

RESOLUTION NO. 2025-226R

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS APPROVING AMENDEMENT NO. 2 TO ADJUST THE REQUIRED INITIAL SERVICE DATE FROM MARCH 1, 2026 TO MARCH 1, 2027; AUTHORIZING THE CITY MANAGER, OR HER DESIGNEE, TO EXECUTE THE AMENDMENT ON BEHALF OF THE CITY; AND DECLARING AN EFFECTIVE DATE.

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS:

PART 1. The attached Amendment No. 2 to the 2024 Regional Wastewater Treatment Cost Sharing Agreement adjusting the required initial service date from March 1, 2026 to March 1, 2027 is approved.

PART 2. The City Manager, or her designee, is authorized to execute the appropriate documents approving the amendment.

PART 3. This resolution will be in full force and effect immediately from and after its passage.

ADOPTED on November 18, 2025.



Jane Hughson
Mayor

Attest:



Elizabeth Trevino
City Clerk

**AMENDMENT NO. 2 TO THE
REGIONAL WASTEWATER SERVICES AND FACILITIES
COST SHARING AGREEMENT**

This Amendment No. 2 to the Regional Wastewater Services and Facilities Cost Sharing Agreement (" this Amendment") is effective as of 11/18, 2025 (" the Effective Date"), by and between the City of San Marcos, Texas, a home rule municipality (the " City"); Clint Jones, in his individual capacity as landowner of the Fleming Farms Tract (as hereinafter defined) (" Jones"); Rattler Ridge, LP, a Texas limited partnership Rattler"); JLBC 710 Investments, LLC, a Texas limited liability company (" JLBC"); Highlander SM Two, LLC, a Texas limited liability company (" Highlander"); BBI COTTONWOOD 2012 LP (" Cottonwood"); Qualico Developments (U.S.), INC. ("Mason"); Mulberry Meadows Development Company, LLC (" Mulberry"); and Guadalupe County Municipal Utility District No. 9. All of the foregoing are sometimes referred to collectively as the "Parties" and individually as a "Party".

WHEREAS, the Parties have previously executed the Regional Wastewater Services and Facilities Cost Sharing Agreement, effective May 14, 2024, and approved by Resolution 2024-78R on May 7, 2024 (the "Original Agreement"), as amended by Amendment No 1, executed April 3, 2025, and approved by Resolution 2025-56R on April 1, 2025 ("Amendment No. 1"), the Original Agreement with Amendment No. 1 is referred to herein as the "Cost Sharing Agreement"); and

WHEREAS, the Parties now wish to amend the Cost Sharing Agreement, to extend the City of San Marcos' deadline for providing services from March 1, 2026 to March 1, 2027; Now Therefore,

The Parties, in exchange for the mutual covenants and conditions contained herein, agree that the following sections of the Cost Sharing Agreement shall be modified to read as shown below:

II. WASTEWATER FACILITIES

1. Construction, Design, and Financing of the Wastewater Facilities. The City, at its cost and expense, shall permit, design, and construct the Facilities (excluding the Improvements) necessary to provide Wastewater Services to the Customers.

The City's obligation to make Wastewater Services available to the Customers within each Tract and District shall be in the amounts reflected in the Absorption Schedule attached hereto and such obligation is explicitly not conditioned upon the construction and completion of the Interim Plant, Main Lift Station or the Plant. The City is obligated to make Wastewater Services available to the Customers within each Tract and District in accordance with the Absorption Schedule, commencing on March 1, 2027 and continuing thereafter, increasing the number of LUEs of available Wastewater Services annually until the total number of LUEs allocated to each Tract and District, per the Absorption Schedule, are provided. Notwithstanding the foregoing, the City shall not be obligated to provide Wastewater Services to the Customers within each Tract or District until such time as such Developer or District has constructed the Improvements, in accordance with the Regulatory Requirements, necessary to connect such Tract or District to the then-existing Wastewater Collection System or the Main Lift Station in accordance with City Standards.

