located in the west central area of Guadalupe County (County), and wholly within the extraterritorial jurisdiction of the City of New Braunfels (City), approximately 28 miles northeast of Downtown San Antonio, 4 miles south of Interstate Highway 35, 2.5 miles east of Farm-to-Market Road 1044 and Weil Road, immediately southeast of Union Wine Road (County Road 356), northwest of Altwein Lane, and west of Hardy Road. Access to the proposed District will be provided from County Road 356.

#### Metes and Bounds Description

The proposed District contains land totaling 68.47 acres. The metes and bounds description of the proposed District has been checked by TCEQ staff and has been found to form an acceptable closure.

#### City Consent

By Resolution No. 2024-R51, passed, adopted, and approved on June 10, 2024, the City granted its consent to the petition for the creation of the proposed District. Accordingly, the requirements of Texas Local Government Code Section 42.042 and TWC 54.016 have been satisfied.



Statements of Filing Petition

Evidence of filing the petition with the City Secretary's Office, the Guadalupe County Clerk's office, the TCEQ's San Antonio regional office, the Texas state representative, and the Texas state senator was included in the application.

Notification of County

In accordance with TWC Section 54.0161 a certified letter dated October 8, 2024, was sent to the Guadalupe County Commissioners Court notifying them of the subject application. A response has not been received to date.

Type of Project

The proposed District will be considered a "developer project" as defined by 30 Texas Administrative Code (TAC) Section 293.44(a). Therefore, developer cost participation in accordance with 30 TAC Section 293.47 will be required.

Developer Qualifications

The proposed District area is to be developed by O Union Wine Rd, LLC, which has extensive experience with creation, operation, and development of master planned communities.

Appraisal District Certificate

By signed certificate dated June 28, 2024, the Guadalupe Appraisal District has certified that the appraisal roll indicates that the Petitioner is the owner of the majority in value of the land in the proposed District.

Temporary Director Affidavits

The TCEQ has received affidavits for consideration of the appointment of temporary directors for the following:

Zachery Allen Cote  
Wade Garrett Goodwin

Matthew Todd Gandrud  
Thomas Alexander Larsen

Zachary Lee Gentry

Each of the above persons named is qualified, as required by 30 TAC Section 293.32(a), to serve as a temporary director of the proposed District as each (1) is at least 18 years old, (2) is a resident of the State of Texas, and (3) either owns land subject to taxation within the proposed District or is a qualified voter within the proposed District. Additionally, as required by TWC Section 54.022, the majority are residents of the county in which the proposed District is located, a county adjacent to the county in which the proposed District is located, or if the proposed District is located in a county that is in a metropolitan statistical area designated by the United States Office of Management and Budget or its successor agency, a county in the same metropolitan statistical area as the county in which the proposed District is located.

### Notice Requirements

Proper notice of the application was published on October 25 and November 1, 2024, in the *New Braunfels Zeitung*, a newspaper regularly published or circulated in Guadalupe County, the county in which the District is proposed to be located. Proper notice of the application was posted on October 18, 2024, at the place for posting legal notices at the Guadalupe County Courthouse. Accordingly, the notice requirements of 30 TAC Section 293.12(b) have been satisfied. The opportunity for the public to request a contested case hearing (comment period) expired December 2, 2024.

## **B. ENGINEERING ANALYSIS**

### Availability of Comparable Service

The proposed District is located within the water Certificate of Convenience and Necessity (CCN) of Green Valley Special Utility District (GVSUD) and will receive retail water service from GVSUD. The proposed District is located within the sewer CCN of the Guadalupe-Blanco River Authority (GBRA) and will receive retail wastewater service from GBRA. No other comparable water or wastewater services are available in the area.

### Water Supply and Water Distribution

Per the engineering report, the proposed District is projected to include 384 equivalent single-family connections (ESFCs). Water supply will be provided the GVSUD Glenwood water system. The developer or homebuilder will be required to pay improvement charges to GVSUD for each water service connection.

The internal water distribution system will be provided by the proposed District. The internal water distribution system will consist of 11,186 linear feet of 8-inch looped mainlines and distribution lines. All water distribution facilities will be designed and constructed in accordance with applicable rules and ordinances adopted by City, County, and TCEQ requirements.

