INTERLOCAL AGREEMENT – JCSUD AND THE CITY OF JOSHUA WATER UTILITIES FACILITIES RELOCATION AND MAINTENANCE JOSHUA MEADOWS PHASE 4 ADDITION

This INTERLOCAL AGREEMENT FOR WATER UTILITIES FACILITIES RELOCATION AND MAINTENANCE ("Agreement") relative to the Joshua Meadows Ph 4 in the City of Joshua is entered into by and between Johnson County Special Utility District ("JCSUD") and the City of Joshua, Texas ("Joshua" or the "City"), to be effective as of the last date of execution by JCSUD and Joshua (the "Effective Date"). JCSUD and Joshua may be referred to herein individually as a "Party" or collectively as the "Parties."

WHEREAS, JCSUD is a conservation and reclamation district created pursuant to Section 59, Article XVI of the Texas Constitution and operating under Chapters 49 and 65 of the Texas Water Code; and

WHEREAS, Joshua is a home-rule city acting under its charter adopted pursuant to Article XI, Section 5 of the Texas Constitution and Chapter 9 of the Local Government Code, as amended; and

WHEREAS, on or about TBD , the City approved a planned development for single-family residential development on 52.051 acres, more or less, to be known as the Joshua Meadows Ph 4 (the "Development"), and a legal description of such property is attached hereto as Exhibit A and incorporated by reference; and

WHEREAS, on or about April 14, 2025, JCSUD approved a planned development for single-family residential development consisting of 43 lot(s), with offsite improvements, to be known as the Joshua Meadows Ph 4 (the "Development"), an overall water facilities layout of said development is attached hereto as Exhibit B and incorporated by reference; and

WHEREAS, Joshua may act to take on certain capital projects (the "Projects") such as roadway extensions or other right-of-way adjustments as designated by Joshua relative to the Development for the intended purpose of improved public access, including but not limited to additional lane capacity, storm drainage improvements, curbing, etc.; and

WHEREAS, such Projects relative to the Development may necessitate the adjustment, removal, and/or relocation of certain water utility facilities belonging to JCSUD, including but not limited to engineering, easement acquisition costs, and construction to relocate JCSUD utility lines along, within, or across any right-of-way within the City; and

WHEREAS, JCSUD is willing to work with the City to permit the relocation necessary for such projects relative to the Development, according to the terms and conditions set forth herein, including but not limited to reimbursement for any relocation.

NOW, THEREFORE, in consideration of the mutual promises set forth herein and for other good and valuable consideration the receipt and sufficiency of which being hereby acknowledged, the Parties agree as follows:

I. RELOCATION

- 1. <u>Area and Facilities Subject to Relocation</u>. The Parties agree that the Projects relative to the Development will be thoroughly described and defined in any Project plans as submitted along with the City's formal request for relocation of waterline facilities.
- 2. <u>Responsibility for Construction</u>. The Parties agree that JCSUD shall be responsible for conducting necessary engineering, inspection, and/or surveying of the area to which the water utilities facilities will be relocated and acquiring easements for the relocation. The Parties agree that JCSUD shall review and approve the construction plans and provide inspection during construction. JCSUD agrees that Joshua may assign the necessary engineering, and/or subcontract any relocation work to any contractor, including to the general contractor selected by Joshua to undertake all or part of the Projects.
- 3. <u>Construction Notice</u>. After the Effective Date, Joshua agrees to provide written notice authorizing JCSUD to begin performing work for any relocation ("Construction Notice"). JCSUD agrees to perform such work diligently, and to conclude the relocation within one (1) year from the date of JCSUD's receipt of the Construction Notice ("Completion Date"). However, the Completion Date shall be extended for delays caused by events outside JCSUD's control, including but not limited to a strike, war or act of war (whether an actual declaration of war is made or not), insurrection, riot, act of public enemy, accident, fire, flood, adverse weather, or other act of God, sabotage, interference by Joshua, including suspension under Section II of this Agreement, or any third party with JCSUD's ability to proceed with any relocation, or any other event in which JCSUD has exercised all due care in the prevention thereof so that the causes or other events are beyond the control and without the fault or negligence of JCSUD.

