



**AGENDA INFORMATION SHEET**

**DEPARTMENT:** Development Services

**CM/DCM/ACM:** Cassey Ogden

**DATE:** November 19, 2024

**SUBJECT**

Consider adoption of an ordinance of the City of Denton, Texas (“City”) authorizing the execution of a Utility Service Agreement with TCCI Churchill LLC (“Owner”) and Ponder Farms Municipal Utility District of Denton County (“District”) concerning retail water and wastewater service by the City to future customers within approximately 264.042 acres of land generally located north of FM 2449 and south of T N Skiles Road, and east of FM 156 (“Property”); effluent ownership; sale of groundwater rights; and other related matters; and providing an effective date.

**STRATEGIC ALIGNMENT**

This action supports Key Focus Area: Enhance Infrastructure and Mobility.

**BACKGROUND**

The City was approached by the developers in 2022. In April 2022, the City received an initial petition for the creation of the MUD but did not provide consent. Following that, a petition was submitted to the TCEQ for the creation of the Ponder Farms MUD by the developer in June 2023 and the MUD was created by TCEQ in November 2023. The City staff and developer have continued discussions over this time regarding the potential of the City of Denton to provide services to the MUD over this same period. Earlier this year, the City and the developer were able to reach an agreement regarding services whereby the City would provide water and wastewater services and enter into a development agreement.

The Water Utilities staff has been working with the developer to provide retail water and wastewater to the development through a Utilities Service Agreement.

The development is expected to start building homes in 2026 with full buildout in 2037. The development will be built on five different properties (Churchill East, Churchill West, Ponder Farms, Webster Meadows, and TexMix) which are all within the Ponder Farms MUD.

In total, the Ponder Farm Master Concept Plan contemplates the following:

GROSS ACREAGE	USE	INTENSITY		
		Lots/Units	Lot Count	Width
498	Single-Family	2,585	511	60’
			191	50’
			1,515	45’
			368	40’

19	Multifamily	500
23	Commercial	

**540 Developed Acres**

**827 Total Acres**

The proposed agreement includes provisions for various public improvements at the expense of the District, which includes roadway, water, wastewater, and stormwater. The approximate costs of the total improvements are \$174,700,000. The water is planned to be connected from an existing elevated storage tank at H Lively Road and wastewater will be provided to a City facility on Robson Ranch Road.

This Utility Service Agreement is related to the Churchill West property which is 264.042 acres and is planned to have 727 residential lots, 19.3 acres of multifamily, and 22.8 acres of commercial property with a maximum of 1,650 single-family equivalent connections.

**RECOMMENDATION**

Staff recommends approval of an Ordinance authorizing the execution of a Utility Service Agreement between the City of Denton, TCCI Churchill, and Ponder Farms Municipal Utility District which includes the following conditions:

**1. Construction**

- a. Water and Wastewater – The City will be the exclusive provider of water and wastewater service for the District at the same rates charged to other communities located outside of the City limits.
- b. The Developer will be responsible to design, construct all W/WW improvements in accordance with the City’s adopted standards at the Developer’s expense. The Developer will be responsible for Water/Wastewater impact fees and as well as any necessary dedications and, similar to other developments, will be eligible for impact fee credits.

**2. Groundwater**

- a. The development will convey all of the ground water rights to the City and only be available for use with irrigation.
- b. Reclaimed water can be used for irrigation in the future by the development once provided by the City to reduce ground water use further and provide additional revenues.

**3. Water Conservation**

- a. The properties within the development will be required to follow the City’s water conservation and drought contingency regulations.

**4. Wastewater**

- a. The developer has agreed for the City to be the retail wastewater provider for the MUD. A separate agreement will be brought forward to outline the details of that wastewater service.
- b. The City maintains ownership of all wastewater flows and the MUD will be required to support future TCEQ permit requests by the City to use those flows to support the City’s water supply portfolio.

**PRIOR ACTION/REVIEW (Council, Boards, Commissions)**

May 2020– The City adopted an Interim MUD Policy

April 2022– City received Petition for Consent to Create the Ponder Farms MUD

May 2022– The City adopted the current MUD Policy

June 2023– Developer submitted Petition for Creation of Ponder Farms MUD to TCEQ

November 2023– TCEQ Ordered Creation of the Ponder Farms MUD

**EXHIBITS**

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance and Agreement

Respectfully submitted:

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