

**INTERLOCAL COOPERATION AGREEMENT  
BETWEEN THE CITY OF CORPUS CHRISTI AND  
THE SAN PATRICIO MUNICIPAL WATER DISTRICT  
FOR CONSTRUCTION OF CORPUS CHRISTI  
FIBER OPTIC LINE & WATER LINE IMPROVEMENTS**

THIS INTERLOCAL COOPERATION AGREEMENT ("Agreement") is made by and between the CITY OF CORPUS CHRISTI, TEXAS, a municipal corporation and home-rule city of the State of Texas, acting by and through its governing body, the City Council ("City") and the SAN PATRICIO MUNICIPAL WATER DISTRICT, a political subdivision of the State of Texas, duly created by the Legislature of Texas ("District").

WHEREAS, the City owns and operates a regional water supply system that provides potable water to municipal customers, as well as, wholesale customers like the District; and

WHEREAS, the District is building a new 54-inch to 48-inch treated water pipeline that will run from the City's 60-in water transmission line located near O. N. Stevens Water Treatment Plant and the south end of Loma Alta Road to a point near the site of the Gulf Coast Growth Ventures ("GCGV") PET Plant Project located west of Gregory, San Patricio County, Texas (the "Project"); and

WHEREAS, in connection with the above-referenced Project, the District will design and construct a fiber optic conduit approximately 3,600 feet in length running from the proposed Master Meter on Sharysburg Road in a southwest direction under IH-37 to connect to City water lines as depicted in the City Waterline Exhibit attached hereto and incorporated herein as Exhibit "A;"

WHEREAS, the District will also design and construct two tees, valves and utility vaults that are connected to the proposed 54-inch and 48-inch water line for the City's future water distribution development; one utility vault to be located on the north side of IH-37 and the other on the south side of IH-37, as depicted in Exhibit "A;" and

WHEREAS, upon completion of the above referenced improvements for the City, and review and acceptance of the improvements by the Executive Director of Utilities for the City of Corpus Christi, or his authorized representative, the District shall transfer ownership of the improvements to the City along with all design and construction warranties associated with these improvements; and

WHEREAS, this Agreement is made pursuant to Chapter 791, Texas Government Code; and

WHEREAS, all payments due and owing under this Agreement shall be paid with current revenues available to the City or the District.

**NOW, THEREFORE**, the City of Corpus Christi, Texas and the San Patricio Municipal Water District hereby agree as follows:

**SECTION I. PROJECT SCOPE.**

- 1.01 The District will design and construct a 54-in to 48-in treated water pipeline that will run from the City's 60-inch water transmission line located near the O. N. Stevens Water Treatment Plant and the south end of Loma Alta Road to a point at the Master Meter adjacent to Sharpsburg Road on the north side of IH-37 as depicted in the Corpus Christi Waterline Exhibit attached hereto as Exhibit "A."
- 1.02 The District will also design and construct a fiber optic conduit line from the Master Meter location on Sharpsburg Road (north of IH-37) which will run south and under IH-37 to connect to City water lines as depicted in the Corpus Christi Waterline Exhibit attached hereto as Exhibit "A."
- 1.03 The District will also design and construct two tees, valves and utility vaults that are connected to the proposed 54-in and 48-in water line for the City's future water distribution development, one utility vault to be located on the north side of IH-37 and the other on the south side of IH-37, as depicted in Exhibit "A" attached hereto.

**SECTION 2. OBLIGATIONS OF THE DISTRICT AND THE CITY.**

- 2.01 The District shall design and construct a 54-inch to 48-inch treated water pipeline that will run from the City's 60-inch water transmission line located near the O. N. Stevens Water Treatment Plant and the south end of Loma Alta Road to a point at the Master Meter adjacent to Sharpsburg Road on the north side of IH-37 as depicted in the Corpus Christi Waterline Exhibit attached hereto as Exhibit "A."
- 2.02 The District shall design and construct a fiber optic conduit line to run from the Master Meter location on Sharpsburg Road south and west under IH-37 to connect to City water lines as depicted in the Corpus Christi Waterline Exhibit attached hereto as Exhibit "A."
- 2.03 The District shall also design and construct two tees, valves and utility vaults that will be connected to the proposed 54-in and 48-in water line for the City's future water distribution development, one utility vault to be located on the north side of IH-37 and the other on the south side of IH-37, as depicted in Corpus Christi Waterline Exhibit attached hereto as Exhibit "A" (collectively the "City Water Line Improvements").