II. REIMBURSEMENT

- 1. <u>Costs.</u> Joshua agrees to reimburse JCSUD for any and all costs associated incurred by it with any water utilities facilities relocation relative to the Development, including, but not limited to, engineering, design, surveying, permitting, legal, and other consulting costs, costs of acquiring easements, oversight costs associated with JCSUD's internal administration and staff, and any and all construction and inspection costs.
 - i. The Parties agree that the estimated costs constitute a reasonable estimate of the costs of any relocation. The Parties acknowledge that the costs may increase or decrease from the total amount, but such increase or decrease shall not relieve Joshua of the duty to reimburse JCSUD. If JCSUD anticipates an increase in the estimated costs of more than five percent (5%), then JCSUD or its engineer will provide a change order to Joshua identifying the amount of the anticipated change and the reason for the anticipated change ("Change Order"). JCSUD agrees to use reasonable efforts to provide any Change Order to Joshua within fourteen (14) days of the date that JCSUD, or its engineer, determines that an increase in costs is anticipated.
 - ii. In the event JCSUD elects to assign any relocation construction to Joshua for administration by Joshua's general contractor in accordance with Section I.2. of

- this Agreement, the Parties agree that Joshua may pay its general contractor directly rather than reimbursing JCSUD for costs incurred by the general contractor.
- iii. Joshua will not be responsible for the incremental construction costs, as reasonably determined by JCSUD's engineer, resulting from the improvement, upgrading, oversizing, or betterment (the "Betterment") of existing facilities; provided, however, that nothing herein shall prohibit JCSUD from electing to improve or otherwise better its facilities simultaneously with any relocation. The expected incremental construction costs associated with the Betterment shall be listed and itemized in writing by JCSUD.
- iv. Where JCSUD's policies, rules, and procedures, then in effect, require a particular line to be of a different size than the existing line which is subject to relocation (including JCSUD's minimum line size policy), the Parties acknowledge and agree that meeting the requirements of such a policy, rule or procedure will not be considered Betterment and the costs of such change will not be within the Betterment costs.
- 2. <u>Invoices</u>. JCSUD agrees to account for any relocation costs using JCSUD's established accounting procedures. JCSUD will submit invoices for work performed on an incremental basis throughout any relocation. JCSUD will provide documentation in support of the invoices as reasonably requested in writing by Joshua.
- 3. Payment of Invoices. Joshua will pay the invoices submitted by JCSUD within thirty (30) days of Joshua's receipt of the invoice. If Joshua disputes any amount of an invoice, Joshua agrees to pay the full amount of the invoice and to submit notice, in writing, to JCSUD of the amount Joshua disputes and the reason for such dispute within thirty (30) days of receipt of the invoice. Invoices for which no such timely notification is received shall be deemed accepted by Joshua as true and correct. The Parties shall seek to resolve all such disputes expeditiously and in good faith.
- 4. <u>Failure to Pay Invoices</u>. Joshua agrees that the failure to pay any invoice within sixty (60) days of receipt of the invoice will constitute a material breach of this Agreement and will entitle JCSUD to all remedies available in law or in equity, including, but not limited to, termination of this Agreement. All late payments shall bear interest at the lesser rate of 1.5% per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Joshua shall also reimburse JCSUD for all costs incurred in collecting any late payments, including, without limitation, attorneys' fees. In addition to all other remedies available, JCSUD shall be entitled to suspend any Project if Joshua fails to pay any invoice when due hereunder and such failure continues for sixty (60) days following written notice thereof.

III. MAINTENANCE

The Parties agree that JCSUD shall be the entity of record to repair its distribution lines and all related facilities as needed to maintain normal operations. Joshua agrees that JCSUD may place, construct, maintain and operate new water utilities facilities for the Development in Joshua's right-of-way or easements; however, in the event that Joshua thereafter desires the relocation of those water utilities facilities, Joshua shall be responsible for the costs associated with such relocation,

and JCSUD and Joshua will coordinate the relocation process. JCSUD may utilize appropriate Joshua contractors or in-house forces on a "cost plus" basis when such use is available without causing delay or harm to Joshua.