### Wastewater Treatment and Collection

The GBRA is regional provider for the area, and the proposed District will obtain retail wastewater treatment service from GBRA. It is estimated that the proposed District will contain 384 ESFCs at ultimate development, requiring 115,200 gallons per day of wastewater treatment capacity. The proposed District will connect to an existing 24-inch GBRA sewer line south of the proposed District boundary. The GBRA will charge impact fees to the developer or homebuilder for connection to the GBRA's wastewater system.

The proposed District internal collection system will consist of 8,569 linear feet of 8-inch gravity sanitary sewer lines and 2,611 linear feet of 12-inch gravity sanitary sewer lines. All wastewater collection facilities will be designed and constructed in accordance with applicable rules and ordinances adopted by City, County, and TCEQ requirements.



### Storm Water Drainage System and Drainage Improvements

The storm water collection system for full development of the proposed District will consist of a combination of street curbs and gutters with inlets and internal storm drain conduit constructed by the proposed District. Stormwater will drain into detention ponds and ultimately outfall into tributaries of the Guadalupe River. All stormwater and drainage improvements will be designed in accordance with the requirements of the City, the County and the TCEQ.

### Road Improvements

The developer will construct and finance a network of roads and local streets. All roadway improvements will be designed in accordance with the design criteria established by the County.

### Floodplain

According to Federal Emergency Management Agency Flood Insurance Rate Map No. 48187C0115F dated November 1, 2007, no part of the proposed District is located within the 100-year Zone "A".

### Topography/Land Elevation

The land elevations within the proposed District range from approximately 670 feet above mean sea level to approximately 600 feet above mean sea level. Proposed lots are anticipated to maintain a natural state whenever possible. Elevations may be lowered or raised as needed to provide positive drainage. Therefore, the proposed District is not expected to have an unreasonable effect on overall land elevations.

### Subsidence

The proposed District will receive retail water service from GVSUD. No facilities are proposed that will cause or contribute to subsidence. According to the information provided, it is anticipated that there will be no unreasonable effect on ground subsidence.

### Groundwater Levels/Recharge

The GBRA obtains surface water from Canyon Lake. Guadalupe County is located within the Edwards Aquifer Authority which regulates groundwater use in the County. It is anticipated that there will be no unreasonable effect on groundwater levels or recharge.

### Natural Run-off and Drainage

The proposed development will include a storm sewer system, localized collector inlets, and a combination of detention ponds and drainage channels. All drainage facility construction within the proposed District will be required to obtain plan approval from the County and will comply with the County and other jurisdictional regulations. Therefore, no adverse impact on run-off rates or drainage is anticipated.

### Water Quality

All construction within the proposed District will include erosion control measures that comply with the Storm Water Pollution Prevention Plans. Also, all wastewater will be collected and treated in an approved regional wastewater treatment plant which should minimize the effects on surface water quality; therefore, the proposed District is anticipated have no unreasonable effect on water quality.



Dam Safety Analysis

The Dam Safety Section of the TCEQ has conducted a review of the proposed creation of the subject District and confirmed by letter dated September 5, 2024. There is a small pond within the proposed District boundaries. The pond will need to be evaluated to determine if it will remain or be removed. If it will remain and is classified as a dam in TCEQ jurisdiction, it will need to be evaluated for hydraulic adequacy and hazard classification.