- 2.04 The District shall ensure that all engineering plans and specifications associated with the City Water Line Improvements are designed in accordance with American Water Works Association (“AWWA”) specifications and all other applicable State, Federal and Municipal rules, regulations and specifications for water pipeline design and construction.
- 2.05 The District shall provide a copy of the plans and specifications for the City Water Line Improvements to the Executive Director of City Utilities, or to his authorized representative, for review and approval prior to the District awarding the contract for construction of these improvements.
- 2.06 The District shall advertise the Project for competitive sealed proposal or competitive bid in accordance with State law.
- 2.07 The District shall award the Project to the Contractor submitting the proposal or bid which provides the best value to the District in accordance with Chapter 2269 of the Texas Government Code or other applicable State law.
- 2.08 The District shall require that the Contractor who is awarded the work on the City Water Line Improvements to provide insurance coverage in the minimum amounts required by the City’s Insurance Requirements as set forth in Exhibit “B” attached hereto. This includes naming the City of Corpus Christi, it’s elected officials, officers and employees as an Additional Insured under those insurance policies specified in Exhibit “B.”
- 2.09 The District shall require Contractor to furnish a Performance Bond and Payment Bond for the Project as required by State law. The District further agrees to provide the City with a copy of the Construction Agreement between the District and Contractor, along with copies of applicable Certificates of Insurance, Insurance policy endorsements and copies of the Performance and Payment Bonds.
- 2.10 The City will reimburse District for all costs associated with the City’s Water Line Improvements (except where those costs which are covered by GCGV) as described in this Interlocal Agreement and attached Exhibit “A” in an amount not to exceed **THREE HUNDRED THOUSAND AND NO DOLLARS (\$300,000.00)**. The District will invoice the City for these costs and the City will pay said invoice within sixty (60) days of receipt. Should the City dispute any costs or charges from District associated with the design and/or construction of the City’s Water Line Improvements, the District and City shall work to resolve said questions or disputes as quickly as possible.
- 2.11 The District shall provide City with a copy of any proposed change orders related to the City’s Water Line Improvements for review and approval before the District approves any change orders with the Contractor.

- 2.12 The District shall submit a copy of As-Built Plans for the City's Water Line Improvements upon completion of the work and payment by City.
- 2.13 Upon final payment from the City and final acceptance of the Project by City, the District shall transfer all right, title, and interest in the City's Water Line Improvements to the City as described herein and depicted in Exhibit "A." The District agrees to execute a Bill of Sale and Conveyance or such other documents required by City to transfer title to the City's Water Line Improvements and related facilities.
- 2.14 The District shall transfer any construction warranties or surety bonds applicable to the City's Water Line Improvements which are still in effect upon City's final payment.

### SECTION 3. TERM OF AGREEMENT

- 3.01 This Agreement shall become effective upon the date last signed by the parties hereto and shall remain in full force and effect until the City's Water Line Improvements are completed, final payment is made, and the District transfers title, ownership and operation of the City's Water Line Improvements over to the City. However, Section 5 of this Agreement shall survive such transfer for a period of ten (10) years.

