

CITY COUNCIL MEMORANDUM

City Council Meeting: March 13, 2025

Department: Admin/ Public Works

Subject: Status Update on Water, Wastewater, Streets, Drainage, and Other Utility Projects

BACKGROUND

This memorandum provides an update on the status of the City's ongoing projects in water, wastewater, streets, drainage, and other utility services. Below is a detailed summary of each project's current status and the next steps.

Water Projects

- **Well 8 Project:**

Negotiations for the new land lease for Well 8 with the Aultman family are in the final stages. The site has been surveyed, and we are currently reviewing the contracts provided by Tom Calloway to ensure the water rights were properly transferred to the Aultman family. Clarence and Morgen from Southwest Engineers have confirmed that this site is the most viable option for Well 8 due to its proximity to the filter station. As part of this project, an upgrade to the filter station will be necessary. The TCEQ permit application for Well 8 is also in progress.

Regarding well sites, Morgen has compared the **Aultman** and **Callaway** (No 2) sites and noted the advantages and disadvantages of both. The Callaway site requires more infrastructure but yields 50 GPM more water, while the Aultman site is more cost-effective. We will continue to monitor developments carefully, as future projects may increase water demand. Depending on available funding, we may proceed with drilling both wells, with the goal of drilling one in 2024 and the second in 2025 (possibly.)

- **East Central Water Purchase Contract Buyout:**

East Central Water Supply has approached the City about the possibility of buying out all or part of our water purchase contract with Canyon Regional Water Authority (CRWA). Given that Well 7 is operational, and the City has not purchased water from CRWA for several months, we are open to considering their offer. Currently, the City purchases 400 acre-feet of water annually under a contract that runs until December 31, 2030.

East Central Water has proposed buying 200-300 acre-feet of the water for a six-figure sum—specifically \$100,000 per year for the remaining duration of the contract (approximately 4 years and 9 months). This (Could) result in a new take-or-pay contract with East Central Water for safety. However, Morgen and Clarence recommend waiting until Well 8 is operational before proceeding with the buyout, as the City will still be dependent on the current 10" well supply line, which limits water capacity. Additionally, we will need to get authorization from CRWA to sell water to East Central, as such sales are not covered under the current agreement. As East Central is a founding member of CRWA, they may be willing to negotiate this sale. The City will also need to reserve a portion of the water for emergency use if this agreement moves forward.

We are in the process of negotiating with CRWA but may not sign a new agreement until Well 8 is online to ensure a backup water source.

- **CCN Swap with SS Water:**

We are exploring a CCN swap with SS Water regarding a 240-acre tract located on the west end of town, which is in the process of being sold. A preliminary meeting with SS Water occurred last week, and we are awaiting further updates on this proposal.

- **Woodcreek Pump Station Restoration:**

The City has signed an easement agreement with FELPS for the new service installation needed to support the restoration of the Woodcreek pump station. Lopez Electric is scheduled to complete the pump installation by the end of the month following the installation of the new service.

- **Old Elevated Water Tower:**

The old elevated water tower is a liability to the City since it is no longer in use. The recommendation from Morgen and Clarence is to demolish the tower, as the current elevated tank provides sufficient capacity for the City's needs. Future plans include constructing a ground storage tank at the filter plant, though this project is still approximately 10 years out.

Wastewater Projects

Due to the increasing demand driven by development and the age and capacity of the current wastewater treatment plant (WWTP), we are moving forward with the process of acquiring a new WWTP. Morgen and Clarence have been instrumental in helping us start this process, and we anticipate a timeline of about 18 months for obtaining the necessary permits. NP Homes has offered to sell a portion of their property on the west end of town near the HEB floodplain, which would be ideal for the location of the new WWTP.

Additionally, the city staff is interested in acquiring a sewer CCN to take on the boundaries of our ETJ, this is in discussion with Mogen who believed this may be a good move for the city and with SS as it would extend into their water CCN and require a service billing mutual agreement. This may put our new WWTP to good use.

Street Maintenance

So far this year, we have completed the **San Antonio Rd** project, and **Micha Point**, along with **Junior/Elise**, is next in line for maintenance. We are currently reviewing the remaining streets to prioritize based on available funds. We have also determined that the funds for street signs cannot legally come from the street maintenance tax fund, so we are partnering with the Municipal Development District (MDD) on their 3-year strategic plan to support these ancillary works.

Drainage Projects

We have an upcoming FEMA audit in April, nothing to worry about here, they just need to review our files with the Texas Water Development Board.

We are actively utilizing the \$1.25 million in bond funding for drainage improvements, focusing on the following three primary projects:

1. **Kip Workman Parcels (Formerly Country Gardens Subdivision):**

Work is underway to address drainage issues backing up towards Highway 87 by constructing a drainage channel. We've received preliminary feedback that we may be have been awarded FEMA funding to support this project. We are currently soliciting proposals for the required archaeological survey.

2. **City Park Drainage Path:**

We are in the procurement phase for the slanted concrete walking/drainage path that will run through the city park. This will improve drainage and create a recreational space for the public.

3. **San Antonio Road Drainage:**

We are working to acquire drainage easements from property owners along San Antonio Rd, including **Gator Dodson's** and **Kaylee Andrews'** properties, to complete the drainage trail that will connect to existing culverts near Highway 87.

Summary and Next Steps

The City of La Vernia is continuing to make significant progress on water, wastewater, streets, and drainage projects, while also considering strategic options such as the potential buyout of the water purchase contract with East Central Water and acquiring a sewer CCN. We will continue to monitor each project carefully, ensuring we are aligned with the City's growth and resource management needs. Further updates will be provided as projects progress. "The foot needs to be on the gas, with eyes on the road, if you catch my drift." 😊 -Lindsey