

Interlocal Agreement for a Water Sharing Arrangement

This agreement documents the mutual understanding between and among the City of San Marcos (San Marcos) and the City of Kyle (Kyle), collectively, the “Parties”, under which San Marcos commits and makes available to Kyle Edwards Aquifer water from the San Marcos permitted allowance. This water sharing arrangement is temporary and will occur utilizing Kyle’s existing facilities and wells.

Background

The Edwards Aquifer Authority (EAA) regulates withdrawals of groundwater from the Edwards Aquifer in Hays and several other area counties. San Marcos holds permit number P100-828 (HA00222) from the EAA and Kyle possesses permit number P100-217 ((HA00216). Due to a historical drought that Central Texas is currently facing, Kyle anticipates the need for additional water during the EAA permit period ending December 31, 2022. Securing additional water will keep Kyle within its EAA permitted capacity for the January 1 to December 31, 2022 period.

San Marcos has supplies sufficient to meet its current needs, share some of that supply with Kyle, and still remain within its own EAA permitted capacity. San Marcos is willing to commit and make water available to Kyle from the water supply capacity authorized in EAA permit number P100-828.

Authority

San Marcos and Kyle enter into this Agreement under authority of the Interlocal Cooperation Act, Chapter 791 Texas Government Code.

Terms and Conditions

In consideration of the mutual covenants contained in this agreement, the parties agree as follows:

- A. San Marcos agrees to share with Kyle up to 125 acre-feet of water from the allotted water capacity authorized in EAA permit number P100-828 (HA00222).
 - 1. Kyle may withdraw water shared under this agreement solely at Kyle’s existing EAA Well Nos. W100-896, W100-897, W100-898 & W105-960.
 - 2. Kyle will operate and meter its groundwater withdrawals throughout the term of this agreement to ensure that the limit on the total annual water amount pumped then utilized is not exceeded.
- B. Kyle agrees to pay San Marcos rate amounts set under a prior Water Sharing Program with County Line Special Utility District. Accordingly, Kyle shall pay to San Marcos the following fixed and volume rate:
 - 1. A monthly rate for fixed expenses of \$7,745.00 for the months of October, November, and December 2022; and

2. For water pumped by Kyle at the well sites described in A.1. above in excess of the capacities authorized by the EAA in permit number P100-217 (HA00216), the volume rates of \$3.21 per 1,000 gallons.
- C. For San Marcos to determine invoice amounts, no later than January 10, 2023, Kyle shall provide San Marcos daily meter readings for pumpage from Kyle permitted wells W100-896, W100-897, W100-898 & W105-960 for October, November, and December 2022. The meter readings shall clearly distinguish between and report (1) the volume of Edwards Aquifer water pumped under the authorization in Kyle's EAA permits and (2) the volume of Edwards Aquifer water pumped under the authorization of San Marcos's EAA permits being shared with Kyle in this agreement.
 - D. Kyle agrees to pay the full amount billed under this agreement to San Marcos within 20 calendar days of receipt of invoice.
 - E. San Marcos will work with Kyle to request and secure all necessary authorizations from EAA to allow the transfer contemplated in this agreement. All application fees for transfers will be paid by Kyle.
 - F. Under this agreement title to all water pumped by Kyle at their EAA wells under the authorization of San Marcos's EAA permits will pass to Kyle.
 - G. A maximum of 125 acre-feet is available for pumping and use by Kyle, regardless as to whether Kyle's wells and infrastructure can produce and transmit this additional quantity of water. However, the cost calculations under this agreement will be based on volumes pumped rather than volumes available for pumping. If the shared water pumped is shown to be 125 acre-feet, the total cost to Kyle is \$153,997.71. If the volume pumped is less than 125 acre-feet the cost to Kyle will be a lesser amount.
 - H. This agreement is intended to be an enforceable agreement and is consistent with the requirements of Title 30 Texas Administrative Code §290.45(f) applicable to Kyle's public water system.
 - I. This agreement will take effect on the date it is signed by San Marcos and Kyle. The water sharing authorized in this agreement shall terminate at midnight on December 31, 2022.

This agreement terminates upon San Marcos' receipt of payment from Kyle of the amounts due hereunder.

[Signatures on next page]

Agreed to and accepted:

City of San Marcos

By: Stephanie Reyes, City Manager

Date

City of Kyle

By: Jerry Hendrix, Interim City Manager

Date