

WALNUT CREEK SPECIAL UTILITY DISTRICT

OVERVIEW OF ANNEXATION PROCESS

I. BACKGROUND

Walnut Creek Special Utility District (“WCSUD”) has recently received a number of inquiries from customers regarding the process for annexation of additional land into WCSUD’s political boundary. In response, WCSUD provides this high-level summary of the legal requirements governing annexation by special districts such as WCSUD.

WCSUD’s service area has expanded in recent years through additions to the WCSUD’s Certificate of Convenience and Necessity (“CCN”) service area. Although these CCN expansions authorize the District to provide water service to an expanded area while providing protection from encroachment by neighboring cities and utilities, these CCN service area expansions do not affect WCSUD’s political boundary, which is the boundary in which all residents may participate in elections of WCSUD board members and within which customers must reside or own property in order to be a candidate for a seat on WCSUD’s board of directors.

II. ANNEXATION PROCESS UNDER STATE LAW

All special districts, including WCSUD, are subject to state law requirements set out in Texas Water Code (“TWC”) Chapter 49. TWC Sections 49.301 and 49.302 set out two of the processes for annexation by a special district.

Under Section 49.301, an owner or owners of land may file a petition with the board of directors of WCSUD requesting that there be included in the district boundary the land described in the petition. A requirement under this section is that the petition must include a legal description of the land to be annexed. This requirement can be met by a professional survey of the metes and bounds of the property to be added. This requirement can also be met by providing a lot and block number with the petition if the area to be annexed is included in a recorded plat. The petition must be signed and executed in the manner provided by law for the conveyance of real estate. This requirement can be met notarizing the signature on the petition.

Once WCSUD receives a petition and determines that it meets the state legal requirements, the board will hear and consider the petition at a publicly-noticed board of directors meeting. Under Section 49.301(d), the WCSUD board of directors has the authority to approve the petition only if it is “feasible, practicable, and to the advantage of the district and if the district’s system and other improvements of the district are sufficient or will be sufficient to supply the added land without injuring land already in the district.” Section 49.301 gives the authority to the WCSUD board of directors to agree to annex all or less than all of the land requested to be added.

If the WCSUD approves the petition to annex land, WCSUD will cause the petition and the order approving same to be recorded in the office of the county clerk of the county or counties in which the added land is located.

TWC Section 49.302 sets out an alternative method for annexation of land into the WCSUD district boundary. This alternative method does not require that a petition for annexation include the signatures of all the landowners in the area that is desired to be annexed. Instead, a defined area of land may be added as long as a majority "in value" of the landowners in the defined area as shown by the central appraisal district of the county or counties where the area is located must sign the petition.

Similar to the Section 49.301 process, the petition must include either a survey of the metes and bounds to be added or identification of the platted property for the area to be added. Under this method of annexation, the WCSUD board of directors will conduct the hearing. However, there are additional notice requirements due to the fact that less than all of the landowners to be annexed may be aware of the annexation or have signed the petition. Section 49.302 requires both: (1) that notice of the date and time of the hearing and a description of the area to be annexed be posted in three public places in the district and in one public place in the area proposed to be annexed for at least 14 days before the day of the hearing; and (2) newspaper notice of the hearing and a description of the area to be annexed must be published one time at least 14 days prior to the WCSUD board of directors hearing.

Under either of the above methods for annexation, if the WCSUD board of directors approves the petition and records its approval in the county records, then WCSUD will have the duty to furnish service to the annexed land in the same manner as it serves all land in the district without discrimination.

III. ANNEXATION PROCESS BY LEGISLATION

WCSUD was created as a "conservation and reclamation district" under Article XVI, Section 59 of the Texas Constitution. The powers and political boundaries of a WCSUD may be defined by the enactment of legislation. The Texas Constitution requires, prior to the passage of a bill creating or amending the powers of a conservation and reclamation district, that notice containing the general substance of the law be published at least 30 days but no longer than 90 days prior to its filing in newspapers of general circulation in the county or counties in which the district is or will be located. The Constitution also requires that copies of the proposed bill be delivered to the Texas Commission on Environmental Quality ("TCEQ").

IV. IDENTIFYING PROPOSED NEW DISTRICT BOUNDARY AND COORDINATION WITH ELECTION OFFICIALS

Whether annexation of additional land into WCSUD's district political boundary is accomplished by petition to the Board of the District under Section II, above or through passage of a local bill under Section III above, WCSUD will be required to provide a legal

survey of the metes and bounds of the new area to be included. Finally, an important step to ensure that voters within the new WCSUD are eligible to vote in WCSUD elections will be coordination with the county election officials. WCSUD has begun the process of determining any additional local and state requirements in response to anticipated requests for annexation.