3. City's Main Lift Station or Collection Facility. The City shall construct the Main Lift Station or some other collection facility at the Plant Site on or before March 1, 2027, for the Developers and Districts to connect their respective Improvements to such facility.
7. Total Capacity Reserved. In exchange for the payment of LUE Fees and construction and conveyance of the Improvements, the City agrees to provide 6,248 LUEs of Wastewater Services to the Customers and allocate and reserve to the Tracts and the Districts a total of 6,248 LUEs of Wastewater treatment capacity in the Plant, as reflected in the Absorption Schedule, and the number of LUEs to each respective Tract and District reflected in the Absorption Schedule. The Parties agree that the Absorption Schedule, attached hereto as Exhibit D, represents each Tract's and/ or District's projected and maximum annual Wastewater Services requirements in LUEs, beginning no sooner than March 1, 2027. In exchange for the payment of LUE Fees, the City shall allocate and reserve the total annual amount of LUEs of Wastewater Services to the Customers within each Tract and District in accordance with the Absorption Schedule each year, regardless of the active or proposed connections that may exist on any Tract in any given calendar year.

VI. DEFAULT

1. City's Failure to Commence and Continue Provision of Wastewater Services. If the City fails to abide by the Absorption Schedule either through

(i) a failure to commence making the Wastewater Services available to the Tracts and the Districts, or any of them or portion of them as set forth in the Absorption Schedule, on March 1, 2027, or (ii) a failure to provide continuous Wastewater Services to the Tracts and the Districts, or any of them or portion of them, in accordance with the Absorption Schedule (whether under the City's existing permit, the amended Fleming Farms Discharge Permit, or the Discharge Permit), and fails to: (i) cure such default within sixty (60) days after receipt of written notice of default from the Developers, the City shall be in default. If such a default occurs and the City has not obtained the amended Fleming Farms Discharge Permit, the City shall promptly commence the process of (and diligently pursue to completion) reassigning the Fleming Farms Discharge Permit to Jones. In the event the Developers terminate this Agreement, in whole, under this Section 1, the City shall have no further obligation under this Agreement, except for (i) the City's obligation to continue to provide the Sedona South Initial Wastewater Services for which the LUEs have been paid for to the Customers in Sedona South, and (ii) the City's obligations set forth in Article VI, Section 7, and the Developers will not pursue any other additional recourse. In accordance with Article II, Section 3, the City shall timely construct the Main Lift Station; provided, however, if the City has met that obligation, the City shall not be obligated to provide Wastewater Services to a Developer's Tract or District until such time as such Developer or District has constructed the Improvements, in accordance with the Regulatory Requirements, necessary to connect such Developer's Tract or District to the City's system or the Main Lift Station in accordance with City Standards.

Those sections of the Cost Sharing Agreement not modified herein shall remain in force as originally stated.

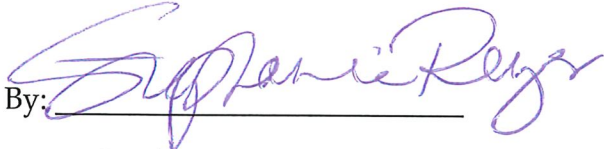
IN WITNESS WHEREOF, the undersigned Parties have executed this Agreement on the dates indicated below to be effective as of the Effective Date.

[COUNTERPART SIGNATURE PAGES FOLLOW]

COUNTERPART SIGNATURE PAGE TO
AMENDMENT NO. 2 TO REGIONAL WASTEWATER SERVICES AND FACILITIES
AGREEMENT

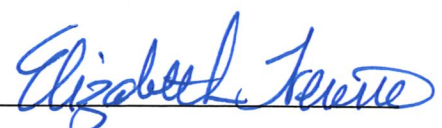
THE CITY:

THE CITY OF SAN MARCOS, TEXAS,
a Texas home rule municipality

By: 
Stephanie Reyes, City Manager

Date: 11/18, 2025

ATTEST:

By: 
Elizabeth Trevino,
City Clerk

Date: November 18, 2025

COUNTERPART SIGNATURE PAGE TO
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AGREEMENT

JONES:

A handwritten signature in black ink, appearing to read "CLINT JONES", is written over a horizontal line.

