



City of San Marcos City Council

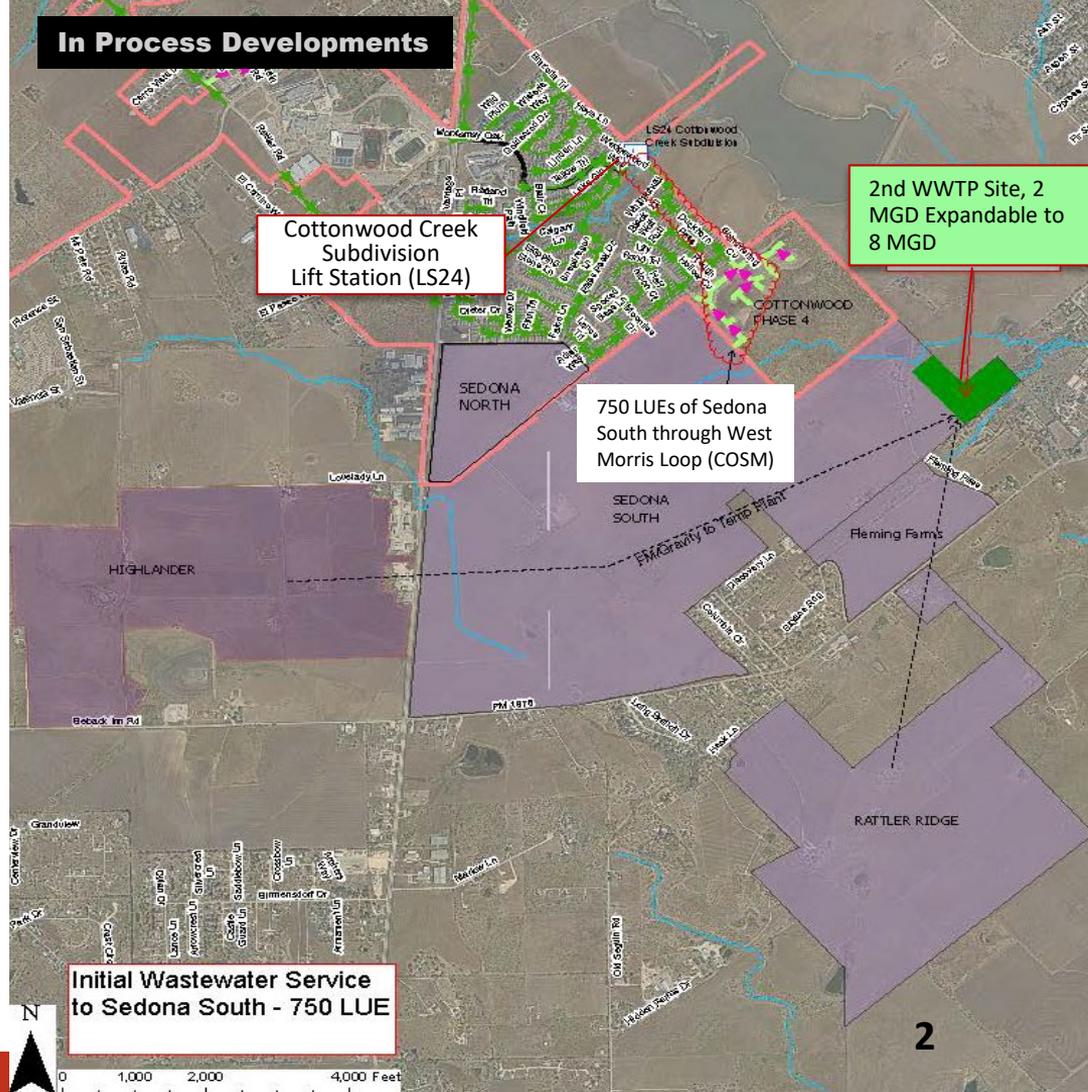
Cost Sharing Agreement for New Wastewater Treatment Plant

