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EDWARDS AQUIFER HABITAT CONSERVATION PLAN PROGRAM
REGIONAL WATER CONSERVATION PROGRAM
INTERLOCAL COOPERATION CONTRACT No. 13-657-HCP
BETWEEN THE
EDWARDS AQUIFER AUTHORITY
AND THE
CITY OF UVALDE
FOR IMPLEMENTATION OF REGIONAL WATER CONSERVATION PROJECTS

This Interlocal Cooperation Contract ("Contract") to implement certain regional water conservation projects by the City of Uvalde, is made effective as of October 9th, 2013, by and between the EDWARDS AQUIFER AUTHORITY ("EAA"), a political subdivision of the State of Texas, with its principal place of business located at 900 E. Quincy Street, San Antonio, Texas 78215, and the CITY OF UVALDE, with its principal place of business located at 101 E. Main Street, Uvalde, Texas 78801. Each of these entities is, at times, referred to individually as a "Party," and both are referred to collectively as "Parties."

RECITALS

WHEREAS, the EAA was created in 1993 by the Edwards Aquifer Authority Act of May 30, 1993, 73rd Leg., R.S., ch. 626, 1993 Tex. Gen. Laws 2350, as amended ("Act"); and

WHEREAS, under Section 1.02 of the Edwards Aquifer Authority Act ("EAA Act") (Act of May 30, 1993, 73rd Leg., R.S., ch. 626, 1993 Tex. Gen. Laws 2350, as amended), the EAA is a conservation and reclamation district created by virtue of Article XVI, Section 59 of the Texas Constitution; and

WHEREAS, under Section 1.14(a)(6), and (7) of the Act, the EAA is required to protect aquatic and wildlife habitat, and protect species that are designated as threatened or endangered under federal or state law.

WHEREAS, under Section 1.14(h) of the EAA Act, the EAA is required to implement a plan to ensure that springflows at Comal Springs and San Marcos Springs are maintained to protect endangered and threatened species to the extent required by federal law; and

WHEREAS, on March 18, 2013, the U.S. Fish and Wildlife Service ("Service") under Section 10(a) (16 U.S.C.A. § 1539(a)) of the Federal Endangered Species Act of 1973 ("ESA") (16 U.S.C.A. §§ 1531-1544 (West 2010)) issued an Incidental Take Permit ("ITP") to the EAA, among others; and

WHEREAS, accompanying the EAA's application for the ITP was a Habitat Conservation Plan which, among other things, provides for various Conservation Measures intended to minimize and mitigate the impact of incidental take of Covered Species due to low springflows at Comal Springs or San Marcos Springs; and

WHEREAS, the Edwards Aquifer Habitat Conservation Plan ("EAHCP") supports the ITP by providing for, among other things, the implementation of various Conservation Measures intended to minimize or mitigate the impact of the use of the Edwards Aquifer ("Aquifer") on the authorized taking of the threatened and endangered species associated with the Aquifer or contribute to the recovery of such species; and

WHEREAS, Section 5.1.3 of the EAHCP sets forth a Regional Water Conservation Program (the "Conservation Program"), and implementation of the Conservation Program "will minimize and mitigate the impacts of pumping from the Aquifer by building on the expertise of the successful programs to realize savings throughout the Edwards Aquifer region" with the goal of conserving 20,000 acre feet per year (AF/yr) of permitted and exempt Aquifer withdrawals, of which 10,000 AF/yr will be managed such that it remains in the Aquifer and not be withdrawn for beneficial use; and

WHEREAS, Section 5.1.3.3 of the HCP provides that municipal water purveyors which utilize the Aquifer will initially commit to "loan" to the Conservation Program "start-up" conserved water totaling 10,000 AF/yr of Permitted Edwards Groundwater Rights which will be transferred into the EAA's Groundwater Trust, and will not be withdrawn from the Aquifer, and will remain in the Aquifer for the duration of the Conservation Program unless released from the Groundwater Trust, but which will still be owned and controlled by the transferor; and

WHEREAS, subject to certain limitations, Subsection 7.1.2 of the EAHCP and Section 3.2 and Article 5 of the FMA obligate the EAA to fund the Conservation Measures and Program Activities being implemented.

WHEREAS, the EAA and the CITY OF UVALDE, desire to and are authorized to enter into this Contract pursuant to the Texas Interlocal Cooperation Act, § 791.001, *et seq.* of the Texas Government Code Annotated (~~Vernon 1994 and Supp. 2000~~); and

NOW THEREFORE, for and in consideration of the mutual promises and benefits contained herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

ARTICLE I DEFINITIONS

As used in this Contract, the following terms shall have the following meanings:

A. "Conservation Measure" means a measure identified in Chapter 5 of the EAHCP, as such measure may be modified pursuant to adaptive management, or a new measure developed and approved through adaptive management, to minimize or mitigate to the maximum extent

practicable the impacts of the authorized taking of the Covered Species or contribute to the recovery of the Covered Species.