CLINT JONES

Date: 12/5, 2025

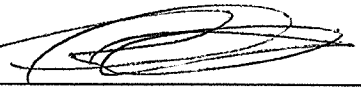
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RATTLER:

RATTLER RIDGE, LP,
a Texas limited partnership

By: Regal, LLC

Its general partner

By: 
Clint Jones, President

Date: 10/5, 2025

COUNTERPART SIGNATURE PAGE TO
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AGREEMENT

JLBC:

JLBC 710 INVESTMENTS, LLC,
a Texas limited liability company

By: 
John S. Lloyd, Manager

Date: 01/17, 2026

**HIGHLANDER SM TWO, LLC
PO Box 470249
Fort Worth, Texas 76147**

January 21, 2026

Via Overnight Delivery and Email

City of San Marcos
Attn: Director of Utilities
630 E. Hopkins
San Marcos, Texas 78666

Via Email

Guadalupe County Municipal Utility District No. 9 c/o Allen Boone Humphries Robinson LLP Attn: D. Ryan Harper 919 Congress Avenue, Suite 1500 Austin, Texas 78701	Clint E. Jones Regal Land Development 6 Gruene Wald New Braunfels, Texas 78130
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JLBC 710 Investments, LLC Attn: John S. Lloyd & Bruce Cash 6504 W. Courtyard Drive Austin, Texas 78730	Rattler Ridge, LP Attn: Clint Jones 6 Gruene Wald New Braunfels, Texas 78130
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Sedona South Municipal Utility District
c/o Armbrust & Brown, PLLC
Attn: Kevin Flahive
100 Congress Avenue, Suite 1300
Austin, Texas 78701

Re: Notice of Termination of Regional Wastewater Services and Facilities Cost
Sharing Agreement, as amended (the "Agreement")

Dear Messrs.:

Please be advised that Highlander SM Two, LLC ("Highlander"), is hereby terminating its participation in the Agreement effective as the date of this notice of termination.

Pursuant to Article V, Section 2(a) of the Agreement, Highlander has the right, in

its sole discretion, to terminate its participation in the Agreement in the event that Highlander and JLBC 710 Investments, LLC, did not execute an easement agreement and certain easements within six (6) months of signing the Agreement. To date, such easement agreement and easements have not been executed. Accordingly, Highlander is hereby exercising its termination right in accordance with Article V, Section 2(a) of the Agreement. As of the date of this notice of termination, Highlander shall have no further obligations or liability under the Agreement or to any of the other parties under the Agreement.

Should you have any questions or need further clarification, please feel free to contact me at jmaberry@highlanderrep.com or (512) 433-5231.

Sincerely,

A handwritten signature in cursive script that reads "John Maberry".

John Maberry,
Manager of Highlander SM Two, LLC

COUNTERPART SIGNATURE PAGE TO
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AGREEMENT

COTTONWOOD:



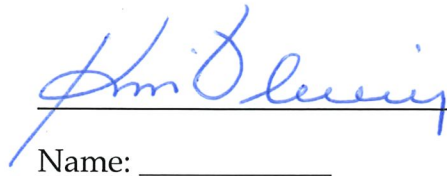
Name: Scott Teeter

Title: Authorized Person

Date: January 27, 2025-2026

COUNTERPART SIGNATURE PAGE TO
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AGREEMENT

MASON:

_____

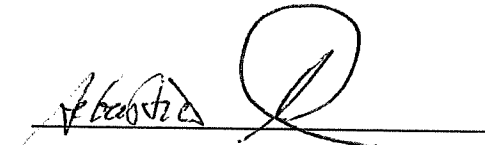
Name: _____

Title: Kevin Fleming - Assistant Secretary

Date: 11/12, 2025

COUNTERPART SIGNATURE PAGE TO
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AGREEMENT

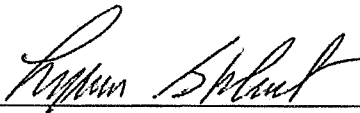
MULBERRY:


Name: SEBASTIAN STRIDER
Title: MANAGER FOR THE LLC

Date: DECEMBER 14th, 2025

COUNTERPART SIGNATURE PAGE TO
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AGREEMENT

GUADALUPE COUNTY MUNICIPAL
UTILITY DISTRICT NO. 9



Name: Lyman Skolaut

Title: President

ATTEST: 

Name: Chris Weath

Title: Secretary

Date: December 9, 2025