May 7, 2024

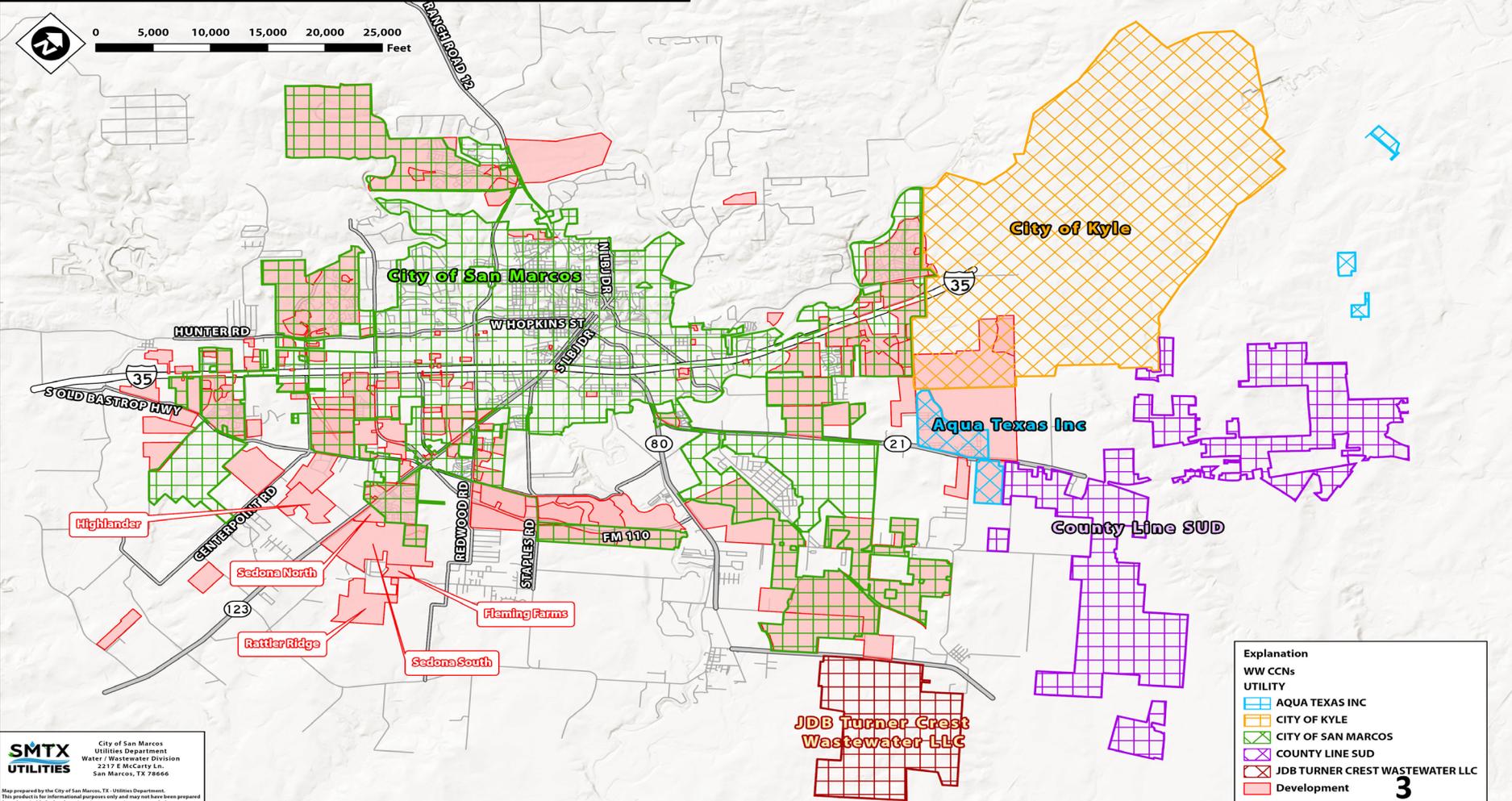
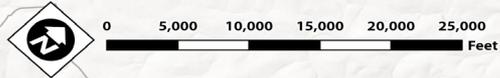


Overview

- Benefits
- Site Developments
- Capacity and Permitted Capacity
- Project Schedule
- Project Costs and CIP
- Financing
- SB2038 and Out of City Utilities
- Next Steps



City of San Marcos & Surrounding Utility Wastewater CCNs



SMTX UTILITIES
 City of San Marcos
 Utilities Department
 Water / Wastewater Division
 2217 E. McCarty Ln.
 San Marcos, TX 78666

Map prepared by the City of San Marcos, TX - Utilities Department.
 This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.