B. "Conserved Water" means the amount of Permitted Edwards Groundwater Rights, or groundwater from Exempt Wells, that has been physically reserved in the Aquifer during a calendar year for springflow protection as a result of the implementation of conservation services, techniques, or measures identified in Section 5.1.3.2 of the HCP as part of the Conservation Program as determined by order of the Board after consultation with the Regional Conservation Monitoring Committee.

C. "Edwards Aquifer Habitat Conservation Plan" ("EAHCP" or "HCP") means the conservation plan prepared by the EAA, the City of San Marcos, Texas State University-San Marcos, City of New Braunfels, and San Antonio Water System, approved by the EAA Board of Directors, required by Section 10(a)(2)(A) of the ESA, and submitted to and approved by the Service as part of the application for an ITP.

D. "Edwards Aquifer Exempt Well" means a well meeting the requirements of Section 711.20 of the EAA's rules.

E. "Funding and Management Agreement" ("FMA") means the agreement effective January 1, 2012, as may be amended, to which the EAA, the City of San Marcos, Texas State University-San Marcos, City of New Braunfels, and San Antonio Water System are parties, which provides for the funding and management of the EAHCP.

F. "Implementing Committee" means the committee established in accordance with Section 7.7 of the FMA to supervise the implementation of the EAHCP. The Guadalupe Blanco River Authority is a non-voting member of the committee.

G. "Incidental Take Permit" ("ITP") means a permit issued by the Service to the EAA and others, pursuant to Section 10(a) (16 U.S.C. § 1539(a)) of the ESA.

H. "Permitted Edwards Groundwater Rights" ("Permit") means Initial Regular Permits or Regular Permits issued by the EAA. For purposes of this definition, "Initial Regular Permit" means a Groundwater Withdrawal Permit issued by the EAA under Section 1.15(b) of the Act. For purposes of this definition, "Regular Permit" means a Groundwater Withdrawal Permit issued by the EAA after August 12, 2008, resulting from a sale or amendment of an Initial Regular Permit, or the consolidation of two or more such Permits.

I. "Realized Water Savings" means, unless expressly specified herein, 50 percent of the water savings realized in one calendar year resulting from the Activities in the Scope of Work, which is attached hereto as Exhibit A and is hereby incorporated herein, and as calculated under Article IV Paragraph C herein.

J. "Regional Water Conservation Program" ("RWCP") means the HCP Conservation Measure described in Section 5.1.3 of the EAHCP where the goal is to conserve 20,000 acre-

feet/year of permitted or exempt Edwards Aquifer withdrawals. In exchange for technical assistance and incentives for implementing the various measures, one-half of the conserved water (10,000 acre-feet) will be committed to remain in the Aquifer unpumped, but still owned by participating permit-holders, for 15 years to benefit spring flow levels and contribute to species protection. The other one-half of the conserved water will remain available to the participating entity.

K. "Trust Portion of the Permit" means the portion of the Permit transferred into the Groundwater Trust pursuant to Article IV Paragraph B.

ARTICLE II PURPOSE

In fulfillment of Subsection 5.1.3 of the EAHCP, the purpose of this Contract is to implement various conservation measures that will result in a savings of Edwards Aquifer water. Fifty percent (50%) of all realized savings will be applied towards the goal of reserving 10,000 ac-ft/yr of permitted or exempt Edwards Aquifer water to remain in the Aquifer.

ARTICLE III CONSIDERATION

In consideration of the CITY OF UVALDE's transferring the Trust Portion of the Permit into the Groundwater Trust for fifteen (15) years, the EAA will reimburse costs and expenses incurred for the Activities described in the Scope of Work.

ARTICLE IV RIGHTS AND OBLIGATIONS OF CITY OF UVALDE

A. Scope of Work

The CITY OF UVALDE will coordinate and implement a three-year program consisting of the Activities described in the Scope of Work.

(1) Subject to the terms and conditions of this Contract, the CITY OF UVALDE hereby agrees to perform the Activities set forth and described in this Contract and in the Scope of Work. The CITY OF UVALDE hereby accepts such engagement and agrees to devote its best efforts and abilities, and furnish all necessary labor, machinery, equipment, tools, and transportation necessary in furtherance of its engagement hereby.

(2) The CITY OF UVALDE will commence work hereunder immediately upon receipt of a notice to proceed issued by the EAA General Manager. All work covered hereby will be completed by the Completion Date indicated in the Scope of Work and shall be completed in compliance with the schedules, budgets, description and specifications contained herein and in the Exhibits hereto. The CITY OF UVALDE will be responsible for ensuring that the completion times for the tasks required for this project are met.

