

**INTERLOCATION COOPERATION AGREEMENT BETWEEN THE LEGACY
WATER SUPPLY CORPORATION, THE LEGACY MUNICIPAL MANAGEMENT
DISTRICT, THE CITY OF LAREDO AND WEBB COUNTY CREATING THE AREA
GROUNDWATER UTILITY AGENCY**

This **Interlocal Cooperation Agreement** ("Agreement") is entered into by and between The Legacy Water Supply Corporation, a Texas non-profit water supply corporation duly formed under Chapter 67 of the Texas Water Code ("LWSC") and the Legacy Municipal Management District, a Texas municipal management district ("LMMD"), the City of Laredo, a Texas home rule municipality (the "City"), and Webb County, a political subdivision of the State of Texas (the "County") being duly organized and existing under the laws of the State of Texas, referred to herein individually as a "Party" or collectively as the "Parties."

WITNESSETH

WHEREAS, pursuant to provisions of the Texas Government Code Chapter 791, the Interlocal Cooperation Act, the Parties are authorized to enter into a contract with each other to perform governmental functions and services; and,

WHEREAS, LWSC is a Texas non-profit water supply corporation duly formed under Chapter 67 of the Texas Water Code and recognized by the Internal Revenue Service ("IRS") as a non-profit entity under Section 501(c)(12) of the Internal Revenue Code; and

WHEREAS, House Bill 5405 was passed by the Texas Legislature in the 88th Regular Session, and signed by the Texas Governor, to take effect on June 15, 2023, adopting Chapter 4008 of the Texas Special District Local Laws Code, which created the Legacy Municipal Management District and established the LMMD's Boundaries; and

WHEREAS, LWSC, LMMD, the City and the County desire to jointly engage in the creation of a sustainable groundwater resource in the region and to secure funding thereof (the "Project"); and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. **Purpose, Public Benefit, and Incorporation of Recitals.** The purpose of this Agreement is for the Parties to come together to create an entity to improve public health and safety by providing clean reliable water within the City, County and surrounding areas. The governing bodies of each Party finds that this Agreement is necessary for the benefit of the public, that each Party has the legal authority to perform the duties described herein, and that the performance of this Agreement is in the common interest of the Parties. Further, the Parties agree that the above recitals are hereby incorporated.

2. **Term.** This Agreement shall be effective upon full execution by the Parties (the "Effective Date" and "Anniversary Date") and shall remain in effect for Five (5) years unless

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MARGIE RAMIREZ BARRA
COUNTY CLERK, WEBB COUNTY, TEXAS
BY [Signature] DEPUTY

terminated or extended as provided herein. Unless a Party notifies the other Party of its intent not to renew this Agreement or to terminate it, this Agreement shall automatically renew on its Anniversary Date on an annual basis.

3. AGUA Creation. The Parties hereby expressly desire to partner in an effort to secure sustainable clean drinking water for the region, to secure funding for the Project, and to establish an "Administrative Agency," pursuant to Section 791.013 of the Texas Government Code to be called **Area Groundwater Utility Agency** (hereinafter, "**AGUA**") to facilitate the Project.

4. AGUA Authorization. The Parties hereby expressly authorize AGUA to coordinate, prepare, and submit on their behalf, all necessary documents, letters of intent, letters of support, forms, notices, applications, and other such information or documentation in pursuit of the Project.

5. AGUA Composition. AGUA will be initially managed by a four (4) member Board of Directors, with one (1) Director to be appointed by LWSC, one (1) Director appointed by LMMD, one (1) Director appointed by the City and one (1) Director appointed by the County. Any entity which authorizes AGUA to act on its behalf pursuant to an interlocal agreement for the purposes stated herein in the future shall have the ability to appoint one (1) designee of the entity's choosing to serve as an additional Director on the Board. Each appointed Director will serve a term of three (3) years.

6. Additional Authorization. The Parties further authorize AGUA to take any other actions required to carry out the Project and the agreed intent of the Parties including but not limited to, authorizing AGUA to approach and negotiate with additional entities to potentially become a party to AGUA.

7. AGUA Officials, Employees, and Agents. Any official, employee, or agent of AGUA shall be considered the employee of, and under the command of AGUA, and the Parties shall not be responsible for paying any wages or providing any benefits to such AGUA officials, employees, or agents.

8. Status of Officials, Employees, Contractors, and Agents of the Parties. No joint employment is created by this Agreement. The officials, employees, contractors, and agents of the respective Parties shall remain solely the officials, employees, contractors, and agents of that respective Party.

9. Governmental Functions and the Relationship of the Parties. Notwithstanding any provision to the contrary herein, this Agreement is a contract for, and created with respect to, the performance of governmental functions by governmental entities. The services that will be provided hereunder are governmental functions. Nothing contained in this Agreement shall be deemed to create a partnership, joint venture, or relationship of employment between the Parties. Neither Party shall have the authority to act on behalf of the other Party or to commit another Party

in any manner or cause whatsoever, or to use another Party's name in any way not specifically authorized by this Agreement.

10. Payments from Current Revenues and Notice of Non-Appropriation. Any Party paying for the performance of governmental functions or services must make those payments from current revenues. If, for any fiscal year, a Party fails to appropriate funds in amounts sufficient to pay or perform its duties and obligations under this Agreement, such Party shall endeavor to provide thirty (30) days' notice to the other Party of such failure to appropriate and, if applicable, its subsequent need to terminate this Agreement.