Explanation	
WW CCNs	
UTILITY	
	AQUA TEXAS INC
	CITY OF KYLE
	CITY OF SAN MARCOS
	COUNTY LINE SUD
	JDB TURNER CREST WASTEWATER LLC
	Development



Problem Statement

Resolve:

- Contested Cases; Texas Pollutant Discharge Elimination System (TPDES) Wastewater Discharge Permit
- Proposed Package Plants

Opportunities:

- Increase wastewater treatment capacity to support anticipated growth
- Reserve remaining existing plant capacity for along Hwy 110 and areas west of IH35
- Provide a 40+ year solution to match our water supply resources
- Establish in a technically advantageous site
- Fund without assuming additional debt service until 2030 (at earliest)
- Increase our reclaimed water capacity



Benefits – Current Ratepayer Impact

- NO rate increases necessary to execute project beyond what is already anticipated
- Avoids 13% wastewater rate increase in 2027
- Developer payments cover Debt Service through 2037
- \$1M per year revenue after 2043



Benefits – Environmental

- Eliminate unstaffed area package plants
- New reclaimed water source
- Plant design at full build out – 8 MGD



Benefits – Fiscal Responsibility

- Defer expansion of existing plant
- Expansions are less expensive after initial build
- Property and easements conveyed to the City



Benefits – Long Term Planning

- Aligns with 2013 Wastewater Master Plan
- Addresses City needs through 2063 (with future expansions; costs not included here)
- Reserve existing plant capacity for north and west of IH35 as well as development along Hwy 110
- Allows for diversion of existing load to new plant
- Permitted for expansion to nearly double City Wastewater capacity
- Alignment with our long-term water supply plans



Site Developments

- Fleming Farms

- Outside City limits (and Extra-Territorial Jurisdiction (ETJ))
- 334 Living Unit Equivalent (LUEs)
- Crystal Clear Special Utility District (CCSUD) Water
- TCEQ (Texas Commission on Environmental Quality) Discharge Permit has been issued; City contesting in civil court
- Construction Schedule: 2025-2027

- Rattler Ridge

- Outside City limits (and ETJ)
- 1,869 LUEs
- CCSUD Water
- TCEQ permit in process; State Office of Administrative Hearings (SOAH) hearing on hold pending outcome
- Construction Schedule: 2025-2033



Site Developments

- Sedona South
 - Outside City limits; in ETJ currently
 - 2,645 LUEs
 - CCSUD Water
 - No Wastewater provider – TCEQ Permit Application pending
 - Construction Schedule: 2025-2033
- Highlander
 - Outside City limits (and ETJ)
 - 1,400 LUEs
 - CCSUD Water
 - TCEQ has approved this permit
 - Construction Schedule: 2025-2032



