



Agenda Item Report

Legislative Board: City Council
Date: March 3, 2026
Contact: Angela Kennedy, Director
Agenda Item ID / Number: 2026-237- / H.3

ITEM TITLE: Adoption of a Resolution authorizing the City Manager to execute an Interlocal Agreement amendment to the existing Plum Creek Watershed Partnership Interlocal Agreement (Director for Development Services/City Engineer Angela Kennedy, P.E., CFM)

1. EXECUTIVE SUMMARY

The attached Interlocal Agreement amendment and renewal updates outdated language within the interlocal agreement. The Financing Parties have mutually agreed to amend and renew the Interlocal Agreement.

The current Interlocal Agreement has a termination clause that states that Interlocal funding will end when federal funding ends. Since the Plum Creek Watershed is moving to state funding, an amendment needs to be completed so that the ILA can continue. The amendment removes the 'federal' stipulation from the grant funding and also adds a provision to the termination clause, stating that if grant funding ends, the ILA partners will decide if they want to terminate the ILA funding or continue.

2. BACKGROUND/HISTORY

The City of Buda has been involved with the Partnership as a funding partner since its inception. The Partnership, with the implementation of the Plum Creek Watershed Protection Plan, aims to reduce and eliminate sources of nonpoint source pollution within the Plum Creek watershed and improve the overall water quality in this basin. The original 2011 Interlocal Agreement supports the first local stakeholder-developed Watershed Protection Plan (WPP) in the State of Texas. The Interlocal Agreement ensures funding for WPP implementation, including a Watershed Coordinator position, pursuant to the terms identified in the document.

This item recommends renewal of an Interlocal Agreement Amendment and renewal among Hays County, Caldwell County, City of Luling, City of Kyle, City of Buda, City of Lockhart, City of Uhland, Guadalupe-Blanco River Authority, Plum Creek Conservation District, Aqua Water Supply Corporation, Caldwell-Travis Soil and Water Conservation District #403, and Hays County Soil and Water Conservation District #351, regarding implementation of the Plum Creek Watershed Protection Plan.

In 2006, the Plum Creek Watershed Partnership ("PCWP") was established to restore and protect the water quality in Plum Creek, a tributary of the San Marcos River in the Guadalupe River Basin of Texas, and each Financing Party named above has representatives on the PCWP Steering Committee that is described in and operates under the PCWP Ground Rules dated May 5, 2006. Also recommended for approval is the designation of Angela Kennedy as the City of Buda's representative committee member on the Plum Creek Watershed Partnership Steering Committee.

Since the creation of the Partnership, several million dollars have been dedicated to the development and implementation of the highly recognized Plum Creek Watershed Protection Plan ("WPP"). The attached Interlocal Agreement amendment allows for state funding of the Plum Creek Watershed Coordinator (PCWC) position and removes the 'federal' stipulation from the grant funding

and also adds a provision to the termination clause, stating that if grant funding ends, the ILA partners will decide if they want to terminate the ILA funding or continue. The Financing Parties have mutually agreed to amend and renew the Interlocal Agreement.

3. ANALYSIS

Plum Creek is a tributary to the San Marcos River with a 397 square mile drainage area. Plum Creek was placed on the 2004 Texas 303(d) list for exceeding the primary contact recreation water quality standard for bacteria (*E. coli* <126 cfu). To date, all 3 segments remain impaired. The City of Buda Wastewater Treatment plant discharges into the Plum Creek Watershed.

The Plum Creek Watershed Protection Plan is a roadmap to restore water quality in Plum Creek and includes recommendations on data collection and water quality monitoring, implementation of best management practices to address pollution from agriculture and urban sources, and outreach and education. In 2017, the Buda Wastewater Treatment Plant discharge permit was modified to include stricter nutrient limits meeting a goal of the Watershed Protection Plan.

The Plum Creek Watershed Partnership is utilizing community outreach and green stormwater infrastructure to improve water quality and mitigate the impacts of both drought and flooding to our watershed communities. Through the efforts of its partners, the Plum Creek Watershed Partnership remains at the forefront of surface water quality management and continues to play a key role in watershed stewardship in the State of Texas.

The attached Interlocal Agreement amendment and renewal updates outdated language within the agreement. The Financing Parties have mutually agreed to amend and renew the Interlocal Agreement.

The Plum Creek Watershed Coordinator (PCWC) position is funded by a 319 Nonpoint Source grant. This grant money comes from the EPA and is distributed by the Texas State Soil and Water Conservation Board (soil board). The current federal grant funding for the PCWC will end on November 30, 2026. A new round of funding was applied for last summer, which would start immediately after the current grant. Due to changes at the federal level and uncertainty with federal funding, the soil board has decided to move the PCWC funding to a state-funded nonpoint source grant, as a stopgap measure. This will be a 2-year grant, and the PCWP will reapply for federal funding this summer, which will begin when the state grant ends in 2028. The soil board would like to move the PCWP to the state funding as soon as possible with April 1st as the goal.

The current Interlocal Agreement has a termination clause that states that Interlocal funding will end when federal funding ends. Since we are moving to state funding, an amendment needs to be completed so that the ILA can continue. The amendment removes the 'federal' stipulation from the grant funding and also adds a provision to the termination clause, stating that if grant funding ends, the ILA partners will decide if they want to terminate the ILA funding or continue.

4. FINANCIAL IMPACT

There is no change to the City's financial contribution.

The current fiscal year budget includes funding for the City of Buda's participation in the Plum Creek Watershed Partnership. Annual contribution from partner organizations is calculated as a pro rata share of the organization's annual operating budget of \$48,000 based on the population of the entity and the square miles of the entity that are located in the Plum Creek watershed basin. Buda's contribution is calculated as \$1,391 for Fiscal Year 2026.

5. STRATEGIC PLAN/GOALS

EXCEPTIONAL CITY SERVICES WITH A LOW TAX RATE

6. STRATEGIC PLAN OBJECTIVES

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

7. PROS AND CONS

Pros: Continued involvement in an important regional partnership.

Cons: None foreseen.

8. ALTERNATIVES

N/A

9. REQUESTED ACTION / SUGGESTED MOTION / RECOMMENDATION

Staff recommends that City Council authorize the City Manager to execute the attached Plum Creek Watershed Protection Plan Interlocal Agreement.

Attachments:

[Resolution - Plum Creek Watershed Protection Plan Interlocal](#)