

**INTERLOCAL AGREEMENT  
BETWEEN THE CITY OF KYLE, TEXAS AND THE  
HAYS CALDWELL PUBLIC UTILITY AGENCY RELATED TO  
CONSTRUCTION OF A WATER LINE EXTENSION**

This Interlocal Agreement (this “Agreement”) is made this \_\_\_\_\_ day of \_\_\_\_\_, 2017 between the City of Kyle, Texas (“Kyle”) and the Hays Caldwell Public Utility Agency (the “Agency”). This Agreement provides for cooperation between Kyle and the Agency related to the Agency’s construction of a water line extension for Kyle as part of the Agency’s Phase 1A Project (the “Project”).

**RECITALS:**

1. This Agreement is made under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code.

2. Kyle, together with the City of Buda, the City of San Marcos, and the Canyon Regional Water Authority, as “participating public entities,” created the Agency under Texas Local Government Code Chapter 572 for the purpose of jointly planning, financing, constructing, owning, operating, and maintaining public water supply facilities through the Agency.

3. The Agency is in the process of designing and constructing its Phase 1A Project (the “Project”) that consists generally of a water pipeline, pump station and related facilities that will serve as a connection between the water distribution systems of Kyle and the City of Buda. Segment A of the Project will consist of a water transmission line between the existing Kyle water system at Kohler Crossing and the pump station site recently acquired by the Agency.

4. As a part of Segment A of the Project, the Agency wishes to construct a 12” diameter water line (the “Kyle Line Segment”) to extend the Kyle water system to a point of connection with the 24” diameter water transmission line to be constructed for the Agency (the “Agency Water Line”), as depicted generally on the attached “Exhibit A”.

5. Kyle and the Agency wish to state the terms under which the Agency will construct the Kyle Line Segment and convey the Kyle Line Segment to Kyle, and Kyle will assume ownership and maintenance of the Kyle Line Segment.

**AGREEMENT:**

Kyle and the Agency, in consideration of the mutual promises contained herein, agree as follows:

1. The Agency will, at the Agency’s expense, acquire necessary easements, permits and approvals for the Kyle Line Segment from Kyle’s existing water line on the south side of Kohler’s Crossing to the connection point for the Kyle Line Segment with the Agency Water Line.

2. The Agency will have the Kyle Line Segment designed and constructed at the Agency’s expense. The Agency will ensure that the Kyle Line Segment is equipped to provide water service to the property owned by Mountain Plum, Ltd. within which the Kyle Line Segment will connect with the Agency Water Line. Kyle will receive a copy of the design and construction documents prior to execution of construction contract in order to review and provide input as to the design and construction of the Kyle Line Segment.

3. Upon completion of the Kyle Line Segment (to occur at the same time as completion of Segment A of the Project), the Agency will convey the Kyle Line Segment and associated easement rights to Kyle.

4. Kyle will accept the conveyance of the Kyle Line Segment and associated easement rights from the Agency, and will thereafter operate and maintain the Kyle Line Segment subject to and in accordance with the water sharing agreement between the Agency, Kyle, the City of San Marcos and the City of Buda.

5. Kyle will reimburse the Agency for the costs of the Kyle Line Segment and associated easements to the extent Kyle receives reimbursement from any private landowner for all or any portion of those costs. Kyle will not be required to reimburse the Agency for the costs of the Kyle Line Segment from any Kyle funds.

6. Kyle expressly consents to the Agency's use of the Kyle Line Segment in the future in connection with maintenance or repairs on the Agency Water Line, other Agency water lines, or related facilities. The Agency agrees to coordinate with Kyle prior to any such use, and to cooperate with Kyle during the period of any such use.

7. Each party will pay for the performance of governmental functions or services from current revenues available to that party. Each party agrees that it is fairly compensated for the services or functions the party performs under this Agreement.

8. This is the entire agreement of the parties and supersedes all prior understandings and agreements between the parties regarding such matters. This Agreement may not be altered, amended, or modified except in writing signed by all parties to this Agreement. No official, agent, employee, or representative of either Kyle or the Agency has the authority to alter, amend, or modify the terms of this Agreement.

9. Any clause, sentence, paragraph or article of this Agreement which is determined by a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect shall not be deemed to impair, invalidate, or nullify the remainder of this Agreement if the Agreement can be given effect without the invalid portion.

10. Any act of forbearance by either party will not constitute and will not have the effect of an amendment of this Agreement. The failure of either party to exercise any right under this Agreement under certain circumstances does not imply a waiver of such right under like circumstances later occurring.

