

# Old Alton Drive – Water Supply Update

**Stephen Gay, Director of Water Utilities**

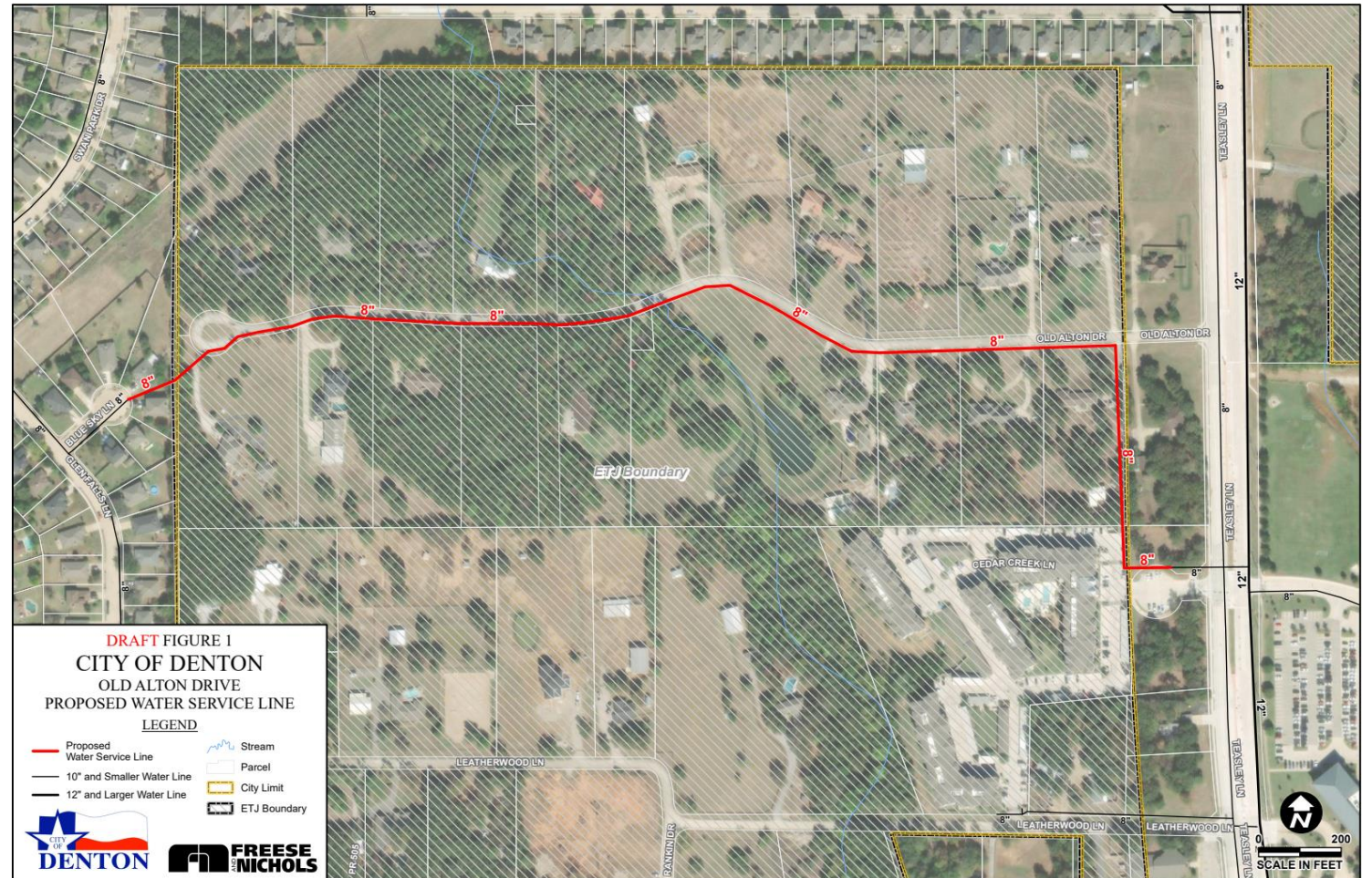
---

**November 19<sup>th</sup>, 2024**



# Old Alton Drive

- 21 homes on Old Alton Drive, 2 within corporate limits. All within City of Denton CCN
- All homes supplied by independent groundwater wells maintained by groundwater operator hired by HOA
- Individual septic systems at most properties
- Water wells failed 5/6/23



## Emergency Interconnect

- Water wells failed due to sand locking creating a water emergency
  - Wells subject to 41 TCEQ violations since 2011
  - Maintenance funding used to address and respond to TCEQ violations
  - Funding gap resulted in lack of maintenance causing well failure
- Texas Commission on Environmental Quality (TCEQ) authorized emergency interconnect while a permanent solution is being identified
- Coordination ongoing between all parties