### SECTION 4. DEFAULT

- 4.01 If either party determines that the other party is in default under this Agreement, the party claiming default by the other party shall give written notice to the other party, which states the nature of the default. The notice must be delivered to the defaulting party in accordance with the Notice provisions contained herein. The defaulting party shall have thirty (30) days to cure the default, or if such default cannot be reasonably cured within said thirty (30) day period, the defaulting party shall use reasonable efforts to cure the default as soon as possible.
- 4.02 If the defaulting party does not cure the default and reimburse the party not in default for any and all costs incurred as a result of the default within thirty (30) days, or if the default cannot be reasonably cured within a thirty (30) day period, and the defaulting party does not use reasonable efforts to cure the default and reimburse the party not in default for any and all costs incurred as a result of the default, the party claiming default may terminate this Agreement and seek any remedy available at law or in equity, including an action in mandamus or for specific performance.

### SECTION 5. INDEMNIFICATION

- 5.01 **District agrees to indemnify and hold harmless the City of Corpus Christi and its officials, officers, agents and employees ("Indemnatee") from and against any and all claims, damages, losses or expenses, including but not limited to Attorney's fees, court costs, or dispute resolution costs,**

arising out of or resulting from District's obligations under this Agreement or District's performance of the work, violations of the law, or bodily injury, death, or destruction of tangible property caused by the negligent acts or omissions or intentional acts or omissions of the District or Engineers, Contractors, Subcontractors or Consultants working for the District or under the control of the District. Provided, however, nothing herein shall be construed to require District to indemnify Indemnatee against a claim, loss, damage or expense caused by the sole negligence or fault of Indemnatee.

- 5.02 District shall defend Indemnatee with legal counsel satisfactory to the City Attorney, from and against any and all claims, damages, liabilities or costs, including reasonable attorney fees and court costs, if the claim is not based solely on the negligence or intentional act wrongful act of Indemnatee. If a claim is based wholly or partly on the negligence of, fault of or breach of contract by Indemnatee, the Consultant shall reimburse the City's reasonable attorney's fees in proportion to the Consultant's liability.

#### SECTION 6. MISCELLANEOUS.

- 6.01 Amendment. This Interlocal Agreement may be amended only by written instrument duly executed by authorized representatives of each party.
- 6.02 Notices. Any notices required or permitted to be given hereunder shall be given in writing and shall be delivered (a) in person, (b) by certified mail, postage prepaid, return receipt requested, or (c) by a commercial overnight courier that guarantees next day delivery and provides a receipt, and such notices shall be addressed as follows:

San Patricio Municipal Water District  
Attn: General Manager  
P.O. Box 940  
Ingleside, Texas 78362

City of Corpus Christi  
Attn: City Manager  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277

A copy of the Notice shall also be delivered to:  
City Attorney  
City of Corpus Christi  
P.O. Box 9277  
Corpus Christi, Texas 78469-9277

- 6.03 Severability. Any provision or part of this Agreement held to be void or unenforceable under any laws or regulations shall be deemed stricken, and all remaining provisions shall continue to be valid and binding upon District and City, who agree that this Agreement shall be reformed to replace such stricken provision or part thereof with a valid and enforceable provision that comes as close as possible to expressing the intention of the stricken provision.
- 6.04 Non-Waiver. Failure of any party hereto to insist on the strict performance of any of the agreements 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, and to enforce by any appropriate remedy, strict compliance with any other obligation hereunder or to exercise any right or remedy occurring as a result of any future default or failure of performance.
- 6.05 Governing Law and Venue. This Agreement shall be performed in Nueces County, Texas, and shall be interpreted according to the laws of the State of Texas.
- 6.06 Assignment. This Agreement shall be binding on and inure to the benefit of the parties to this Agreement and their respective successors and permitted assigns. This Agreement may not be assigned by any party without the written consent of all the other parties.

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IN WITNESS HEREOF, the City and the District have made and executed this Agreement as of the date shown below in multiple copies, each of which is an original.

SAN PATRICIO MUNICIPAL  
WATER DISTRICT

CITY OF CORPUS CHRISTI

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

ATTEST:

ATTEST:

\_\_\_\_\_

\_\_\_\_\_  
Rebecca Huerta, City Secretary (Date)

APPROVED AS TO FORM:

APPROVED AS TO LEGAL FORM:

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
Assistant City Attorney