11. Liability; No Waiver of Immunity or Defenses; and No Waiver of Rights or Remedies:

- a. *Liability.* Each Party reserves and does not waive any defense available to it at law or in equity as to any claim or cause of action whatsoever that may arise or result from or in connection with this Agreement. This Agreement shall not be interpreted nor construed to give to any third party the right to any claim or cause of action and no Party shall be held legally liable for any claim or cause of action arising pursuant to or in connection with this Agreement except as specifically provided herein or by law.
- b. *No Waiver of Immunities, Defenses, or Limitations of Liability.* By entering into this Agreement, the Parties, and their respective "employees," as defined by the Governmental Tort Claims Act, Title 5 of the Texas Civil Practice & Remedies Code, §101.001 et seq., do not waive sovereign immunity, any defenses, or any limitations of liability as may be provided for by law. No provision of this Contract modifies and/or waives any provision of the Texas Tort Claims Act, including any limitations of liability.
- c. *Non-Wavier of Rights or Remedies.* Failure of any Party to insist on the strict performance of any of the duties or obligations herein or to exercise any rights or remedies accruing hereunder, upon default or failure of performance, shall not be considered a waiver of the right to insist on strict compliance and performance, to enforce this Agreement by any appropriate remedy, or to exercise any right or remedy occurring as a result of any other default or breach.

12. Indemnification and Hold Harmless: TO THE EXTENT ALLOWED BY LAW, EACH PARTY AGREES TO PROMPTLY DEFEND, INDEMNIFY, AND HOLD THE OTHER PARTIES HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, SUITS, CAUSES OF ACTION, AND JUDGMENTS FOR (A) DAMAGES TO THE LOSS OF PROPERTY OF ANY PERSON; AND OR (B) THE DEATH, BODILY INJURY, ILLNESS, DISEASE, LOSS OF SERVICES, OR LOSS OF INCOME OR WAGES TO ANY PERSON, ARISING OUT OF OR INCIDENT TO, CONCERNING OR RESULTING FROM, THE NEGLIGENT OR WILLFUL ACT OR OMISSION OF ITS AGENTS, OFFICERS, AND/OR EMPLOYEES IN THE PERFORMANCE OF DUTIES PURSUANT TO THIS AGREEMENT.

13. Compliance with the Law. The Parties shall comply with all federal, State, and local laws, rules, and regulations in carrying out this Agreement.

14. Notices. Whenever a notice is required to be given in writing and under the terms of this Agreement, such notices shall either be delivered or mailed by certified mail, return receipt requested, to the Parties at the principal place of business of each entity.

15. Governing Law. This Interlocal Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

16. Dispute Resolution. Any dispute arising out of or relating to this Agreement shall be resolved through good faith negotiations between the Parties. If the Parties are unable to resolve the dispute through negotiations, they agree to submit the matter to mediation, administered by a mutually agreed-upon mediator.

17. Interpretation of Law, Assignment, and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. No assignment of this agreement or any right accrued hereunder shall be made, in whole or in part, by either Party without the prior written consent of the other Party. Venue shall be in Webb County, Texas.

18. Non-Discrimination. The Parties covenant that (1) no person shall be excluded from participation in, denied the benefit of, or otherwise subjected to discrimination under the terms of this Agreement on the ground of race, color, age, sex, handicap, or national origin; and (2) in carrying out the terms and conditions of this Agreement, no person shall be subjected to discrimination on the grounds of race, color, age, sex, handicap, or national origin. This covenant extends to contractors, subcontractors, and others acting by or through the Parties, and includes compliance with all federal and state laws and policies prohibiting discrimination, harassment, and sexual misconduct.

19. Integration and Amendments. This Agreement constitutes the entire agreement between the Parties and may not be amended, altered, modified, or changed in any way, except in writing that is signed by the Parties, which specifically references this Agreement. There are no other agreements, representations, warranties, whether oral or written, regarding the subject matter of this Agreement. Any amendment to this Agreement shall be attached to this Agreement and all of the terms herein that are not specifically addressed in the amendment shall remain in full force and effect.

20. No Third-Party Beneficiaries. Nothing in this Agreement, expressed or implied, is intended to confer upon any person or entity, other than the Parties hereto, any rights or remedies under the terms of this Agreement, except as expressly stated herein.

21. Severability. If any one or more of the sections, sentences, clauses, or parts of this Agreement be held invalid for any reason, the invalidity of such section, sentence, clause, or part shall not affect nor prejudice the applicability and validity of any other provision of this Agreement.

22. Bargaining. The Parties have each had the opportunity to seek independent legal counsel before entering into this Agreement. The language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against either party.

23. Counterparts. This Agreement may be executed in any number of counterparts and when each party has signed and delivered to the other at least one (1) such counterpart, each counterpart shall be deemed an original, and when taken together with other signed counterparts, shall constitute one (1) agreement; provided, however, this Agreement shall not be binding upon the Parties until signed by both Parties.

24. Execution. This Agreement may be executed in counterparts and by electronic means (i.e., DocuSign, Adobe, etc.), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date of final execution by all Parties hereto.

Legacy Water Supply Corporation

By: [Signature]
Name: Kathleen Kandy Waeker
Title: President
Date: June 12, 2024

Legacy Municipal Management District

By: [Signature]
Name: Michael Olson
Title: President
Date: 6/12/24

The City of Laredo, Texas

By: [Signature]
Name: Joseph W Neeb
Title: City manager
Date: 7.10.2024

Webb County, Texas

By: [Signature]
Name: [Signature]
Title: _____
Date: _____

ATTESTED:

[Signature]
Margie Ramirez Ibarra
Webb County Clerk