(3) The CITY OF UVALDE will provide any and all personnel necessary for completion of the Scope of Work. The CITY OF UVALDE will be responsible for its employees in all respects, including, without limitation, their compliance with applicable laws and their safety, including without limitation, all Occupational Safety and Health Administration standards, requirements, and regulations. To the extent permitted by the Constitution and the laws of the State of Texas, the CITY OF UVALDE hereby indemnifies and holds harmless the EAA, its officers, employees and directors, from and against any claims brought by any employee, subcontractors or other agent of the CITY OF UVALDE relating in any way to the work performed under this Contract, or for the quality or performance of the work covered by this Contract.

B. Transfer of Realized Water Savings to the EAA's Groundwater Trust

(1) The CITY OF UVALDE will transfer the right to withdraw groundwater from the Edwards Aquifer under its Initial Regular Permit No. ~~P101-740~~, in an amount equal to the Realized Water Savings. The method for calculating the Realized Water Savings for each Activity is set out in Paragraph C of this section. The EAA agrees to accept this Trust Portion of the Permit, in trust, under the terms and conditions of this Contract. Any untransferred portion of the Permit is not affected in any manner by the terms or conditions of this Contract.

(2) The transfers of the Trust Portion of Permit Groundwater Trust will be made annually on January 15 after the effective date of this Contract, and shall occur after completion of the activities listed in Table 1:

TABLE 1.

Activity	Eligible for Groundwater Trust
#2 - Uvalde Service Area Plumbing Program	All toilets and plumbing kits distributed in the previous calendar year.
#4 - Large-Scale Commercial Retrofit Program	All retrofit projects for which an Installation Certificate was received for in the previous calendar year.
Reclaimed Water Program	All reclaimed projects for which an Installation Certificate was received for in the previous calendar year.

(3) The Trust Portion of the Permit will remain in the Groundwater Trust for 15 years beginning on the date that the first Realized Water Savings is placed in Trust. The Trust Portion of the Permit will be released from the Groundwater Trust upon the full and final termination of this Contract as set forth in Article IV, and the released portions of the Trust Portion of the Permit will be returned to the CITY OF UVALDE by the EAA free from the provisions of this Contract and the Groundwater Trust.

(4) The CITY OF UVALDE represents and warrants that it has the legal authority to transfer the Trust Portion of the Permit. The CITY OF UVALDE also represents and

warrants that it has good and clear legal title to the Trust Portion of the Permit, free and clear of liens or other encumbrances, and no challenges have been made or threatened by third parties to the CITY OF UVALDE's claimed ownership of or rights in the Trust Portion of the Permit.

C. Calculation of Realized Water Savings

This section describes the methods for calculating the Realized Water Savings from each activity.

- (1) The amount of Realized Water Savings that will be transferred to the Groundwater Trust with respect to the high efficiency toilets and high efficiency plumbing kits distributed within the CITY OF UVALDE Service Area (Activity 2) will be calculated as shown below:

$$\frac{\text{\# of toilets and plumbing kits distributed} \times (23,450 \text{ gallons/year})}{(325,851 \text{ gallons/acre-feet})} = \text{Acre-feet saved/year}$$

$$\text{Acre Feet Saved/Year} \times 0.5 = \text{Realized Water Savings}$$

$$\text{Realized Water Savings} = \text{Trust Portion of the Permit}$$

Realized Water Savings for Edwards Aquifer Exempt Well users outside of the Uvalde Service Area will not be included in the Trust Portion of the Permit (Activity 3).

- (2) With respect to the Large-Scale Commercial Retrofit Program (Activity 4), prior to providing any rebates, the CITY OF UVALDE will provide EAA a proposal describing the program. The CITY OF UVALDE, in consultation with the Water Conservation and Technology Center ("WCTC"), will conduct a cost and water savings analysis based on the proposal and submit a recommendation to EAA prior to providing any rebate. Any proposal resulting in a water savings costing approximately \$600/acre-foot/year of water saved and which does not cause the Large-Scale Commercial Retrofit Program to exceed \$30,000 in the aggregate will generally be approved by the EAA. EAA shall have the final decision on implementation of any Retrofit Program proposal. The amount of water placed in the Groundwater Trust as a result of the Large-Scale Commercial Retrofit Program (Activity 4) shall be:

$$\text{Total water saved} \times 0.5 = \text{Realized Water Savings}$$

$$\text{Realized Water Savings} = \text{Trust Portion of Permit}$$

Realized Water Savings by Edwards Aquifer Exempt Well users outside of the Uvalde Service Area will not be included in the Trust Portion of the Permit.