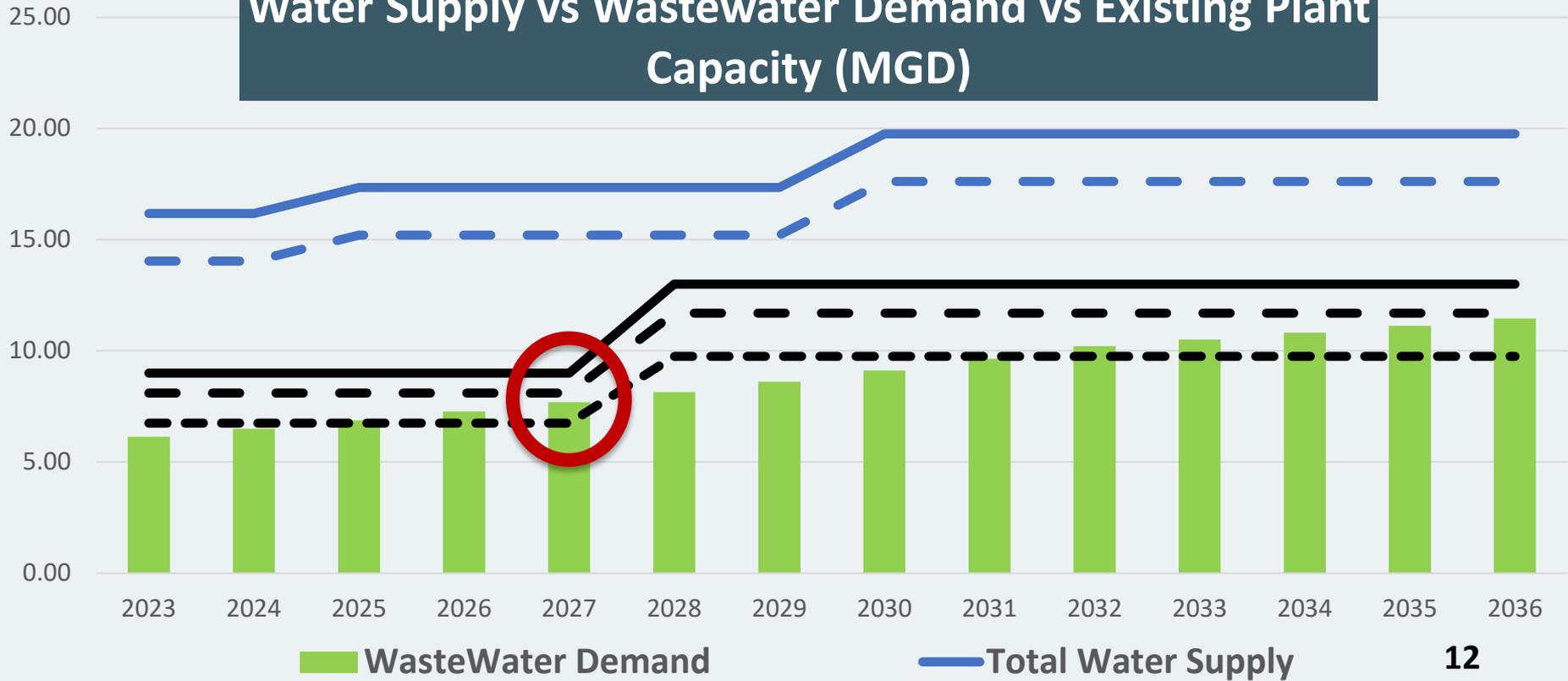
Site Developments & Package Plants

- City Ordinances 70.052(a)(10): “the city discourages...package treatment plants”
 - Protection of environment and rivers
 - Impacts on quality of life and health
- Wastewater Package Plants are proposed
 - Four small unstaffed units
 - Service capacity up to 22,500 residents



Wastewater Treatment Plant Capacity: 2023 - 2036

Water Supply vs Wastewater Demand vs Existing Plant Capacity (MGD)



