



LA VERNIA, TEXAS

A Community Living, Learning, and Working Together

Conditional Water Service Agreement

This Conditional Service Agreement ("Agreement") is made and entered into as of the 7 day of October, 2025, by and between the **City of La Vernia, Texas** (the "City") and **M/I Homes of San Antonio, LLC** (the "Developer"), regarding the provision of municipal water service to a proposed subdivision located in the City's extraterritorial jurisdiction (ETJ).

Recitals

WHEREAS, the Developer proposes to subdivide approximately **77 acres located off U.S. Highway 87 adjacent to Witte's BBQ Restaurant**, currently owned by **Lewis Robert L III & Shawn Michele Lein, Witte William J, and Lewis Shannon L, et al.**, according to the Wilson County Appraisal District records as of September 2, 2025; and

WHEREAS, the Developer requests that the City provide water service to approximately **75 residential lots** within the proposed subdivision; and

WHEREAS, the City has completed a preliminary review of the proposed subdivision and agrees to provide such water service **conditional upon compliance with the terms set forth below**;

NOW, THEREFORE, the City and Developer agree as follows:

1. Water Infrastructure Requirements

1.1 The Developer shall design and construct, at its sole cost, a minimum **8-inch water line bored across U.S. Highway 87**. The City reserves the right, upon further review with the Public Works Director, to require a larger water line if system demands so indicate.

1.2 The Developer shall submit all water infrastructure plans and specifications for review and approval by the City prior to installation. All water facilities shall be subject to City inspection during construction to ensure compliance.

1.3 Upon completion and acceptance by the City, ownership of all internal water lines shall be transferred to the City.

1.4 The Developer shall dedicate a minimum **15-foot easement** around all water lines and along all roadway frontages within the subdivision.

2. Impact Fees

The Developer shall pay the City's current **2025 water impact fee of \$5,990 per lot** for all lots receiving City water service.

2.1 Submittal and Approval. The developer shall submit the **water utility plan set** for the Project to the City for review. The City will review and either approve the plans or return comments. Upon satisfaction of all comments, the City will issue **written plan approval ("Plan Approval")**.

2.2 Calculation and Invoicing. After Plan Approval and upon Developer's request to start construction of the public water line improvements, the City will calculate applicable **water (and, if applicable, wastewater) impact fees** in accordance with the City Code and issue an **invoice** stating the total amount due ("**Impact Fee Invoice**").

2.3 Due and Payable Prior to Permit. The impact fees stated in the Impact Fee Invoice shall be **due and payable prior to, and as a condition of, the City's issuance of the construction permit** for the public water line improvements ("**Water Line Permit**"). Developer shall deliver payment to the City **before** the Water Line Permit is issued. Upon the City's **receipt of full payment** and satisfaction of all other permit prerequisites (e.g., bonds, insurance, right-of-way approvals), the City will issue the Water Line Permit.

2.4 No Waiver; Adjustments. Acceptance of installment or staged submittals does not waive the requirement that **full impact fees be paid prior to permit issuance**. If material plan revisions change meter sizes, service areas, or other fee determinants, the City may **recalculate** impact fees and issue a revised invoice, and the **revised amount** shall be due prior to permit issuance.

2.5 Fee Rate Lock: The impact fee **rates in effect as of the date of Plan Approval** shall apply if the City receives payment **within 120 days** after Plan Approval. Thereafter, the then-current adopted rates shall apply.

2.6 Method of Payment. Payment shall be made by **check or debit/ credit card**, payable to the **City of La Vernia**, referencing the Project and the Impact Fee Invoice number.

3. Well Site Requirements

3.1 The Developer shall dedicate to the City a **100-foot by 100-foot well site**, location to be mutually agreed upon by the City and Developer.

3.2 The Developer shall grant a **300-foot by 300-foot sanitary control easement** (150-foot radius in all directions) around the well site.

3.3 The Developer shall assign to the City all **water rights** associated with the sanitary control easement and all property receiving City water service.

3.4 **Water Service Contingency.** Water service to the subdivision shall not be contingent on the well being constructed on the dedicated well site. The City shall retain responsibility for constructing the well, and the Developer shall have no obligation beyond dedicating the well site, sanitary control easement, and water rights as described in this Section.

4. Enforcement, Termination & Sunset

4.1 The City reserves the right to **withhold, delay, suspend, or terminate water service** if the Developer fails to comply with any provision of this Agreement.

4.2 Failure to complete the required infrastructure improvements to City standards shall constitute grounds for termination of this Agreement.

4.3 In the event the Developer fails to pay all impact fees, construct improvements as required, or transfer ownership/easements to the City, the City shall have **no obligation** to provide service to any lot within the subdivision.

4.4 Termination of this Agreement shall not preclude the City from pursuing any and all remedies available under Texas law, including recovery of costs incurred by the City due to non-compliance.

4.5 Sunset Clause. This Agreement shall automatically expire **twenty-four (24) months from the date of execution** unless all required infrastructure improvements and conditions have been fully satisfied and accepted by the City. Extensions may only be granted in writing by the City Council.

5. Miscellaneous

5.1 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas and the United States of America.

5.2 Severability. If any provision of this Agreement is held invalid, the remainder shall remain in full force and effect.

5.3 Entire Agreement. This Agreement constitutes the entire understanding between the parties regarding the subject matter and supersedes all prior negotiations or representations.

5.4 Amendments. This Agreement may only be amended in writing, executed by both parties.

IN WITNESS WHEREOF, the parties hereto have executed this Conditional Service Agreement as of the date first written above.

CITY OF LA VERNIA, TEXAS

By: _____

Mayor / City Administrator

Date: _____

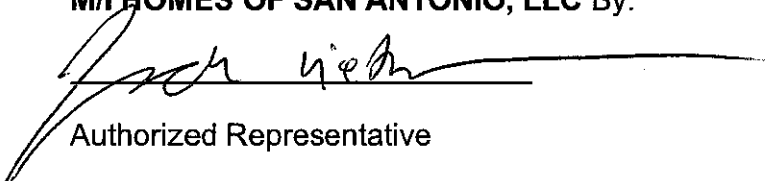
STATE OF TEXAS § COUNTY OF WILSON §

This instrument was acknowledged before me on the ____ day of _____, 2025, by _____, in the capacity of Mayor / City Administrator for the City of La Vernia, Texas, a municipal corporation, on behalf of said municipality.

Notary Public, State of Texas

My Commission Expires: _____

M/I HOMES OF SAN ANTONIO, LLC By:


Authorized Representative

Date: 10-7-25

STATE OF TEXAS § COUNTY OF Bexar §

This instrument was acknowledged before me on the 7th day of October, 2025, by Zachary Wiedower, in the capacity of Director of Land of M/I Homes of San Antonio, LLC, a Texas limited liability company, on behalf of said company.

Notary Public, State of Texas

My Commission Expires: 6/25/2026