(3) With respect to the Reclaimed Water Program (Activity 5), prior to providing any rebates, the CITY OF UVALDE will provide EAA a proposal describing the program. The CITY OF UVALDE, in consultation with the WCTC, will conduct a cost and water savings analysis based on the proposal and submit a recommendation to EAA prior to providing any rebate. Any proposal resulting in a water savings costing approximately \$600/acre-foot/year of water saved and which does not cause the Reclaimed Water Program to exceed \$9,000 in the aggregate will generally be approved by the EAA. EAA shall have the final decision on implementation of any Retrofit Program proposal. The Realized Water Savings with respect to the Reclaimed Water Program for participants in the CITY OF UVALDE Service Area shall be calculated as follows:

For reclaimed water projects utilizing storage tanks, the following formula will generally be used. Any deviation from the formula would be based on specific components of the individual project proposed; final calculation if other than the formula, will be based on recommendations from WCTC staff and; will be agreed to by the CITY OF UVALDE and EAA. If agreement between the CITY OF UVALDE and EAA cannot be reached, the formula shall be used for calculation of water savings.

It is assumed that a storage tank will be filled and emptied six (6) times over a 12 month period.

$$\text{Tank size (gal)} \times 6 \text{ refills per year} = X \text{ gallons saved annually}$$
$$X \text{ gallons saved annually} \times 0.5 / 325,851 \text{ (gal/acft)} = \text{Realized Water Savings}$$
$$\text{Realized Water Savings} = \text{Trust Portion of Permit}$$

For reclaimed projects utilizing greywater:

Based on the information provided by the CITY OF UVALDE under Activity 5, and recommendations from WCTC staff, the amount of water saved will be agreed to by the CITY OF UVALDE and EAA.

Realized Water Savings by Edwards Aquifer Exempt Well users outside of the Uvalde Service Area will not be included in the Trust Portion of the Permit.

D. Rights and Obligations of Transferor

Upon transfer of the Trust Portion of the Permit into the Groundwater Trust, the CITY OF UVALDE shall have the following rights, restrictions, duties, and obligations:

(1) The CITY OF UVALDE shall have no right to withdraw the Trust Portion of the Permit;

(2) The CITY OF UVALDE shall not undertake any action which could lead to the invalidation of the Trust Portion of the Permit and the CITY OF UVALDE shall

immediately notify the EAA if the CITY OF UVALDE learns of any facts or circumstances suggesting that the Trust Portion of the Permit could be called into question;

(3) The CITY OF UVALDE may not, voluntarily or involuntarily, anticipate, sell, pledge, encumber, license, lease, transfer, assign, convey, give, devise, bequeath, or otherwise dispose of, either directly or indirectly, the Trust Portion of the Permit without the prior written approval of the EAA's Board of Directors. Further, the Trust Portion of the Permit shall not be subject to any debt contracted by the CITY OF UVALDE, either prior to or after the transfer, or any judicial process for the satisfaction of any claim against the CITY OF UVALDE;

(4) The CITY OF UVALDE shall not be assessed any aquifer management fees for the Trust Portion of the Permit while it remains in the Groundwater Trust, or in arrears after release of the Trust Portion of the Permit for the period of time said Trust Portion of the Permit was held in the Trust. However, the CITY OF UVALDE shall remain liable for any aquifer management fees already assessed against the Trust Portion of the Permit prior to the Effective Date of this Contract, as may be adjusted by any rebate program in effect on the Effective Date of this Contract;

(5) The Trust Portion of the Permit calculated in Article IV Paragraph C shall not be considered to be part of CITY OF UVALDE's authorized groundwater withdrawal amounts for purposes of Section 715.218 of the EAA's critical period management rules, and CITY OF UVALDE shall not otherwise be required to interrupt its withdrawals from the Aquifer based on rights held in trust by the EAA pursuant to this Contract; and

(6) Any exceedance of the amount of water allowed to be withdrawn under the Non-Trust Portion of the Permit is a violation of that permit and a breach of this Contract.

E. Rights and Obligations of the EAA

Upon transfer of the Trust Portion of the Permit into the Groundwater Trust, the EAA shall have the following rights, restrictions, duties, and obligations:

(1) The EAA must hold the Trust Portion of the Permit in the Groundwater Trust, and may not sell, lease, or transfer the Trust Portion of the Permit to a third-party for any purposes, nor otherwise withdraw or authorize the withdrawal of any groundwater pursuant to the Trust Portion of the Permit during the term of this Contract.

(2) The EAA may not retire the Trust Portion of the Permit, nor take any other action that would result in the permanent reduction in the groundwater withdrawal amount of the Permit.

(3) The Trust Portion of the Permit shall not be subject to any debt contracted by the EAA; either prior to or after the transfer, or any judicial process for the satisfaction of any claim against the EAA.

(4) The EAA shall not assess any aquifer management fees for the Trust Portion of the Permit while it remains in the Groundwater Trust.

(5) The EAA shall exclude the Trust Portion of the Permit calculated in Article IV Paragraph C, when calculating CITY OF UVALDE's authorized groundwater withdrawal amounts for purposes of Section 715.218 of the EAA's critical period management rules.

