



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

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**Submitted By:** Ginger Faught, Deputy City Administrator

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**Council Meeting Date:** August 19, 2025

**Agenda Item Wording:** **Discuss and consider approval of an amended Wastewater Utility Agreement with Dripping Springs Partners, LP and Taylor Morrison of Texas, Inc. for the Village Grove Subdivision.** *Sponsor: Mayor Bill Foulds, Jr.*

**Agenda Item Sponsor:** Mayor Bill Foulds, Jr.

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**Summary/Background:** The City has a wastewater utility agreement with Dripping Springs Partners, LP, and Taylor Morrison of Texas, Inc., to provide 531 residential LUEs, 8 amenity center LUEs, and 32 commercial / governmental / utility / institutional LUEs to the Village Grove Subdivision. The agreement allows for a temporary Package Plant. It does not allow for any Pump and Haul. The Village Grove Owners have an agreement in-place with North DSP, LLC ("North DSP") and Pulte Homes of Texas, L.P., a Texas limited partnership ("Pulte"), the owners of Gateway Village ("Gateway Owners") wherein Village Grove Owners and Gateway Owners have agreed to cooperate to provide temporary wastewater service to the Land and to the land for Gateway Village. The City is not a party to that agreement and has no obligations under that agreement.

The purpose of this Amendment is to facilitate the cooperation between the Gateway Owners and the Village Grove Owners.

This Amendment facilitates the cooperation by Amending the Village Grove Agreement in the following ways:

- 1) The Amendment allows Gateway Village to share the 75 Pump & Haul LUEs to which it is entitled with Village Grove. Under no circumstances, however, may the two developments collectively exceed the 75 Pump & Haul LUEs to which Gateway Village is entitled. In other words, no new Pump & Haul LUEs are being allowed, but this Amendment allows the two development to share what has already been allowed.
- 2) Despite the fact that the Pump & Haul LUEs may be shared, the Amendment makes clear that Pump & Haul must cease in favor of a temporary Package Plant or the discharge plant as quickly as is commercially feasible.

This Amendment also provides clarifications to the Original Agreements as follows:

- 1) Clarifying the definitions of Package Plant and Pump & Haul Facilities;
- 2) Making it clear that the City collects revenue from rate payers when the City operates the temporary Package Plant.
- 3) Making it clear that Developers pay the cost of the lease or purchase of the Package Plant.
- 4) Making it clear that that the City will operate the Package Plant.

This Amendment also provides clarifications to Pump & Haul obligations as follows:

- 1) Making it clear that no certificate of occupancy will be issued unless wastewater service is available.
- 2) Assuring that Owner shall contract with a company that holds all licenses required by the TCEQ and has the experience, expertise and financial capacity (the “Provider”) to Pump and Haul wastewater from the Development and to maintain all Pump and Haul facilities.
- 3) Clarifying that City collects rates for Pump & Haul and Owners will assuredly lose money by operating Pump & Haul facilities.

**Commission  
Recommendations:**

N/A

**Recommended  
Council Actions:**

Approve the Amendment.

**Attachments:**

Draft Amendment.