



AGENDA INFORMATION SHEET

DEPARTMENT: Development Services

CM/DCM/ACM: Kenneth Hedges

DATE: June 16, 2026

SUBJECT

Consider adoption of an ordinance of the City of Denton, Texas, a home-rule municipal corporation, authorizing the City Manager, or their designee, to execute a facilities agreement with 636 Denton Dev Company, LLC, wherein the Developer will plan, design, and construct a temporary wastewater treatment plant, city water line, and other water and wastewater facilities necessary to serve the Sundance Development generally located west of the intersection of Farm-to-Market Road 2164 and Milam Road East; requiring the City's withdrawal of its protest of Texas Pollutant Discharge Elimination System Permit No. WQ0016632001; providing for the City's ownership and operation of water and wastewater facilities, including the wastewater treatment plant; requiring transfer of Texas Pollutant Discharge Elimination System Permit No. WQ0016632001, when issued, from the Developer to the City; providing a capacity reservation to the developer; and providing an effective date. The Public Utilities Board recommends approval (5 - 0).

STRATEGIC ALIGNMENT

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

BACKGROUND

The Developer, 636 Denton Dev Company, LLC, plans to construct a mixed residential project known as the Sundance Development in the City of Denton extraterritorial jurisdiction (ETJ). The project will eventually have up to 2,000 single family equivalents (SFEs). The development area sits entirely within the City of Denton's certificated sewer service area but falls within a dually certificated water service area shared by both the City and the Bolivar Water Supply Corporation. To ensure unified utility operations, the Developer has agreed to the City of Denton serving as the sole retail provider of water and sewer services to the entire development.

To establish water service, the Developer will design and construct a 16-inch water line capable of serving the maximum 2,000 SFEs at their sole expense. Once the water line is completed, inspected, and accepted, the Developer will dedicate the infrastructure to the City without compensation. In return, the City will reserve 2,000 SFEs of water capacity specifically to supply the Sundance property as it develops, but this line will serve future developments in the area and is sized to the City's water master plan capacity.

Because the City's central sewer system does not yet reach the property, the agreement will require the Developer to construct a temporary, three-phase neighborhood Wastewater Treatment Plant (WWTP). Following the completion of the initial construction phase, the Developer will transfer the required state discharge permit and dedicate the plant facilities to the City. The City will then operate the temporary

plant to serve the development. Additionally, Denton will retain 100% ownership of all treated effluent discharged from the plant for future water planning efforts.

The permanent wastewater solution requires connecting the development directly to the City's future Clear Creek Interceptor. Once the Clear Creek Interceptor is extended, the Developer must construct a connecting pipeline at its own expense. Within 270 days after this central connection becomes active, the City will cease operating the temporary WWTP. The Developer is then legally and financially responsible for decommissioning and removing the temporary plant from the site, and must either relocate the infrastructure to a City-approved location or safely dispose of it.

By executing this agreement, the City of Denton agrees not to oppose the temporary plant's state permit application and will formally withdraw all previously filed public comments and hearing requests.

RECOMMENDATION

Staff recommends approval of the agreement.

PRIOR ACTION/REVIEW (Council, Boards, Commissions)

June 8, 2026- The Public Utilities Board recommended approval 5-0

EXHIBITS

Exhibit 1 – Agenda Information Sheet

Exhibit 2 – Ordinance

Respectfully submitted:
Charlie Rosendahl
Director of Development Services