(6) When the Trust Portion of the Permit is released from the Groundwater Trust upon the full and final termination of this Contract as set forth in Article VI Paragraph A, the released portions of the Trust Portion of the Permit shall be returned to CITY OF UVALDE by the EAA free from the provisions of this Contract and the Groundwater Trust.

ARTICLE V PAYMENT

A. The EAA agrees to reimburse the CITY OF UVALDE for project costs and expenses incurred under this Contract and which are consistent with the Scope of Work and associated Three-Year "Not to Exceed" Budget, which is attached hereto as Exhibit B and incorporated herein. In no event will reimbursement to the CITY OF UVALDE exceed one hundred eleven thousand dollars (\$111,000). The CITY OF UVALDE is not authorized to spend any additional funds, without prior written approval from the EAA. The EAA will not be held accountable for any unauthorized work performed or funds spent by the CITY OF UVALDE.

B. All invoices from the CITY OF UVALDE to the EAA, for the Scope of Work related hereto, shall be sent quarterly. The terms of each invoice shall be net thirty (90) days upon the EAA's receipt and approval of that invoice.

C. Invoices and supporting documentation sufficient to EAA detailing the work performed as per the Scope of Work will be submitted electronically in Adobe Acrobat (pdf) format. Invoices and progress reports will be e-mailed to the Senior HCP Coordinator, Chris Abernathy, at cabernathy@edwardsaquifer.org, or such other person as may be designated by EAA from time to time.

ARTICLE VI TERM

A. In General

This Contract is effective and commences on October 9, 2013, (the "Effective Date") and terminates fifteen (15) years from the first transfer of Realized Water Savings to the Groundwater Trust, subject only to the provisions of Article IV Paragraph B.

B. Early Termination

This Contract may be terminated prior to the term stated in Article VI Paragraph A, due to decisions made pursuant to the Adaptive Management Process of the FMA only as follows:

(1) If the RWCP is discontinued as a Conservation Measure by the Implementing Committee of the EAHCP under Section 7.12.4.f of the FMA, the EAA will promptly notify the CITY OF UVALDE. On receipt of this notice, the Contract will terminate with respect to Activities in the Scope of Work which is attached hereto as Attachment A; provided, however, the EAA will reimburse the CITY OF UVALDE for all costs incurred prior to the receipt of the notice of the discontinuance. The Realized Water Savings as a result of any costs reimbursed will be placed in the Groundwater Trust and will remain in the Groundwater Trust along with water that has already been placed in the Trust until the termination of the Contract under Article VI Paragraph A.;

(2) If the RWCP is modified and such modification results in a material conflict with this Contract, the EAA will promptly notify the CITY OF UVALDE of the modification. If the Parties are unable in good faith to renegotiate a modification to this Contract to be consistent with the modified RWCP within sixty (60) days from the date, the EAA gives notice to the CITY OF UVALDE of the modification, either Party may terminate this Contract by providing advance written notice of termination to the other Party. In such event, this Contract will terminate with respect to Activities in the Scope of Work; provided however, the EAA will reimburse the CITY OF UVALDE for all costs incurred prior to the receipt of notice of the termination. The Realized Water Savings as a result of any costs reimbursed under this subparagraph will be placed in the Groundwater Trust and will remain in the Groundwater Trust along with water that has already been placed in the Trust until the termination of the Contract under Article VI Paragraph A.;

(3) In the event the Service cancels the ITP, the EAA shall promptly notify the CITY OF UVALDE of the cancellation. Upon receipt of the notice of cancellation, this Contract will terminate with respect to Activities in the Scope of Work; provided, however, the EAA will reimburse the CITY OF UVALDE for all costs incurred prior to the receipt of notice of the cancellation. The Realized Water Savings as a result of any costs reimbursed under this subparagraph will be placed in the Groundwater Trust and will remain in the Groundwater Trust along with water that has already been placed in the Trust until the termination of the Contract under Article VI Paragraph A; or

(4) In the event the Service suspends the ITP for any reason, the EAA shall notify the CITY OF UVALDE of the suspension. The Parties, in good faith, shall undertake discussion to consider reasonable efforts to restore the ITP, including measures for which modifications to this Contract may be necessary. In the event that the ITP has not been reinstated by the Service within 180 days of the date of issuance of notice of suspension, this Contract will terminate with respect to Activities in the Scope of Work; provided however, the EAA will reimburse the CITY OF UVALDE for all costs incurred prior to the receipt of notice of suspension. Fifty percent of any Realized Water Savings as a result of any costs reimbursed under this subparagraph shall be placed in the Groundwater Trust and shall remain in the Groundwater Trust along with water that has already been placed in the Trust until the termination of the Contract under Article VI Paragraph A.

