

AGREEMENT REGARDING RETAIL WATER SERVICE AREAS

This Agreement Regarding Retail Water Service Areas (“Agreement”) is made and entered into for the purposes and consideration set forth herein as of the Effective Date set forth below by and between the CITY OF DRIPPING SPRINGS, TEXAS, a general law City (“the City”), and the DRIPPING SPRINGS WATER SUPPLY CORPORATION (“DSWSC”), a Texas nonprofit, member-owned water supply corporation. The City and DSWSC are hereinafter collectively referred to herein as the “Parties.”

WHEREAS, The City and DSWSC are parties to the Settlement Agreement and Water and Wastewater Service Agreement by and between the City and DSWSC (effective May 28, 2002) (hereafter “Settlement Agreement”).

WHEREAS, Exhibit “A” of the Settlement Agreement (also attached hereto as Exhibit “A”) identifies certain geographic areas where retail water service will be provided by either the DSWSC or the City, and for which one of the Parties will have the primary right as between the Parties to provide water service pursuant to Article I of the Settlement Agreement (“Service Areas”).

WHEREAS, on June 24, 2024 at a duly called meeting, DSWSC voted 4-1 in favor of a motion to relinquish retail water service area for the Anarene West Property (identified in red at Exhibit “B”) to the City. The City accepted the Anarene West Property into its Service Area.

WHEREAS, Although the City and DSWSC had discussed the possibility of having DSWSC provide retail water service to the property identified at Exhibit “C” and known as the “Cannon Retail Property”, both the City and DSWSC have concluded the City should retain the Cannon Retail Property in the City’s Service Area. The Cannon Retail Property is already in the City’s Service Area.

WHEREAS, Notwithstanding Exhibit “A” of the Settlement Agreement, because the geographic areas identified on Exhibit “A” of the Settlement Agreement do not always follow property lines in a manner that makes sense for development, to avoid confusion and disputes, and for the convenience of the City and DSWSC, the Parties enters into this Agreement to describe the primary water service area of the Parties with respect to the Cannon Retail Property and the Anarene West Property.

NOW, THEREFORE, for value received, including the mutual promises and covenants made herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

A. Definitions. The following terms shall be defined as follows for purposes of this Agreement:

1. "Water Provider" shall mean the entity that shall provide retail water service, to the exclusion of the other Party for the designated property.

B. Water Provider

1. Consistent with Exhibit A, the City shall be the Water Provider for the Cannon Retail Property and shall retain the Cannon Retail Property in its Service Area.
2. Notwithstanding Exhibit A to the Settlement Agreement, the City shall be the Water Provider for the Anarene West Property and DSWSC has relinquished Service Area for the Anarene West Property to the City.

C. Miscellaneous

1. Other than changing Water Provider for the Anarene West Property, nothing in this Agreement should be construed as amending or affecting the Settlement Agreement.
2. No Third-Party Beneficiaries. This Agreement between the City and DSWSC shall not confer any rights on third parties with respect to utility service, and in particular shall not independently create any rights in third parties to water service.
3. If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future laws, such provision will be fully severable and this Agreement will be construed and enforced as if such illegal, invalid or unenforceable provision is not a part thereof, and the remaining provisions thereof will remain in full force and effect. In lieu of any illegal, invalid or unenforceable provision therein, there will be added automatically as a part of this Agreement a provision as similar in its terms to such illegal, invalid or unenforceable provision as may be possible and be legal, valid and enforceable.
4. This Agreement may be modified or amended only in writing signed by both the City and DSWSC. This Agreement was prepared and drafted jointly by legal counsel representing the City and DSWSC. The City and DSWSC acknowledge that each one of them and its counsel have reviewed and revised this Agreement and that the normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party will not be employed in the interpretation of this Agreement or any amendments thereto.
5. This Agreement shall be binding on the City and DSWSC and their successors and assigns.
6. This Agreement may not be assigned in whole or in part without the express written consent of the non-assigning party.
7. All exhibits attached hereto are incorporated herein by reference for all purposes.

8. This Agreement shall be construed under and in accordance with the laws of the State of Texas.
9. Any action at law or in equity brought to enforce any provision of this Agreement shall be brought in a State court of competent jurisdiction with venue in Hays County, Texas, unless statutes provide for another mandatory venue.
10. The parties agree to attempt informal resolution of any disputes regarding this Agreement.
11. The parties hereto covenant and agree that they shall execute and deliver such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the intent of this Agreement.
12. This Agreement may be executed in multiple originals, either copy of which shall be considered to be an original.
13. The signatories hereto represent and affirm that they have the authority to execute and bind the party on whose behalf they sign below.
14. Effective Date. This Agreement is effective as of October 22, 2024 (“Effective Date”).

THE CITY OF DRIPPING SPRINGS, TEXAS

Attest:

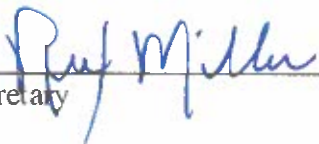
City Secretary

By: _____
Bill Foulds, Mayor

Date: _____

DRIPPING SPRINGS WATER SUPPLY CORPORATION

Attest:



Secretary

By: 

Name:
Title: **PRESIDENT**

Date: **11-18-24**