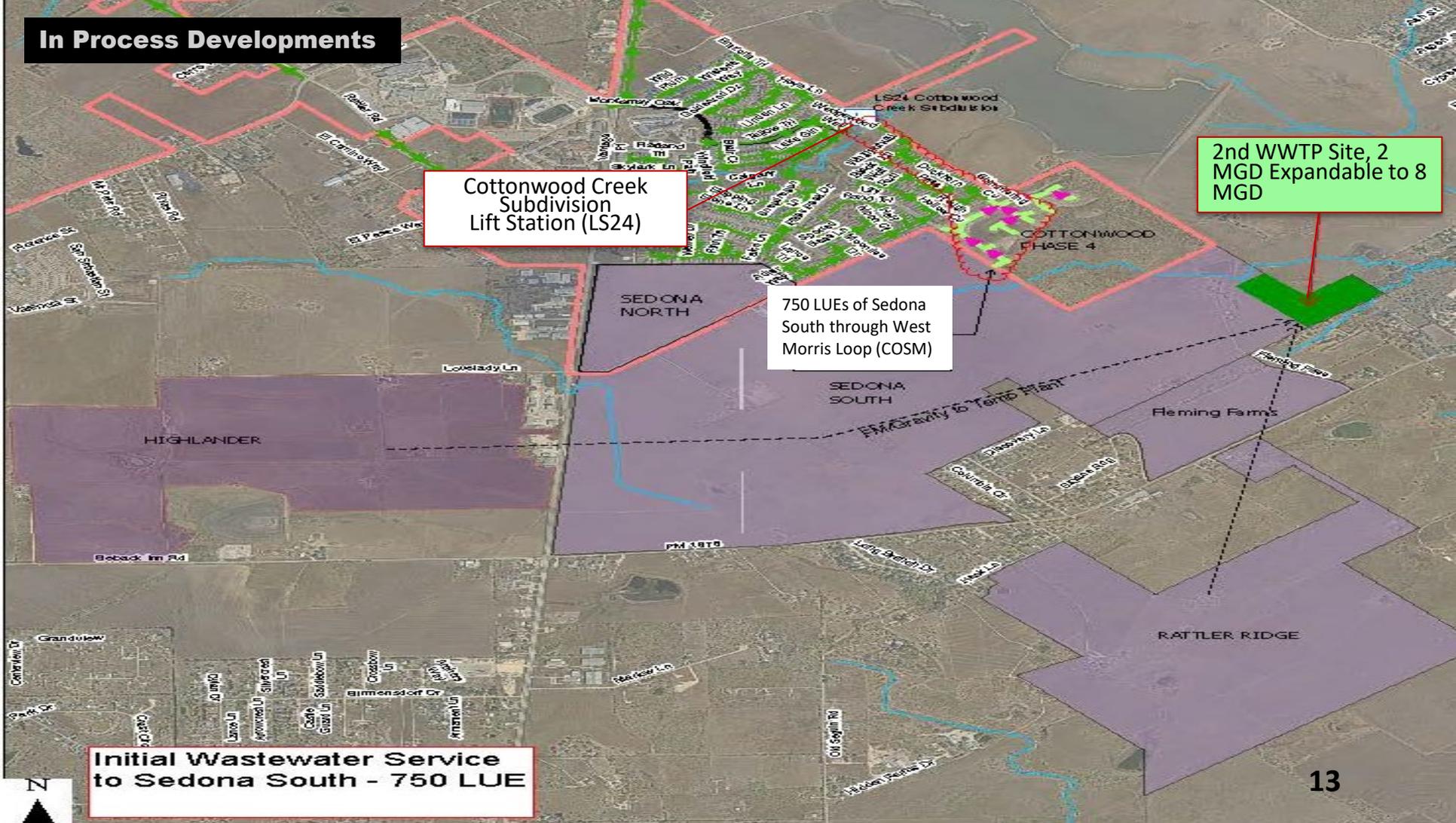
In Process Developments

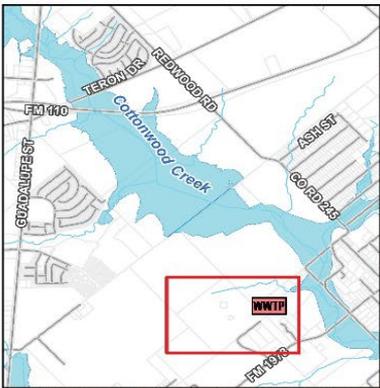
Cottonwood Creek
Subdivision
Lift Station (LS24)

2nd WWTP Site, 2
MGD Expandable to 8
MGD

750 LUEs of Sedona
South through West
Morris Loop (COSM)

Initial Wastewater Service
to Sedona South - 750 LUE





