



STAFF REPORT
City of Dripping Springs
PO Box 384
511 Mercer Street
Dripping Springs, TX 78620

Submitted By: Ginger Faught, Deputy City Administrator

Council Meeting Date: April 4, 2023

Agenda Item Wording: **Discuss and consider a wastewater facilities agreement with Cuncashca, LLC.** *Sponsor: Mayor Bill Foulds, Jr.*

Agenda Item Requestor: Ginger Faught, Deputy City Administrator

Summary/Background: This proposed Agreement is the result of lengthy negotiations concerning the swap of land that will allow the City to construct a 15 million treated effluent pond south of its wastewater treatment plant (construction costs to be borne by Driftwood development). The land is currently owned by Cuncashca LLC. In addition to the land swap, Cuncashca is granting easements for a wastewater pipeline (the last leg of the East Interceptor).

Despite issuance of a discharge permit, the City is committed to maximizing beneficial reuse of treated effluent so that we may conserve potable water and groundwater resources and so that we can avoid any discharge of treated effluent. To this end, we have entered into contracts that require the construction of beneficial reuse facilities. One of the requirements is that the City initially have a 12 million gallon pond under our Complete Operational Control and ultimately have dedicated storage in the amount of 20 million gallons. The existing Caliterra pond provides the 12 million gallon pond, and this new pond will exceed our contractual requirements in this regard. The owners of the Driftwood development have also agreed by contract to construct or provide a storage pond that will store at least 15 million gallons of Reclaimed Water. Therefore, the costs of construction of this pond will be borne by Driftwood.

The City is trading an equivalent acreage (6.79 acres) of its existing land application treatment fields for the acreage being conveyed to the City for this pond. The new acreage is closer to the wastewater plant and is better suited for a pond as opposed to the acreage that the City is trading.

Salient points of the agreement are as follows:

1. Cuncashca will:
 - a. Convey 6.79 acres to the City for the pond.
 - b. Convey easements (temporary and permanent) for the construction of a wastewater line.

2. The City will:
 - a. Convey 6.79 acres to Cuncashca in trade.
 - b. Pay \$10,000 to Cuncashca for relocating the existing Charro Ranch/Cuncashca entrance gate (needed for construction).

In the Agreement, the City also acknowledges that 365 LUEs which were reserved in 2009 by persons and entities associated with Cuncashca have now all been assigned to Cuncashca. The City also agrees to give Cuncashca 7 years after City has turned over the exchange land before Cuncashca has to connect or start paying reservation fees.

**Commission
Recommendations:**

N/A

**Recommended
Council Actions:**

Approve as presented.