IV. BENEFIT

Absent this Agreement, JCSUD would seek to install all distribution/collection lines and related facilities within an easement at every opportunity since JCSUD is subject to the City's demand to relocate utilities when Joshua engages a capital project where its placement will be in conflict with the existing location of JCSUD's utilities within the City right-of-way. This Agreement enables JCSUD to comply with the City's development standards whereby water and sewer facilities are planned and installed within the jurisdictional area of the City and its rights-of-way to optimize land use to the benefit of Joshua and its development planning relative to the Development. Accordingly, Joshua assures that JCSUD water and sewer facilities may be located within the City right-of-way and while other utilities may cross over, Joshua shall ensure no other utilizes run along JCSUD's facilities closer than two feet (2') from JCSUD's facilities so that normal maintenance is not impeded.

V. MISCELLANEOUS

1. <u>Notices</u>. Notices shall be in writing and delivered personally, or mailed by registered mail or certified mail, return receipt requested, postage prepaid, or transmitted by facsimile transmission (receipt of such transmission to be acknowledged by the recipient) to the Parties at their respective addresses shown below:

Johnson County Special Utility District Attn. Joshua Howard, General Manager P.O. Box 1390 Joshua, TX 76058 (817) 760-5200

City of Joshua Attn: Mike Peacock, City Manager 101 S. Main St. Joshua, TX 76058 (817) 558-7447

- 2. <u>Compliance with Applicable Laws</u>. The Parties agree that they will comply with all federal and state laws, rules, and regulations applicable to construction associated with the Projects and any relocation.
- 3. <u>Disclaimer of Indemnification</u>. The Parties agree that neither of them may indemnify the other under Texas state law for any reason, including any tort or other claim for (i) any injury or death of any person; (ii) any loss or damage to a vehicle or other personal property; or (iii) any loss or damage to any real property.

- 4. <u>Governing Laws</u>. This Agreement shall be governed by and construed and enforced under the laws of the State of Texas.
- 5. <u>Venue</u>. The obligations and undertakings of each of the Parties to this Agreement shall be performed in Johnson County, Texas. The parties expressly agree that all judicial proceedings to enforce any of the provisions of this Agreement shall take place in Johnson County, Texas.
- 6. <u>Third Party Beneficiaries</u>. The Parties agree that there are no third party beneficiaries to this Agreement.
- 7. <u>Attorneys' Fees</u>. Except as provided in Section II of this Agreement, each Party shall bear its own attorneys' fees and costs related to this Agreement.
- 8. <u>Entire Agreement</u>. This Agreement contains the entire agreement of the Parties with respect to the subject matter of the Agreement. No agreement, statement, or promise made by any Party or to any employee, agent, or officer of any Party that is not contained in this Agreement shall be valid, binding, or of any force or effect.
- 9. <u>Exhibits</u>. All Exhibits hereto are incorporated as if set forth in their entirety in this Agreement.
- 10. <u>Amendment</u>. Any amendments to this Agreement must be in writing and signed by all the Parties.
- 11. <u>Successors and Assigns</u>. This Agreement shall be binding upon the parties hereto and their respective successors, heirs, representatives, and assigns. Notwithstanding the foregoing, no Party to this Agreement may assign their rights or obligations under this Agreement without the written consent of the other Parties.
- 12. <u>Construction</u>. This Agreement shall be deemed drafted equally by the Parties hereto. The language of all parts of this Agreement shall be construed as a whole according to its fair meaning, and any presumption or principle that the language herein is to be construed against either Party shall not apply. When required by context, the gender of words in this Agreement includes the masculine, feminine, and neuter genders and the singular includes the plural (and vice-versa). The headings in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 13. <u>Severability</u>. Should any provision of this Agreement be declared void by a court of competent jurisdiction, the remaining provisions of this Agreement shall remain in full force and effect.
- 14. <u>Authority</u>. The respective signatories to this Agreement represent that they are authorized to sign this Agreement on behalf of their respective Party, and that such signatory has received the necessary approval of its governing body to execute this Agreement on the Party's behalf.
- 15. <u>Execution</u>. This Agreement may be executed in multiple counterparts, each of which shall constitute an original, and all of which counterparts, when taken together, shall constitute one and the same Agreement. The Parties agree that delivery of a signed counterpart, or the signed

