



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

Submitted By:	Tory Carpenter, AICP, Planning Director
Council Meeting Date:	June 2, 2026
Agenda Item Wording:	Discuss and consider a Wastewater Utility Service and Fee Agreement between the City of Dripping Springs and Tri Pointe Homes Texas, Inc. for wastewater service to approximately 14 acres of land within the Cypress Fork Ranch property, including allocation of 18 wastewater LUEs and Council direction regarding whether to approve temporary pump-and-haul service. Sponsor: Mayor Bill Foulds, Jr.
Applicant:	Tri Pointe Homes Texas, Inc.

Summary/Background:

Overview

Tri Pointe Homes Texas, Inc. is under contract to purchase approximately 14 acres within the Fellers Residential Project from Cypress Fork Ranch, L.P. The property was recently annexed into the City by Ordinance No. 2026-04, which annexed approximately 14.06 acres into the incorporated municipal boundaries and incorporated a service plan agreement for the property.

The proposed Wastewater Utility Service and Fee Agreement would allow Tri Pointe to receive City wastewater service for the property and connect up to eighteen (18) residential LUEs to the City’s South Regional Wastewater Treatment System, once the required City facilities are operational and the Owner has completed the required onsite and offsite facilities.

The 18 LUEs are a portion of the 80 LUEs initially provided to Mr. Fellers through negotiation of an easement for the West Interceptor. Under the proposed agreement and the purchase contract, the 18 LUEs would be assigned to Tri Pointe at closing of the property and deducted from the original 80 LUE reservation.

Key Agreement Terms

- Wastewater service is limited to up to 18 residential LUEs; additional LUEs would require future written approval by the City.
- City service is not available until the City’s TPDES/Discharge Permit facilities are constructed, operational, and available to serve the property.
- Tri Pointe must design, fund, construct, and install the onsite and offsite wastewater facilities necessary to serve the property, subject to City review, inspection, and approval.
- The Owner must provide required wastewater easements at no cost to the City, including easements needed to connect to the Western Interceptor and an easement along the eastern edge of the property for a future 12-inch wastewater line.
- Impact fees for all 18 LUEs and the beneficial reuse payment for 18 LUEs are due upon application for final plat. The Owner is not entitled to reimbursement of impact fees.
- The agreement does not approve any plat, construction plan, or development application; those applications remain subject to separate review and approval under City ordinances and standards.

Pump and Haul Decision Point

The draft agreement includes two alternative forms: Version A, which includes temporary pump-and-haul provisions, and Version B, which excludes pump-and-haul authority. Because pump and haul is a policy-sensitive issue for Council, staff is requesting that

Council make a specific decision on whether those provisions should remain in the agreement or be removed before approval by selecting either Version A or Version B.

If Council selects Version A, the pump and haul provisions would allow temporary pump and haul service prior to permanent City service for up to 12 LUEs through April 30, 2028, and thereafter up to 18 LUEs until the City facilities are operational and available. The provisions state that pump and haul is not the preferred method of wastewater treatment and must be terminated as quickly as feasible after City facilities become available.

The agreement places design, construction, operation, reporting, spill response, provider licensing, storage, penalties, and removal obligations on the Owner. The Owner would receive no impact fee credit or reimbursement for pump and haul facilities or for removal of those facilities. Purchasers would receive notice that wastewater service may be provided by pump and haul until permanent service is available.

If Council does not want to allow pump and haul for this project, Council should select Version B, which excludes pump-and-haul authority. In that case, development would need to wait for permanent City wastewater service before wastewater-dependent building permits or certificates of occupancy could be supported by this agreement.

**Recommended
Council Actions:**

Staff recommends that Council first provide specific direction on pump and haul, then act on the agreement based on that direction. To avoid ambiguity regarding the form of agreement authorized for execution, staff has included two clean versions of the agreement in the packet.

Possible Council actions:

1. Approve Version A of the agreement, thereby allowing temporary pump and haul service under the limits and conditions in the agreement.
2. Approve Version B of the agreement, thereby not allowing pump and haul service under this agreement.

Suggested motion if pump and haul is allowed:

Move to approve the Wastewater Utility Service and Fee Agreement between the City of Dripping Springs and Tri Pointe Homes Texas, Inc. in the form presented as Version A, including the temporary pump-and-haul provisions.

Suggested motion if pump and haul is not allowed:

Move to approve the Wastewater Utility Service and Fee Agreement between the City of Dripping Springs and Tri Pointe Homes Texas, Inc. in the form presented as Version B, excluding pump-and-haul authority.

Attachments:

- Wastewater Utility Service and Fee Agreement - Tri Pointe Homes Texas, Inc.
 - Version A: With Pump-and-Haul provisions
 - Version B: Without Pump-and-Haul authority

Next Steps/Schedule:

- If approved, finalize the agreement consistent with Council direction and route for execution.
- At closing, the 18 LUEs will be assigned from the original 80 LUE reservation to Tri Pointe for the 14-acre property.
- Future plat, construction plan, easement, and wastewater infrastructure submittals will continue through the standard City review process.
- If pump and haul is retained, staff and will review the required pump and haul design, provider documentation, storage, reporting, and notice requirements before any service begins.