DRAFT FIGURE 1
CITY OF SAN MARCOS
SEDONA WASTEWATER
TREATMENT PLANT
PROPOSED LOCATION
LEGEND

-  Parcel
-  5' Contour
-  Road
-  Streams
-  FEMA 100-Year Flood Event



0 250
 SCALE IN FEET


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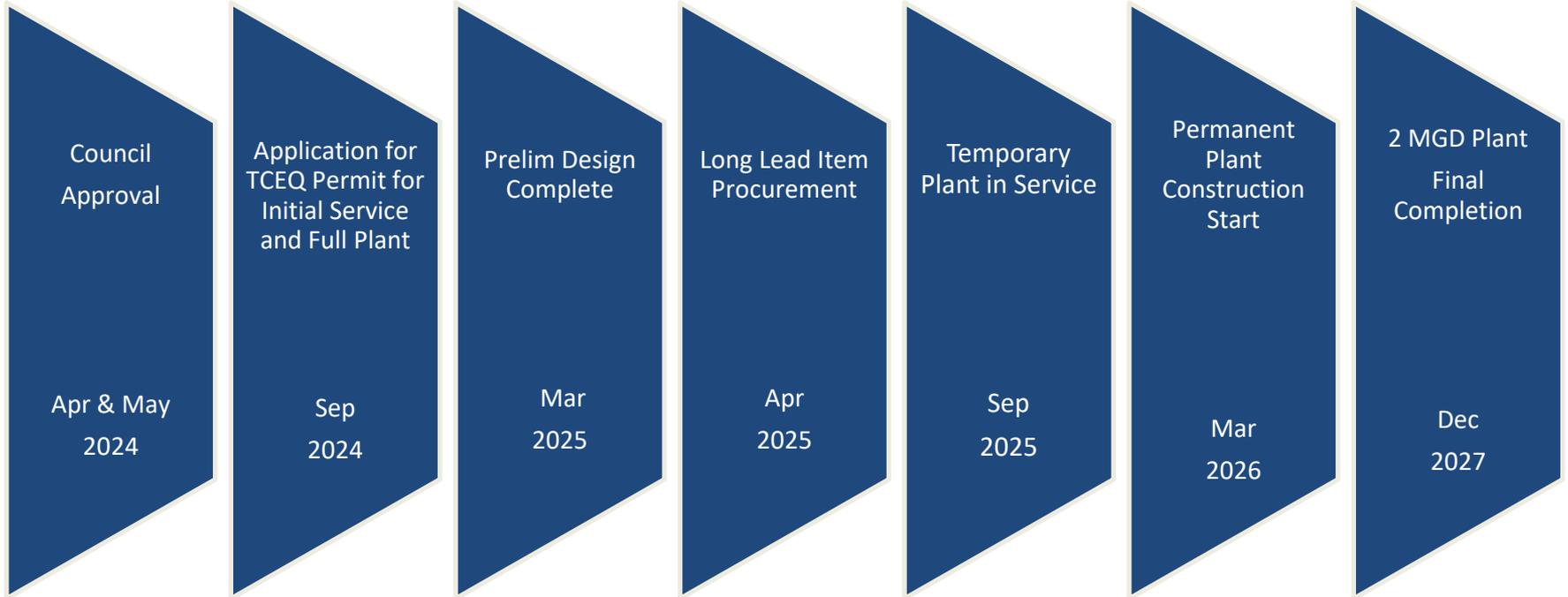


