



Agenda Item Report

Legislative Board: City Council
Date: March 24, 2026
Contact: Blair Murski
Agenda Item ID / Number: 2026-167- / H.2

ITEM TITLE: Authorization for the City Manager to execute a cost share agreement with Meritage Homes of Texas, LLC, M/I Homes of Austin, LLC, and Buda Municipal Utility District No. 1 for the additional costs related to upsizing The Colony at Cole Springs Lift Station totaling \$59,498.79 and directing staff to prepare a budget adjustment for City Council consideration (Public Works Director Blair Murski, P.E.)

1. EXECUTIVE SUMMARY

The Colony at Cole Springs is a residential development that will feature up to 531 single-family lots. As part of the approved development agreement, the developer upsized the project's wastewater lift station from a 500 gallons per minute capacity to an ultimate capacity of 1,900 gallons per minute. This cost-share agreement authorizes a total reimbursement of \$59,498.79 to the developer for the additional design and equipment costs associated with the lift station's ultimate design.

2. BACKGROUND/HISTORY

The Colony at Cole Springs development is a property located south of Old Black Colony Road and west and north of Cole Springs Road totaling 168.883 acres, of which approximately 112.6 acres will be developed as detached single-family residential housing. Per City Ordinance 2023-023 Amendment No.1 of the Colony at Cole Springs DA0001 (DA), the lots are zoned both F4 and R3 and there shall not be more than 531 total lots. This development is to be constructed into 3 phases. The wastewater lift station is being constructed in Phase 1 and is currently at substantial completion.

3. ANALYSIS

To adequately serve the development, the Colony at Cole Springs lift station needs to have a capacity of 500 gallons per minute. This lift station is positioned where it can serve a regional area in addition to the development. If constructed to the ultimate capacity, this lift station can serve future developments/additional sewer sheds along the FM 1626 Corridor in West Buda along with future development along Old Black Colony Road. Per the DA, the developer agreed to upsize the lift station to the ultimate capacity, capable of handling 1900 gallons per minute, to benefit the regional sewer shed and expand the regional system in accordance with the City's future infrastructure plans. The agreed upsizing within the DA only pertained to the physical dimensions of the lift station (pipes, wet well, etc.). The City is responsible for the cost of designing and furnishing the extra equipment required for the ultimate capacity. Adding the necessary work to reach the ultimate capacity to the development team's design and bid proposal and reimbursing the developer was presented to the Water/Wastewater/ Drainage Steering Committee in October 2024 during an update on the 1626 Corridor Study for wastewater service. The committee had no objections. This agreement is being brought forth now since the lift station has reached substantial completion. The agreement was approved to form by the City Attorney on 2/16/2026.

4. FINANCIAL IMPACT

This cost share agreement accounts for the \$15,000.00 design effort and \$44,498.79 bid alternate required for outfitting the lift station to the ultimate capacity. This totals \$59,498.79 owed to the development team.

5. STRATEGIC PLAN/GOALS

EXCEPTIONAL CITY SERVICES

6. STRATEGIC PLAN OBJECTIVES

Leverage City resources through partnerships, grants and other outside funding sources

7. PROS AND CONS

Not Applicable.

8. ALTERNATIVES

No alternatives are currently proposed for this agreement.

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Staff recommends City Council authorize the City Manager to execute the cost share agreement with Meritage Homes of Texas, LLC, M/I Homes of Austin, LLC, and Buda Municipal Utility District No. 1 to reimburse the Developer \$59,498.79 for the additional costs related to upsizing the Colony at Cole Springs Lift Station.

Attachments:

[Colony Lift Station Pro-Rata Cost Sharing Agreement - Partially Executed.pdf](#)