



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 18, 2024

Agenda Item Wording: First Amendment to Second Amended Wastewater Service and Impact Fee Agreement between The City of Dripping Springs and Development Solution Carter for The Ranch at Caliterra *Sponsor: Mayor Bill Foulds*

Agenda Item Requestor: Mayor Bill Foulds, Jr.

Summary/Background:

This Supplemental Agreement is between the City and Development Solutions CARTER, LLC (“Owner”).

This agreement resolves some outstanding issues between the City and the Owner, who is the developer of the Carter tract.

Owner desires to start construction on the site. Although the original wastewater agreement had several back-up plans for wastewater in the event that the Discharge Permit was delayed, nobody anticipated the lengthy delay that has actually occurred. Because of the extreme delay of the appeal of the City’s Discharge permit, the City cannot currently accommodate the Carter development. Nevertheless, the Carter developers want to begin. The City can use additional 210 beneficial reuse fields. Therefore, the City is allowing horizontal activities (grading, trenching, backfilling) activities in exchange for additional 210 beneficial reuse land and storage.

In addition, the City is agreeing not to charge the District for its use of treated effluent (prior agreements said that the City could charge the District for the treated effluent beginning 7 years after issuance of the Discharge Permit.

The reality of the situation is that the Caliterra/Carter fields are now an integral part of our system, and charging for its use would place an undue burden on those homeowners. The agreement still provides that District will take and use as much beneficial reuse water as the City desires that District take and use (but not so much as to cause a non-compliance situation).

Therefore, we don’t have any obligation with respect to the amounts that we have to give them.

The Agreement requires the Owner to do the following:

1. Design and build facilities (fields and storage) on Carter Ranch that will allow the beneficial reuse (under Chapter 210 of the TCEQ Rules) for 50,000 gpd (“Beneficial Reuse Facilities”).

2. These Beneficial Reuse Facilities will be available for use by the City, at no cost to Hays County Development District No. 1 (HCDD-1) or any HCDD-1 residents.
3. Effluent generated from Carter Ranch (based on a 30-day average) will have first priority in reuse at these Beneficial Reuse Facilities.
4. Revise the construction plans to include the Beneficial Reuse Facilities.

In exchange, the Agreement requires the City to do the following:

1. Issue a mass-grading permit that allows excavation, clearing, grubbing, and rough grading activities. This authorization will not allow the start of utility installation beyond trenching and refilling.
2. Schedule a pre-construction meeting for the mass-grading activities (by June 26, 2024), and allow the grading activities that are authorized by the mass-grading permit.

**Commission
Recommendations:**

N/A

**Recommended
Council Actions:**

Approve as presented.