ARTICLE VII NOTICES

A. All notices or communications under this Contract to be mailed or delivered to the EAA will be in writing and will be sent to the EAA principal place of business as follows, unless and until the CITY OF UVALDE is otherwise notified:

Edwards Aquifer Authority
900 E. Quincy Street
San Antonio, Texas 78215
Attention: Roland Ruiz, General Manager

B. All notices or communications under this Contract to be mailed or delivered to the CITY OF UVALDE will be in writing and will be sent to the address of the CITY OF UVALDE as follows, unless and until the EAA is otherwise notified:

City of Uvalde
101 E. Main Street
Uvalde, Texas 78801
Attention: Jennifer E. Garver, City Manager

C. Any notices or communications required to be given in writing by one party to the other will be considered as having been given to the addressee on the date the notice of communication is posted by the sending party or actually delivered if otherwise delivered.

ARTICLE VIII GENERAL

A. Any changes, modifications, revisions or amendments to this Contract which are mutually agreed upon by the parties to this Contract shall be incorporated by written instrument, executed and signed by all parties to this Contract.

B. All information, documents, property and materials produced, created or supplied under this Contract, whether by the EAA, the CITY OF UVALDE, its employees, agents or subcontractors or anyone else, and whether finished or unfinished or in draft or final form, will be the property of the EAA. Upon termination of this Contract, all such information, property and materials not already in the possession of the EAA will be promptly delivered to the EAA. However, the EAA acknowledges that the CITY OF UVALDE is a governmental entity subject to the disclosure provisions of the Texas Public Information Act and the information and documentation that is produced, created or supplied under this Contract may be subject to disclosure as required by law.

C. The information, documents, property and materials produced, created or supplied under this Contract, including preliminary technical reports and studies, which relate in any way to the EAA's participation in this Contract, shall not be disclosed to any third-party without the

prior written consent of the EAA. The CITY OF UVALDE shall immediately advise the EAA of any requests for any document by a third-party other than the EAA. However, the EAA acknowledges that the CITY OF UVALDE is a governmental entity subject to the disclosure provisions of the Texas Public Information Act and the information and documentation that is produced, created or supplied under this Contract may be subject to disclosure as required by law.

D. The CITY OF UVALDE shall retain a record or copies of all materials developed in the course of performing the Activities hereunder and said materials may be supplied to the EAA upon request, including after expiration or termination of the Contract. The EAA will reimburse the CITY OF UVALDE for actual cost of time and expenses of reproduction of such materials when requested.

E. Only to the extent allowed by law, the CITY OF UVALDE will assume all risks associated with its employees or its subcontractors' performance under this Contract and will waive any claim against the EAA for damages arising out of the performance of the work specified herein.

F. Only to the extent allowed by law, the CITY OF UVALDE shall defend, indemnify and hold harmless the EAA, its directors, employees and agents from any and all damages, loss, or liability of any kind whatsoever, including the costs of litigation and attorneys' fees arising from: (i) contracts or arrangements between the CITY OF UVALDE and any third parties entered into in performing this Contract, (ii) the performance of the Project covered by this Contract, or (iii) any injury to person or property suffered by any person or party during the course of work on this Contract.

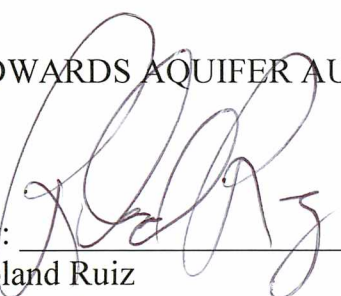
G. This Contract shall be binding upon the EAA and CITY OF UVALDE and their respective heirs, successors, and assigns.

H. This Contract shall be governed by and construed in accordance with the laws of the State of Texas, but in no event shall any modification of the Act or the EAA rules be deemed or construed to modify or supersede this Contract.

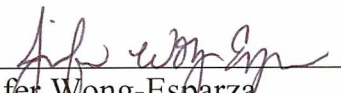
I. For the purposes of this Contract, the WCTC, acting as a contractor of the EAA, will assist the CITY OF UVALDE in developing and implementing the project. WCTC staff will oversee the CITY OF UVALDE's implementation of the Activities in the Scope of Work.

IN WITNESS WHEREOF, the Parties have executed this Interlocal Cooperation Contract in duplicate counterparts, both having equal force and effect, as of the date first above written.