# Solution History

- 5/6/23 Wells failed
- 5/11/23 TCEQ approves emergency interconnect to Denton water. Extended in 6-month increments 11/11/23 and 5/11/24
- 7/25/23 Development Services and Water Utilities met with residents to discuss permanent options
- 8/18/23 Schematic permanent connection and cost estimated created and distributed for review
- 10/11/23 Meeting between TCEQ, Public Utility Commission of Texas, Texas Water Infrastructure Coordination Committee, Old Alton representatives, and City of Denton representatives to discuss grant funding to offset construction costs
- 10/23 – 3/24 Old Alton worked with the Texas Water Development Board (TWDB) on grant funding
- 3/27/24 Old Alton established Old Alton Water Supply Corp. to pursue grant funding
- 5/2/24 Old Alton requested a letter granting approval to work under City's Certificate of Convenience and Necessity (CCN).
- 5/24 – 6/24 Upon staff review, the decision was made against providing the letter unless there is an agreement in place and consideration of applicable state statutes and rules.
- 6/25/24 Meeting with Old Alton to deny request for letter and discuss alternates
- 7/31/24 Meeting with Denton, Old Alton, and Texas Water Development Board to discuss grant funding alternatives
- 9/13/24 Reviewed status and estimated impact per household with Old Alton and Water Finance Exchange representatives
- 11/13/24 Community meeting to discuss options prior to work session.



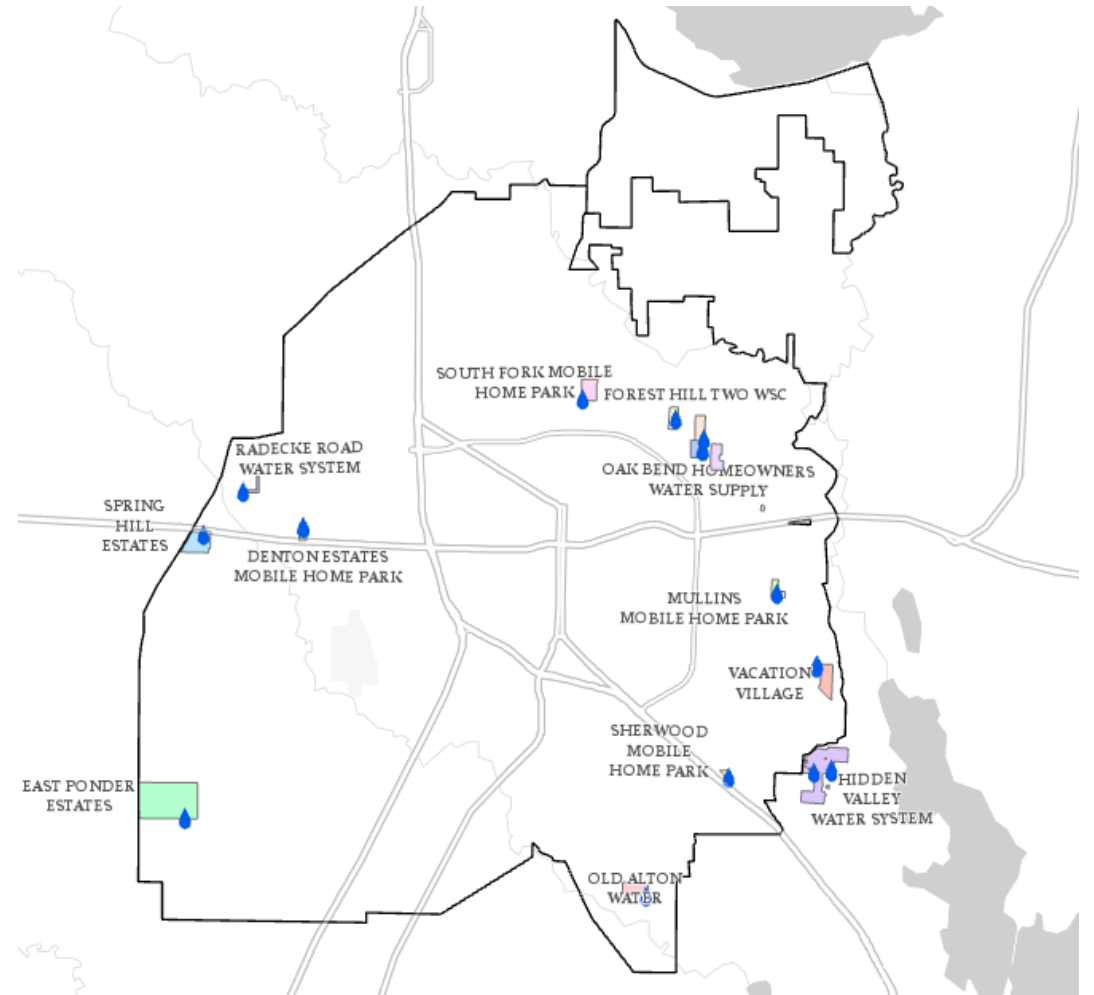
## Comparison to Greentree Estates Well Failure (2019-20)

