

**R&R**  
RUSSELL & RODRIGUEZ, L.L.P.  
ATTORNEYS AT LAW

1633 WILLIAMS DRIVE  
BUILDING 2, SUITE 200  
GEORGETOWN, TEXAS 78628

krussell@txadminlaw.com

PHONE (512) 930-1317  
FAX (866) 929-1641  
WWW.TXADMINLAW.COM

April 11, 2014

Via Certified U S Mail; Return Receipt Requested 7012 0470 0002 15447 8252

Mr. Richard Hyde, P.E.  
Executive Director  
Texas Commission on Environmental Quality  
P.O. Box 13087  
Austin, Texas 78753

Re: City of Frisco; Exide Battery Recycling Facility Closure; Batter Fund Reimbursement Request

Dear Mr. Hyde:

The passage of HB 7 last legislative session provided TCEQ with \$1,500,000 from the statewide battery recycling fee to be used for the cleanup of closed battery recycling facilities in Texas. The ongoing closure of the Exide battery recycling facility in Frisco, Texas qualifies for reimbursement under that fund. The City of Frisco has, to date, expended approximately \$3,312,954.77 of its own public funds to initiate and pursue that closure, including related VCP projects.

In addition, Exide has withdrawn \$3,728,126.35 from the escrow accounts set up under the Master Settlement Agreement between Exide and the City that resulted in the Exide facility closure. If the property transfer required by the Agreement is not completed due to the Exide bankruptcy, those funds will be lost to the City as a result of the Exide battery recycling facility closure.

Since the City of Frisco qualifies for reimbursement, the City hereby requests reimbursement from the TCEQ's battery recycling facility closure fund in the amount of \$1,500,000.00 to partially offset the public funds expended by the City to properly close the former Exide battery recycling facility. The City is submitting this reimbursement request in letter form since it is not aware of a specific TCEQ form to cover this matter.

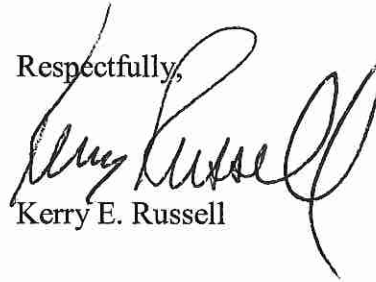
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The City appreciates your immediate attention to this matter. If you, or your staff, have any questions or need additional information, please call me at 512-633-6467 or Mack Borchardt at 972-292-5127.

Respectfully,

A handwritten signature in black ink, appearing to read "Kerry Russell", with a large, stylized flourish extending from the end of the name.

Kerry E. Russell

✓ Cc: George Purefoy, City of Frisco