New Plant Details

- Sedona South conveys 23+ acres
- 2013 Wastewater Master Plan preferred location site
- Initial Phase – 2 million gallons per day (MGD)
- Operational first quarter 2027
- Initially serves four developments (1.25 MGD when fully built) with remaining capacity and future expansions available for City needs
- Future Expansions
 - To 4 MGD in 2030
 - To 8 MGD when needed
- Collaborative Design and Construction Process



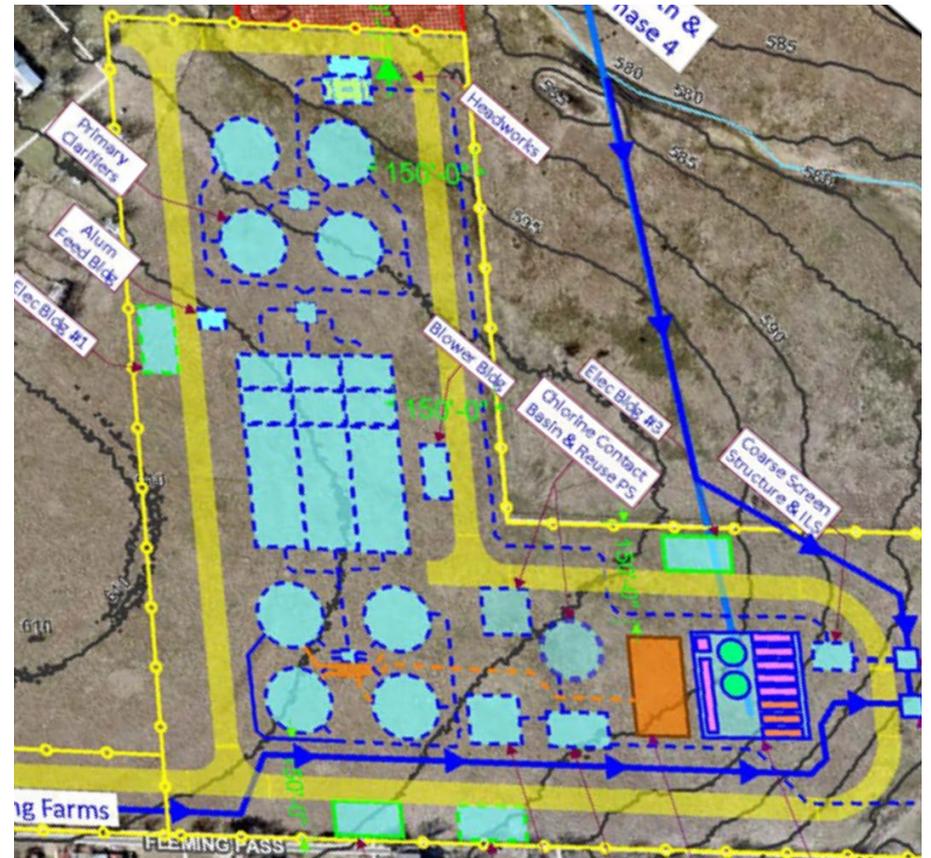
Project Schedule





Total Project Costs

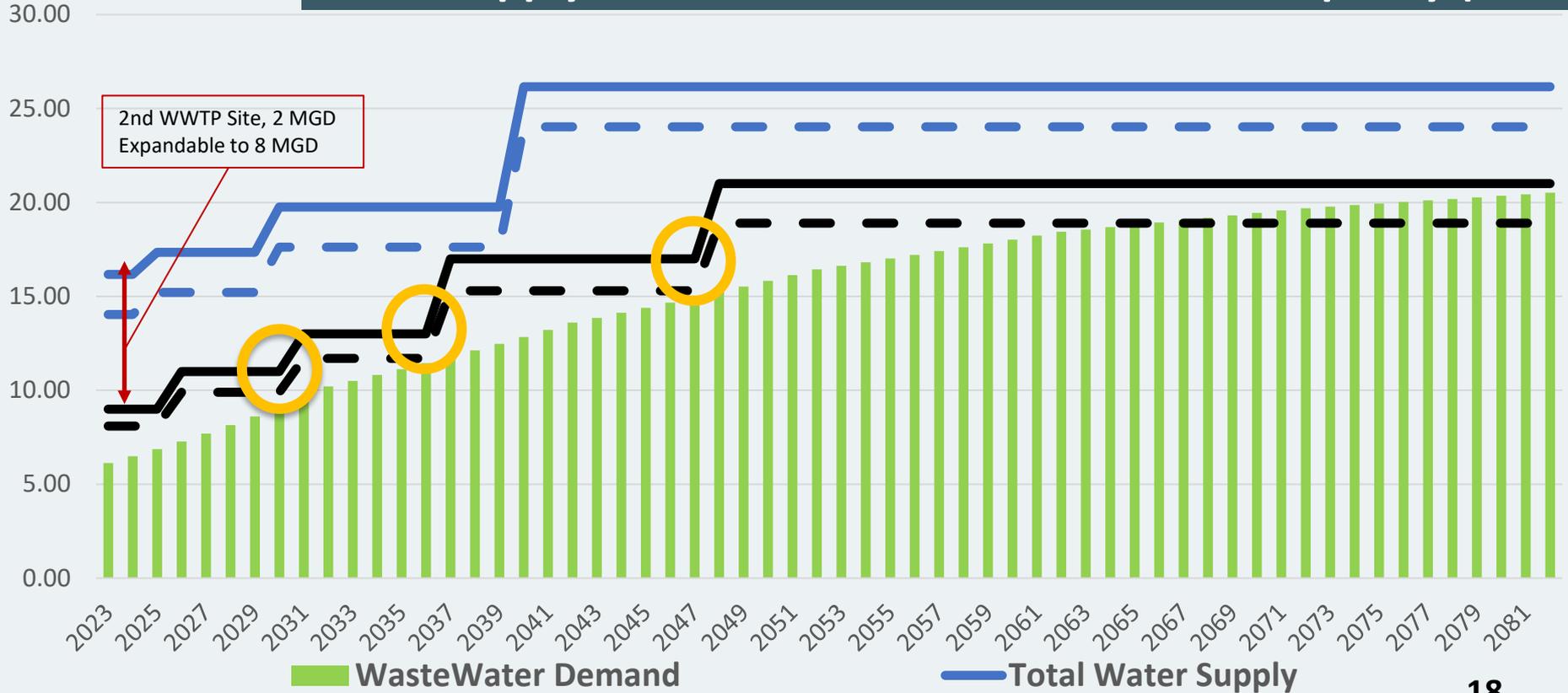
- Initial Phase – \$70M estimated; 2 MGD
- Developers' contribution – \$50M over 10 yrs
- Out of City wastewater rates apply
- 2025-2027 Temporary Plant costs are included
- Diversion of existing wastewater loads to the new plant are not included in this price
- Future expansions to 4 and 8 MGD are not included in this price





Wastewater Treatment Plant 50 Year Capacity

Water Supply vs Wastewater Demand vs Plant Capacity (MGD)