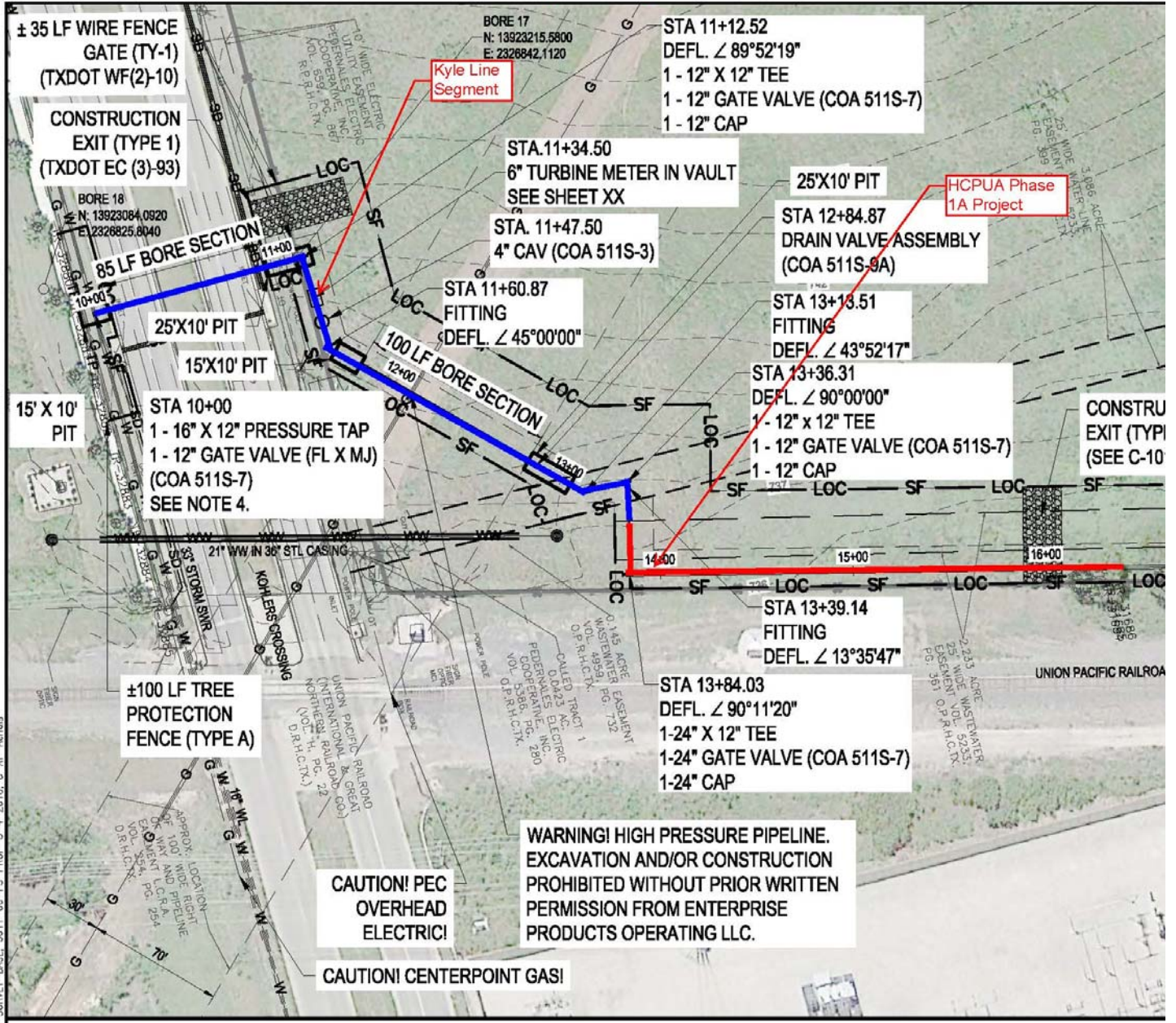
11. This Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas. The venue for any dispute arising under this Agreement shall be exclusively the State District Court in Hays County, Texas.

12. This Agreement will take effect on the date of the last signature below, and will terminate on the Agency's completion of the Kyle Line Segment and the conveyance by the Agency to Kyle of the Kyle Line Segment and associated easements. The provisions of Paragraph 6 will survive the termination of this Agreement.

IN WITNESS WHEREOF, the Parties have each executed this Agreement on the dates stated below.

City of Kyle, Texas	Hays Caldwell Public Utility Agency
By:	By:
Scott Sellers, City Manager	David Wilson, Chair, Board of Directors
Attest:	Attest:
Jennifer Vetrano, City Secretary	Chris Betz, Secretary, Board of Directors
Date	Date:

EXHIBIT "A"



EX-SURVEY-BASE, 3611-00-PS-PROP-5-4-2016, C-XP-Aerials