Category	Greentree	Old Alton	Notes
Residents Served (TCEQ reported)	Less than 25	69	Illegal connections reduced the Greentree resident count
Public Water System	No	Yes	PWS serves 25 or more residents according to TCEQ
Private Distribution Infrastructure	Yes	Yes	Both have private distribution infrastructure which is undersized and not installed to city code
Property Located within City of Denton's Corporate Limits	Yes – Annexed 2013	No	Old Alton is within CCN and ETJ but not City Limits
Property Located within CCN	Yes	Yes	Both located within COD's CCN
Adjacent to City of Denton water lines	Yes	Yes	Both have COD water lines adjacent to their property so service can be provided without third party easement acquisition
City actions in response to water emergency	Yes	Yes	Both properties subjected to well failure/abandonment creating emergency supply situation



# Current Public Water Systems Supplied by Wells

PWS Name	Population
Vacation Village	1,140
South Fork Mobile Home Park	1,001
Woodhaven MHC	528
East Ponder Estates	363
Sherwood Mobile Home Park	345
Spring Hill Estates	237
Hidden Valley Water System	186
Denton Estates Mobile Home Park	156
Woodland Hills	108
Forest Hill Two WSC	108
Oak Bend Homeowners Water Supply	87
Mullins Mobile Home Park	87
Riviera Mobile Home Park	75
Old Alton Water	69
Radecke Road Water System	42
<b>Total</b>	<b>4,532</b>



## Standard Development Services Process

- Pre-Application Conference
  - Departmental review of plans
  - Assigned Development Facilitator
- Civil Engineering Plans submitted/reviewed
- Approval and Permits granted
- Construction supervised by Public Works Inspections
- Project accepted and closed out

## Why is this different?

- Deviation from Standard Development
  - Established Community
  - Located outside of Corporate Limits
  - Need driven by the community and not a developer
  - Response to emergency conditions



# Proposed Option #1 – Residents Drill New Well

## Benefits:

- Simplest path forward
- Quickest implementation
- Utilizes existing infrastructure
- Least amount of coordination
- Least impact to City
- No Impact Fees

## Obstacles:

- Cost prohibitive to Old Alton residents
- Engineers and TCEQ do not recommend due to potential for well failure in the future

## Cost Estimate

Total	\$1 to \$1.3 million
Cost per Residence	\$47.6k to \$61.9k

# Proposed Option #2 – Old Alton Secures Grants and Constructs

## Benefits:

- Current path, has momentum
- Keeps financial burden on Old Alton
- Follows Development Services process

## Obstacles:

- Very long implementation (3-4 years)
- Very high level of governmental coordination
- Grant may not cover full cost
- \*Requires dual CCN
- \*Requires construction contract and infrastructure transfer agreement

Cost Estimate	
Total	\$800k to \$1.2 million
30% Grant Coverage	(\$560k) to (\$840k)
Impact/Connection Fees (Current)	\$7.2k / home
Cost per Residence	\$33.9k to \$47.2k

\*Both actions set a bad precedent for future water supply issues and developments

# Proposed Option #3 – Denton Secures Grants and Constructs

## Benefits:

- Per TWDB, quicker grant acceptance
- No dual CCN requirement
- No infrastructure transfer agreements
- Verbal confirmation from TCEQ

## Obstacles:

- Grant value is estimated, will not cover full cost
- Non-covered cost will require upfront payment from residents. This includes administrative costs associated with applying for the grant.

Cost Estimate	
Total	\$800k to \$1.2 million
30% Grant Coverage	(\$560k) to (\$840k)
Impact/Connection Fees (Current)	\$7.2k / home
Cost per Residence	\$33.9k to \$47.2k



## Proposed Option #4 – Denton Withdraws Support

Old Alton to either drill well or install connection infrastructure at their own expense

- Grants may not materialize leaving residents in a perpetual temporary water situation
- TCEQ will not authorize the emergency interconnect indefinitely, causing a future escalation of the water emergency
  - An escalation in the emergency may involve COD as the CCN holder and nearest water provider
- Lack of permanent water connections will negatively impact residents' property values and create issues with selling homes in the future
- Lack of support may cause a financial burden on the population of the Old Alton neighborhood

# Staff Recommendation

All options including estimated financial impacts have been reviewed with, and acknowledged by, Old Alton representatives.

Staff recommends Option #3: Denton Secures Grants and Constructs

Seeking direction from Council to proceed

Potential Next Steps:

- Direction provided by Council
- Staff coordinates grant funding with TWDB
- Council reviews and approves grant funding application
- City of Denton receives Grant Funding from TWDB and upfront payment for the remainder from Old Alton residents
- Water Utilities constructs the water line and connects Old Alton residences to end the emergency interconnect

**Questions?**