Financing the New Plant

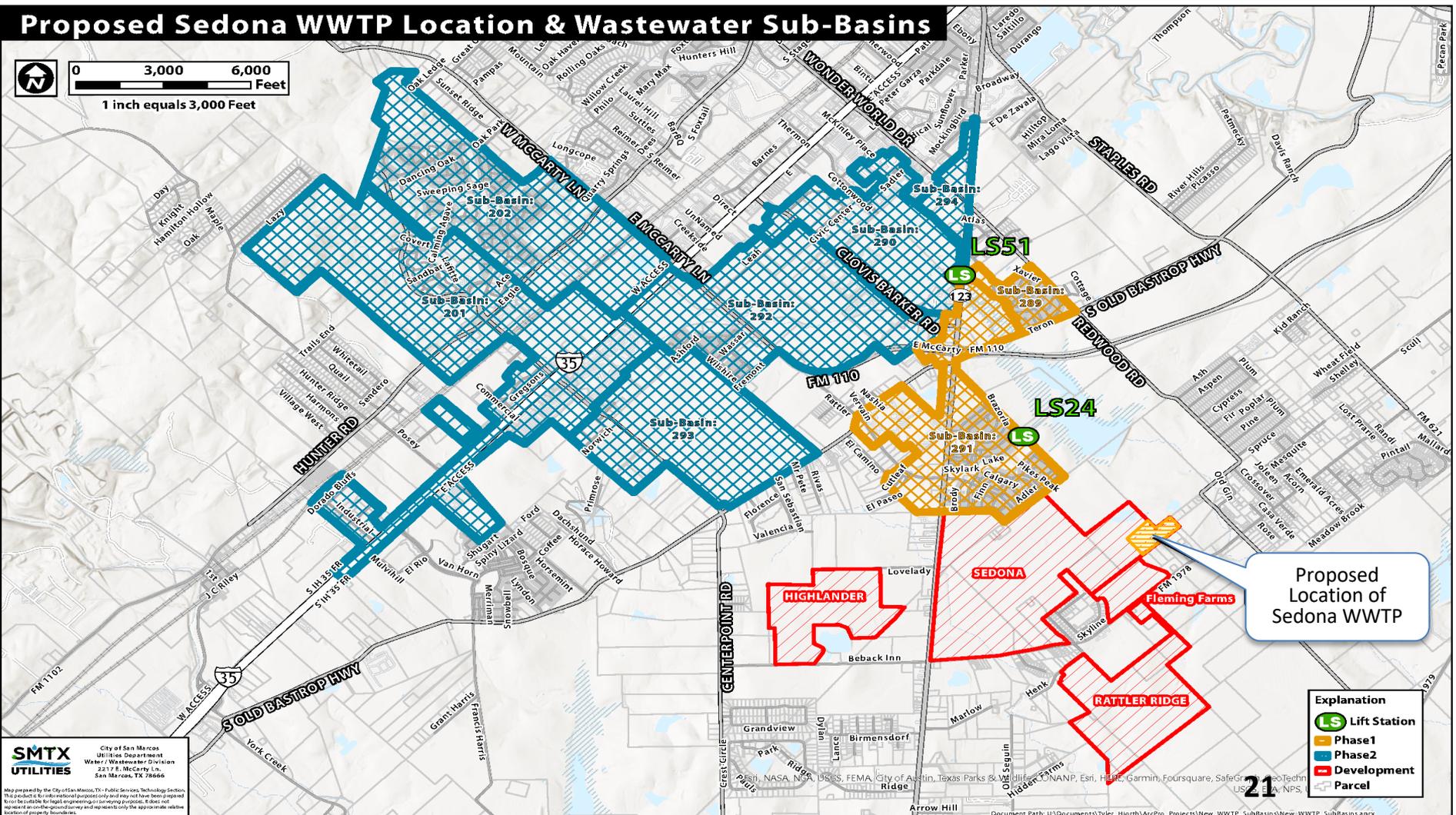
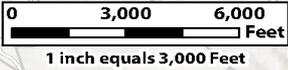
- LUE Fees
 - Collected semi-annually beginning Feb 2025
 - Payments based on Absorption Schedule (scheduled growth plan)
 - 2025 - \$3.86M
 - 2026 - \$6.40M
 - 2027 - \$5.52M
 - 2028 - \$5.96M
 - Total - \$50.2M in 2033
- Out of City Utility rates apply to all 6,248 lots



SB2038 & Out of City Utility Ordinance

- SB2038
 - Each developer indicates they may opt out of City ETJ
 - If still in ETJ, MUD (Municipal Utility District) consent by City will be necessary
- Out of City Utility Ordinance
 - Currently requires a written request for annexation
 - 1st reading of OCU ordinance change on April 16
 - 2nd reading on May 7

Proposed Sedona WWTP Location & Wastewater Sub-Basins



Proposed Location of Sedona WWTP

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- Explanation**
- Lift Station
 - Phase 1
 - Phase 2
 - Development
 - Parcel



SMTX

QUESTIONS?

UTILITIES