



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: June 7, 2022

Agenda Item Wording: Discuss and consider approval of Wastewater Agreement between DS Land Partners and the City of Dripping Springs for the Village Grove Subdivision
Sponsor: Mayor Bill Foulds, Jr.

Agenda Item Requestor: Ginger Faught, Deputy City Administrator

This Wastewater Service Agreement addresses wastewater service for the proposed Village Grove Development (hereafter “Village Grove”). The Dripping Springs Partners, LLC (“Owner”). The proposed agreement is based on our standard wastewater agreement and has provisions that provide for temporary facilities while we await court decisions on the Discharge Permit.

The agreement is mostly negotiated, but we are still in discussions about whether the City will own and operate the temporary wastewater plant, or whether the owner will do that. Because this issue is not yet fully resolved, Staff recommends that the Council postpone action on this agreement. Salient points of the proposed Agreement are listed below:

- 1) LUEs made available to Blue Ridge Tract
 - a. 511 LUEs for residential
 - b. 8 LUEs for an amenity center
 - c. 32 LUEs for commercial or governmental/utilities/institutional
- 2) Facilities and easements
 - a. Owner pays all costs of building facilities to connect.
 - b. After facilities are built, they will be conveyed to the City (with the exception of any temporary plant – the ownership of which is still being discussed).
 - c. Owner acquires all necessary easements at Owner’s cost. City Staff is not agreeable to giving Impact Fees credits to the developer for Offsite Facilities Easement costs over \$25,000 as

the draft currently states. Note that there are no Offsite Facilities Easements needed for this project.

- 3) Temporary facilities
 - a. No pump & haul is authorized.
 - b. Owner may apply for a TLAP permit as a temporary facility. Owner pays all costs associated with the permit and the temporary facilities.
 - c. When East Interceptor and Discharge plant is built, flows will be diverted to the City System and Owner will pay the cost for removal of the temporary wastewater plant.
- 4) Owner will provide two water and two wastewater stub-outs for the Foster Tract.
- 5) Owner will pay \$7,850 impact fee for each LUE.
- 6) Owner pays for City inspection and review and legal fees.
- 7) In Section 6.4 of the Agreement the City agrees to contribute \$30,000 towards easement acquisition related to an offsite Right of Way. This ROW is contained on the Burke tract north of the proposed development. The City had been in negotiation with the Burke property owners about acquiring WW easement for the East Interceptor and easements for Temporary Construction areas. An appraisal commissioned by the City in 11/20 valued those easements at approximately \$153,000. We ceased those negotiations once the VG developers started working on entitlements for the VG project including negotiating with the Burke's for the offsite ROW. The WW easement needed for construction of the East Interceptor on the Burke's property will be contained within the ROW that the developer is acquiring. As stated above, the City will contribute \$30,000 to the acquisition. The developer of VG has agreed to provide Temporary Staging Areas needed for the construction of the East Interceptor as no cost to the City rather than the City paying the Burke's Temporary Staging Areas within their property.

Commission Recommendations:	N/A
Recommended Council Actions:	Recommend postponement to date certain.
Attachments:	Draft WWUA.
Next Steps/Schedule:	TBD.