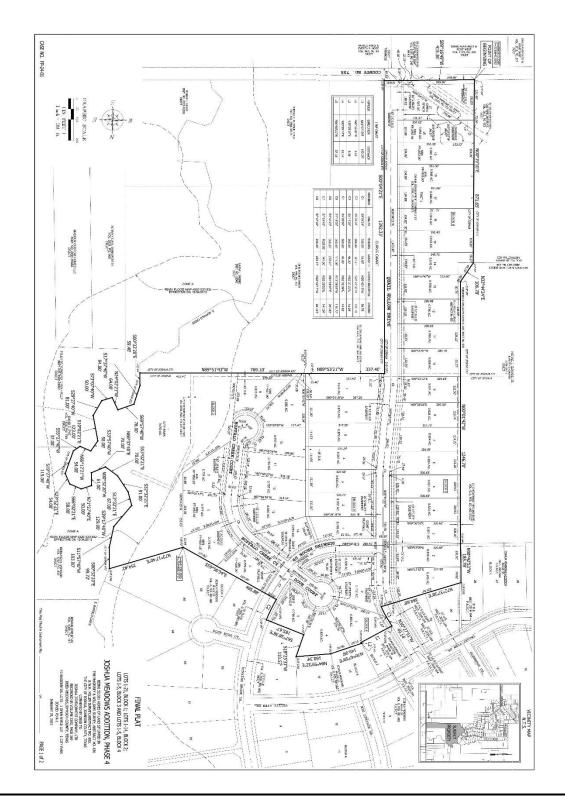
Agreement or amendment by facsimile or electronic mail, shall be deemed the same as the delivery of an original document.

- 16. <u>Enforceability</u>. The Parties acknowledge and agree that this Agreement is a written contract stating the essential terms of the Parties' agreement for providing goods and services under Subchapter I of Chapter 271 of the Texas Local Government Code.
- 17. <u>Waiver</u>. Any waiver by any Party of its rights with respect to a default or requirement under this Agreement will not be deemed a waiver of any subsequent default or other matter.

| | JOHNSON COUNTY SPECIAL UTILITY DISTRICT |
|---------|---|
| | By: |
| | Name: |
| | Title: |
| | Date: |
| ATTEST: | |
| | |
| Name: | |
| [SEAL] | |
| | CITY OF JOSHUA, TEXAS |
| | By: |
| | Name: |
| | Title: |
| | Date: |
| ATTEST: | |
| | |
| Name: | |

[SEAL]

 $\underline{EXHIBIT\ A}$ (Joshua Meadows Ph 4 Property Legal Description)



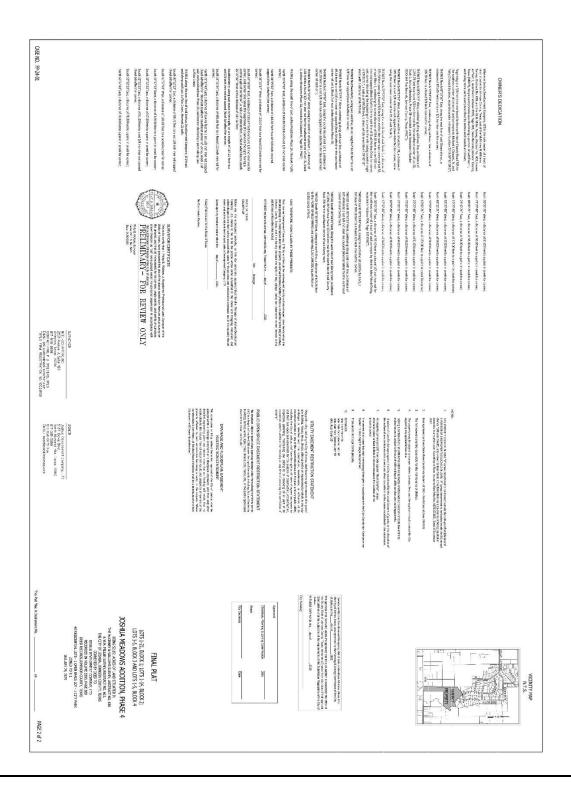


EXHIBIT B

(Joshua Meadows Ph 4-JCSUD Approved Water Facilities Layout)

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