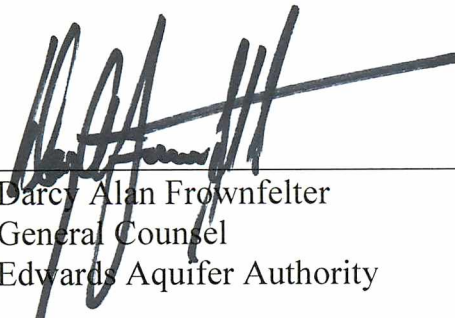
EDWARDS AQUIFER AUTHORITY

By:  _____
Roland Ruiz
General Manager
Date 12-13-13

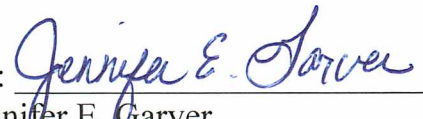
ATTEST:

By:  _____
Jennifer Wong-Esparza
Assistant to the Board Secretary

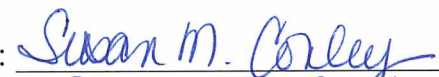
APPROVED AS TO FORM:

 _____
Darcy Alan Frownfelter
General Counsel
Edwards Aquifer Authority

CITY OF UVALDE

By:  _____
Jennifer E. Garver
City Manager/Finance Director
Date 10/15/2013

ATTEST:

By:  _____
Name: Susan M. Cortley
Title: City Secretary

APPROVED AS TO FORM:


By:  _____
Name: Adolfo Ruiz
Title: City Attorney

EXHIBIT A
SCOPE OF WORK
INTERLOCAL COOPERATION CONTRACT No. 13-657-HCP
BETWEEN THE
EDWARDS AQUIFER AUTHORITY
AND THE
CITY OF UVALDE
FOR IMPLEMENTATION OF REGIONAL WATER CONSERVATION PROJECTS

COMPLETION DATE:

This Scope of Work will be completed within three years of the effective date of this Contract, notwithstanding the fact that the term of this Contract extends beyond that Completion Date.

ACTIVITIES:

Activity 1: Uvalde Conservation Coordinator

Within 60 days upon execution of this Contract, the CITY OF UVALDE will hire a part-time (*i.e.*, 1/2 FTE) Conservation Coordinator. The EAA will reimburse the CITY OF UVALDE for the Conservation Coordinator's salary, fringe benefits and other support such as travel up to the maximum amount set forth in Exhibit B. The Conservation Coordinator will:

- oversee the receipt and warehousing of plumbing fixtures as described in Activity 2;
- document condition of plumbing fixtures at the time of receipt;
- conduct water conservation education, outreach, application, voucher and rebate processing, and monitoring tasks;
- photograph conservation events and activities; and
- any other duties necessary to make the program successful.

The CITY OF UVALDE will provide office space, phone, computer support, and overhead costs.

Activity 2: High-Efficiency Plumbing Program in the Uvalde Service Area

The CITY OF UVALDE will implement a high-efficiency plumbing program for the replacement of approximately 3,000 high-water use toilets, and 3,000 showerheads and sink faucet aerators (plumbing kits) currently in residential use in the Uvalde Service Area. As part of the program, the CITY OF UVALDE will find and secure a suitable plumbing fixture distribution location capable of storing a minimum of 300 high-efficiency toilets and plumbing kits. The location should be secure from theft, be capable of protecting stored fixtures from inclement weather, and allow for unloading of toilets and plumbing kit shipments from semi tractor-trailers (*i.e.*, loading dock, forklifts and/or pallet jacks).

The CITY OF UVALDE will design and implement an effective public outreach program to make potential participants in the program aware of the distribution dates, location, and times and for

managing and carrying out the distribution.

To receive high-efficiency toilets and plumbing kits, a recipient must currently be in the CITY OF UVALDE service area and live in a home built prior to 1993 in which low efficiency toilets and plumbing kits are in use. Qualified recipients will be provided vouchers which may be redeemed for up to two toilets and two plumbing kits per household, if the residence has two or more bathrooms.

The CITY OF UVALDE will make reasonable efforts to distribute approximately 1,000 high-efficiency toilets and plumbing kits to CITY OF UVALDE residents in the CITY OF UVALDE Service Area per year for each of three years.

Activity 3: High-Efficiency Plumbing Program Outside of the Uvalde Service Area

The CITY OF UVALDE will implement a high-efficiency plumbing program for the replacement of approximately 300 high-water use toilets and 300 plumbing kits currently in residential use outside of the Uvalde Service Area by Edwards Aquifer Exempt Well users. As part of the program, the CITY OF UVALDE will utilize the fixture storage and distribution location described in Activity 2. The CITY OF UVALDE will design and implement an effective public outreach program to make potential participants in the program aware of the distribution dates, locations, and times and for managing and carrying out the distribution.

The CITY OF UVALDE will require each Edwards Aquifer Exempt Well user to complete an Installation Certification that the toilet(s) and plumbing kit(s) have been installed.

Installation Certification: The certification process and Installation Certification form shall be designed by the City of Uvalde in cooperation with the WCTC. The EAA shall approve the process and form after creation. The certification shall not be completed and submitted to EAA until installation of the entire low flow plumbing kit has been completed.

To receive high-efficiency toilets and plumbing kits, a recipient must currently be an Edwards Aquifer Exempt Well user which is the sole source for domestic water connected to a home built prior to 1993 and register the well with the EAA (if not already registered). Qualified recipients will be provided vouchers, which may be redeemed for up to two toilets and two plumbing kits per household, if the residence has two or more bathrooms.