Walnut Creek Special Utility District

Annexation Information Sheet

Sections 49.301 and 49.302 of the Texas Water Code govern annexations of land into the District. Applicants petitioning the District for annexation of their land are responsible for compliance with the applicable legal requirements for petitioning for annexation of land into the District.

The District requests that the owner of land seeking to be annexed into the boundaries of the District also submit the following information in addition to the petition required by law:

1. File Petition Requesting Annexation. **Sample attached.**
 - a. Name of Owner(s)
 - b. Legal Description of Property
 - c. Is the Property Inside or Outside of District's CCN
 - d. Is the Owner a customer of District?
 - e. Names of Resident Voters on the Property
2. File a Certificate of Landowner in Support of Petition. **Sample attached.**
3. File a Copy of the Deed or other legal instrument showing title to the property in the Owner(s).
4. File a vicinity map showing the property's general location.
5. File a Certificate from County Central Appraisal District showing ownership of the Property in the Owner(s). **Sample attached.**

Annexation Process

Once a petition for annexation and the accompanying documents described above have been filed with the District, the District will set a hearing on the petition for the District's next Board meeting and will provide notice and opportunity for the applicant(s) and members of the public to be present and testify for and against the petition for the Board to make a decision on the petition.

CERTIFICATE OF AUTHORITY

The undersigned hereby certifies that I/we am/are the owner(s) of the land described by metes and bounds on Exhibit A hereto, which land is being annexed into the boundaries of the Walnut Creek Special Utility District (the "District") and that I/we executed a Petition for Inclusion of the Land into Walnut Creek Special Utility District (the "Petition"). I/We further certify as follows:

Whether the land is within the CCN of the District. Answer: _____

Whether the land is receiving water service from the District. Answer: _____.

Name of Owner or a renter receiving water service. Answer: _____.

Names of Registered Voters residing on the land to be annexed. Answer: _____.

IN WITNESS WHEREOF, I have set my hand on _____, 2025, and hereby certify to the foregoing.

STATE OF TEXAS §
COUNTY OF _____ §

This instrument was acknowledged before me on _____, 2025,
by _____.

Notary Public, State of Texas

PETITION FOR ADDITION OF CERTAIN LANDS TO
WALNUT CREEK SPECIAL UTILITY DISTRICT

TO THE BOARD OF DIRECTORS OF WALNUT CREEK SPECIAL UTILITY DISTRICT:

_____ (referred to herein as "Petitioner"), acting pursuant to the provisions of Chapter 49, Section 49.301, Texas Water Code, hereby requests the Board of Directors of Walnut Creek Special Utility District (hereinafter the "District"), to add to and include in the District the land described in **Exhibit "A"** hereto. In support of this petition, the Petitioner represents, covenants, and agrees as follows:

Section 1: The land sought to be added to the District lies entirely within _____ County, Texas, and is accurately described by metes and bounds in **Exhibit "A"** attached hereto and incorporated herein for all purposes.

Section 2: Fee-simple title and full ownership of the land is vested in Petitioner.

Section 3: None of the land is within the extraterritorial jurisdiction of any municipality.

Section 4: The addition of the land to the District is feasible, practicable, and will be to the advantage of the District, and the water system improvements of the District are sufficient or will be sufficient to supply the added land without injuring the land already within the District.

WHEREFORE, the Petitioner prays that this petition be granted; that the land described in **Exhibit "A"** be added to and become a part of the District; that this petition, if granted, be filed for record and be recorded in the office of the County Clerk of Williamson County, Texas, and filed with the Texas Commission on Environmental Quality, and that the Petitioner be granted any other relief to which it may be entitled.

Executed as of the _____ day of _____, 2025.

By: _____
Name: _____

STATE OF TEXAS §
 §
COUNTY OF _____ §

 This instrument was acknowledged before me, on the _____ day of _____, 2025, by
_____.

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____

[SEAL]

After recording, return to:

Walnut Creek Special Utility District
1155 W Hwy 199
Springtown, TX 76082

CERTIFICATE OF OWNERSHIP

THE STATE OF TEXAS §

§

COUNTY OF _____ §

I, _____, Chief Appraiser of _____ County, Texas, hereby certify that on _____, 2025, the following persons/entities owned the property within the area proposed to be annexed into Walnut Creek Special Utility District, a legal description of which property is attached hereto, which is within _____ County, Texas:

Name of Owner:

Description of Property:

WITNESS MY SIGNATURE the _____ day of _____, 2025.

Chief Appraiser
_____ Central Appraisal District

STATE OF TEXAS §

§

COUNTY OF _____ §

This instrument was acknowledged before me, on the _____ day of _____, 2025, by _____, Chief Appraiser of the _____ Central Appraisal District on behalf of said appraisal district.

Notary Public, State of Texas
Printed Name: _____
My Commission Expires: _____

[SEAL]