**C. SUMMARY OF COSTS**

**WATER, WASTEWATER, AND DRAINAGE**

		District's <sup>(1)</sup>
<u>Construction Costs</u>	\$	<u>Share</u>
A. Developer Contribution Items		
1. Water, Wastewater, Drainage	\$	4,332,075
2. Erosion Control		1,924,160
3. Contingencies (15% of Items 1 and 2)		938,435
4. Engineering Costs (10% of Items 1 and 2)		<u>625,624</u>
Total Developer Contribution Items	\$	7,820,294
B. District Items		
1. Off-site Wastewater Line	\$	37,942
2. Contingency (15% of Item 1)		5,691
3. Engineering (10% of Item 1)		<u>3,794</u>
Total District Items	\$	47,427
 TOTAL CONSTRUCTION COSTS (76.4% of Bond Issues)	 \$	 7,867,721
 <u>Nonconstruction Costs</u>		
A. Legal Fees	\$	309,000
B. Fiscal Agent Fees		257,500
C. Interest		
1. Capitalized Interest (12 months at 4.5%)		463,500
2. Developer Interest (24 months at 4.5%)		708,095
D. Bond Discount (3%)		309,000
E. Bond Issuance Expenses		87,334
F. Bond Application Report Costs		61,800
G. Creation and Organizational Expenses		100,000
H. Administration and Operations		100,000
I. Attorney General Fee (0.10%)		10,300
J. TCEQ Bond Issuance Fee (0.25%)		<u>25,750</u>
TOTAL NONCONSTRUCTION COSTS	\$	2,432,279
 TOTAL BOND ISSUE REQUIREMENT	 \$	 10,300,000

Note:

(1) Assumes 100% funding of anticipated developer contribution items, where applicable.

Eligibility of costs for District funding and 30% developer contribution requirements will be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

## ROAD IMPROVEMENTS

<u>Construction Costs</u>		District's <sup>(1)</sup> <u>Share</u>
A. Roads	\$	2,975,136
B. Contingencies		446,270
C. Engineering Costs		<u>297,514</u>
TOTAL CONSTRUCTION COSTS (79.0% of Bond Issues)	\$	3,718,920
 <u>Nonconstruction Costs</u>		
A. Legal Fees	\$	141,300
B. Fiscal Agent Fees		117,750
C. Interest		
1. Capitalized Interest (12 months at 4.5%)		211,950
2. Developer Interest (24 months at 4.5%)		334,703
D. Bond Discount (3%)		141,300
E. Bond Issuance Expenses		25,237
F. Bond Application Report Costs		14,130
G. Attorney General Fee (0.10%)		<u>4,710</u>
TOTAL NONCONSTRUCTION COSTS	\$	991,080
 TOTAL BOND ISSUE REQUIREMENT	 \$	 4,710,000

Note:

(1) Assumes 100.00% funding of anticipated developer contribution items, where applicable.

A preliminary layout of roads proposed for funding has been provided, and they appear to benefit the proposed District and the land included within the proposed District. Eligibility of costs may be subject to TCEQ review to be determined in accordance with TCEQ rules in effect at the time bond applications are reviewed.

## D. ECONOMIC ANALYSIS

### Land Use

The land use for the proposed District is intended to accommodate single-family residential and commercial development. Planned ultimate development in the proposed District, as shown in the land use plan provided in the engineering report, is as follows:

<u>Development</u>	<u>Acres</u>	<u>ESFCs</u>
Single Family Residential	56.27	384
ROW Dedication	1.47	0
Utility Easement / Open Space	0.46	0
Drainage Lots	<u>10.27</u>	<u>0</u>
Total	68.47	384

### Market Study

A market study, prepared in September 2024, by Zonda, has been submitted in support of the creation of the proposed District. The market study indicates that the proposed District will contain 384 single-family homes on 40-foot lots priced on average \$311,500 and are expected to be absorbed at a rate of 9 to 10 units per month.

### Project Financing

The estimated total assessed valuation of the proposed district at completion is as follows:

<u>Units Planned</u>	<u>Number of Units</u>	<u>Average Unit Value</u>	<u>Total Value at Build-Out</u>
Single-Family (40-Foot Lots)	384	\$311,500	<u>\$119,616,000</u>
Total Assessed Valuation			\$119,616,000

The application considers an estimated bond issue requirement of \$15,010,000 (\$10,300,000 for utilities and \$4,710,000 for roads), assuming 100% financing, a bond coupon rate of 4.50%, and a 25-year bond life, the average annual debt service requirement would be \$1,012,260 (\$694,622 for utilities and \$317,638 for roads). Assuming a 98% collection rate and an ultimate assessed valuation of \$119,616,000, a tax rate of approximately \$0.8636 (\$0.5926 for utilities and \$0.2710 for roads) per \$100 assessed valuation would be necessary to meet the annual debt service requirement for the proposed District.