The CITY OF UVALDE will make reasonable efforts to distribute approximately one hundred (100) low-flow toilets and plumbing kits to Edwards Aquifer Exempt Well users per year.

Activity 4: Large-Scale Commercial Retrofit Program

The CITY OF UVALDE will implement a large-scale commercial retrofit program to provide rebates to commercial customers that are willing to convert their existing high-water use equipment and infrastructure to high-efficiency water-saving equipment or processes. The Conservation Coordinator will contact high volume commercial customers to inform them about the large-scale commercial retrofit program and enlist their participation. The WCTC staff will

conduct a cost and water savings analysis prior to issuance of any rebates. Based on this analysis, the CITY OF UVALDE will issue a one-time rebate at a rate of up to \$600 per acre-foot of water saved annually or 50% of the cost of the technological change, whichever is less. Water saved will be calculated per formulas in Article IV Paragraph C(2) of this contract.

The CITY OF UVALDE will require each Retrofit Program participant to complete an Installation Certification that the Retrofit infrastructure has been installed.

Installation Certification: The certification process and Installation Certification form shall be designed by the City of Uvalde in cooperation with the WCTC. The EAA shall approve the process and form after creation. The certification shall not be completed and submitted to the EAA until the Retrofit infrastructure has been installed, is operational, and is actively being utilized.

Activity 5: Reclaimed Water Program

The CITY OF UVALDE will implement a reclaimed water program to provide rebates to Edwards Aquifer Exempt Well users or residential or commercial water customers that retrofit existing plumbing or install new plumbing that will utilize rainwater, condensate, and/or greywater collected for use onsite instead of Edwards Aquifer water. The CITY OF UVALDE will issue a one-time rebate up to \$600 an acre-foot of water saved annually, or 50% of the cost of the technological change, whichever is less, for the cost of an approved reclaimed water system. Water saved will be calculated per formulas and methods in Article 4 Paragraph C of this contract.

The CITY OF UVALDE will require each Reclaimed Water Program participant to complete an Installation Certification that the Reclaimed Water infrastructure has been installed.

Installation Certification: The certification process and Installation Certification form shall be designed by the CITY OF UVALDE in cooperation with the WCTC. The EAA shall approve the process and form after creation. The certification shall not be completed and submitted to EAA until the Reclaimed Water infrastructure has been installed, is operational, and is actively being utilized.

The CITY OF UVALDE will develop and implement an effective public outreach program to identify and attract potential participants in the Reclaimed Water Program. The Conservation Coordinator will require any person agreeing to participant to provide adequate information for EAA to calculate the Realized Water Savings including but not limited to, information to enable EAA to calculate the amount of reclaimed water that is anticipated to be used. The Conservation Coordinator will work with WCTC staff on a case-by-case basis to determine the type of information that must be provided by a participant.

REPORTING REQUIREMENTS:

The CITY OF UVALDE will submit project status reports to EAA by January 15, 2014 and quarterly thereafter. The CITY OF UVALDE will submit a final report to EAA within 60 days of the project's completion.

Project status reports must include the following information.

- Number of toilets and plumbing kits distributed to residents in the CITY OF UVALDE Service Area;
- Number of toilets and plumbing kits distributed to Edwards Aquifer Exempt Well users outside Uvalde Service Area;
- Number of toilets returned due to defects, number of toilets broken in shipment, and number of toilets broken during storage and distribution;
- Number of large-scale commercial retrofit rebates issued, type of business, amount and basis of rebate, and type of technological change; and
- Number of reclaimed water rebates issued, type of system installed, volume of water storage (if applicable), and amount of rebate.

The CITY OF UVALDE will also include in the project status report the itemization of RWCP funding spent to date and projected expenditures.

EXHIBIT B
THREE-YEAR "NOT TO EXCEED" BUDGET
INTERLOCAL COOPERATION CONTRACT No. 13-657-HCP
BETWEEN THE
EDWARDS AQUIFER AUTHORITY
AND THE
CITY OF UVALDE
FOR IMPLEMENTATION OF REGIONAL WATER CONSERVATION PROJECTS

Activity	Estimated Cost
1. Uvalde Conservation Coordinator	\$ 60,000
2. Uvalde Service Area High Efficiency Plumbing Program	\$ 0*
3. Outside Uvalde Service Area High Efficiency Plumbing Program	\$ 0*
4. Large-Scale Commercial Retrofit Program	\$ 30,000
5. Reclaimed Water Program	\$ 9,000
<u>Leasing Cost for Storage and Distribution Site for Plumbing Fixtures</u>	<u>\$ 12,000</u>
Total	\$111,000

*The EAA will contract separately with high efficiency plumbing fixture vendor(s) and arrange for delivery of high efficiency toilets and plumbing fixtures directly to the CITY OF UVALDE for distribution.