The total 2024 overlapping tax rates on land within the proposed District are shown in the following table.

<u>Taxing Jurisdiction</u>	<u>Tax Rate</u> <sup>(1)</sup>
Liberty Trails MUD	\$ 0.9136 <sup>(2)(3)</sup>
Guadalupe County	0.2731
Lateral Road	0.0500
New Braunfels ISD	<u>1.0419</u>
Total Tax Rate	\$ 2.2786

Notes:

- (1) Represents tax rate per \$100 assessed valuation.
- (2) Includes a \$0.8636 debt service tax rate (utilities and roads) and a \$0.05 maintenance tax rate.
- (3) Assuming 100% funding of anticipated developer contribution items, where applicable.

Based on the proposed District tax rate and the year 2024 overlapping tax rate on land within the proposed District, and assuming 100% financing, the project is considered economically feasible.

### Water and Wastewater Rates

According to information provided, the estimated monthly fee for 10,000 gallons of residential water and wastewater service would be approximately \$146.98.



#### Comparative Water District Tax Rates

A combined projected tax rate of \$0.9136 per \$100 assessed valuation, as indicated above, for 100% financing for the proposed District is comparable to other districts in the area. Based on the requirements and intent of 30 TAC Section 293.59, this project is considered economically feasible. Each particular bond issue will be evaluated based on its own economic feasibility merits and the rules and regulations in place at the time prior to the issuance of any bonds by the proposed District.

#### **E. SPECIAL CONSIDERATIONS**

##### Request for Road Powers

A request for approval of road powers was included in the petition for creation of the proposed District. Pursuant to TWC Section 54.234, approval of road powers may be requested at the time of creation. The engineering report provided with the application included a summary of the estimated costs. The proposed roads appear to benefit the proposed District, and financing appears feasible.

#### **F. CONCLUSIONS**

1. Based on TCEQ policy, compliance with TCEQ rules, and review of the engineering report and supporting documents, the proposed District is considered feasible, practicable, would be a benefit to the land within the proposed District, and would be necessary as a means to finance utilities and to provide utility service to future customers.
2. Based on a review of the preliminary engineering report, market study, the proposed District's water, wastewater, drainage, and road improvements, a combined projected tax rate of \$0.9136 per \$100 assessed valuation, the proposed District obtaining a 4.50% bond coupon rate, and other supporting data, the proposed District is considered feasible under the intent of the feasibility limits prescribed by 30 TAC Section 293.59.
3. The recommendations are made under authority delegated by the Executive Director of the TCEQ.

#### **G. RECOMMENDATIONS**

1. Grant the petition for creation of Liberty Trails Municipal Utility District.
2. Grant the District's request to acquire road powers in accordance with TWC Section 54.234 and 30 TAC Sections 293.11(d)(11), 293.201, and 293.202, subject to the requirements imposed by the TCEQ and the general laws of the State of Texas relating to the exercise of such powers.
3. The order granting the petition should include the following statements:

"This Order shall in no event be construed as an approval of any proposed agreements or of any particular items in any documents provided in support of the petition for creation, nor as a commitment or requirement of the TCEQ in the future to approve or disapprove any particular items or agreements in future applications submitted by the District for TCEQ consideration."

January 14, 2025

"This order shall not constitute approval or recognition of the validity of any provision in the City of New Braunfels consent Resolution No. 2024-R51, passed, adopted, and approved on June 10, 2024, and any other ordinance/resolution incorporated therein by reference to the extent that such provisions exceed the authority granted to the City of New Braunfels, by the laws of the State of Texas."

4. Appoint the following to serve as temporary directors until permanent directors are elected and qualified:

Zachery Allen Cote

Matthew Todd Gandrud

Zachary Lee Gentry

Wade Garrett Goodwin

Thomas Alexander Larsen

#### H. ADDITIONAL INFORMATION

The petitioner's professional representatives are:

Attorney: Mr. Anthony Corbett - McLean & Howard, LLP

Engineer: Mr. Ken Heroy, P.E. - Jones-Heroy & Associates, Inc.

Market Analyst: Mr. Bryan Glasshagel - Zonda