



City of League City
ATTN: Tommy Arrendondo
300 West Walker ST,
League City, TX 77573
Tommy.arrendondo@leaguecitytx.gov

May 19, 2026

Dear Tommy Arrendondo,

Enclosed is the 2026-2027 interlocal agreement. Please sign the interlocal agreement, and return via email by July 31, 2026. This interlocal agreement will apply the new cost of \$40 per sponsorship.

Thank you for supporting the Harris-Galveston Subsidence District's ("District") Water Conservation School Program. This award-winning program provides water and subsidence education through hands-on activities and project-based learning to teach students the importance of saving water. For more information, please visit www.hgsubsidence.org.

A typical elementary class in this program includes 100 students. To ensure the entire class can participate in the full program, the interlocal agreement requires sponsorship of a minimum of 50 students. If a sponsor requires a specific school or co-sponsors with another entity for a specific school, a minimum commitment of 100 students is required. If the preferred school does not enroll for the program the sponsor will not be invoiced or issued groundwater conservation credits.

In addition to the School Program, the District maintains the SmarterAboutWater.org website as a water conservation resource for our region. Please share this resource with your community to help our region be smarter about water.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Denise Ma'.

Denise Ma
Water Conservation Program Coordinator
dma@subsidence.org

[illegible]

INTERLOCAL AGREEMENT

This Interlocal Agreement ("Agreement") entered into by and between the Harris-Galveston Subsidence District, a body corporate and politic under the laws of the State of Texas ("Subsidence District") and City of League City, also a body corporate and politic under the laws of the State of Texas ("Sponsor").

WITNESSETH:

WHEREAS, the Subsidence District is the regulatory agency responsible for preventing subsidence through reduction of groundwater withdrawals governed by Chapter 8801, Special District Local Laws Code, which specifically provides that the Subsidence District may cooperate with "any local government to establish water conservation goals, guidelines, and plans to be used within the district"; and

WHEREAS, the Subsidence District cannot achieve water conservation goals without the cooperation and assistance of the public water supply systems; and

WHEREAS, the Subsidence District has designed a Water Conservation Education Program to increase water conservation awareness and activity primarily through education of elementary and intermediate students along with other water conservation program objectives and initiatives; and

WHEREAS, education in water conservation methods and technology has been demonstrated as an effective means of reducing water demand in households and businesses; and

WHEREAS, the education of elementary and intermediate students in the District's Water Conservation Education Program has been tested in area schools; and

WHEREAS, the plumbing retrofit devices used as part of the elementary and intermediate school education program have been tested in the Harris County Municipal Utility District No. 55, jointly sponsored by that district, the Texas Water Development Board, and the Subsidence District, and

have demonstrated an average savings of 1,400 gallons of water per month per kit utilized and properly installed; and

WHEREAS, the Sponsor is also dedicated to conserving water supplies and providing outstanding service to their customers and taxpayers; and

WHEREAS, the governing bodies of the Subsidence District and the Sponsor have duly authorized this Agreement; and

WHEREAS, this Agreement is made pursuant to Chapter 791, Tex. Gov. Code, the Interlocal Cooperation Act.

NOW THEREFORE, for and in consideration of the mutual promises and representations herein contained, the parties hereby agree as follows:

I. PROGRAM ADMINISTRATION

1.01 The Subsidence District will coordinate the Program by establishing and maintaining programs designed to achieve reductions in water demand in municipal, industrial, commercial, educational, agricultural, recreational, and household use. In-school water conservation education programs may include:

- (A) providing school curriculum and home retrofit kits, including the teacher's guide, teaching aids, internet supporting materials, and web-based applications, to area schools.
- (B) providing training to teachers and all support functions such as slide presentations, video presentations, publications, and program outlines;
- (C) conducting an evaluation of the program, collecting and analyzing voluntarily provided evaluation forms from teachers, students, administrators, and parents, and provide the evaluation results to the Sponsor; and
- (D) providing information related to other water conservation program objectives and initiatives.

1.02 The Subsidence District shall provide water conservation credits as follows:

- (A) The Sponsor shall receive a Certificate of Deposit water conservation credit equal to 84,000 gallons of groundwater for each Program sponsorship.
- (B) The Sponsor may hold, transfer, sell, or redeem the Certificates of Deposit at any time, provided, however, that the Certificates of Deposit will be honored by the Subsidence District for no longer than 20 years after the date the Certificate of Deposit is issued.
- (C) Redemption of the Certificate of Deposit requires the Subsidence District to increase the redeemer's permitted groundwater allocation by the amount of the water conservation credit by a maximum of 30% of the permittee's total water demand. This absolute right to increase the groundwater allocation by up to 30% of the permittee's total water demand does not in any way affect the other terms and conditions of the groundwater permit and all groundwater withdrawals will be subject to the permit fees and other rules of the Subsidence District in effect at the time of the permit.

1.03 The Subsidence District shall perform all coordination activities without additional charge to the Sponsor.

II. PAYMENT

2.01 The Sponsor agrees to 298 sponsorships for the Program for one year from the date of the execution of this Agreement.

The Subsidence District agrees to pursue sponsorships at the following school in the Clear Creek ISD.

Any schools in League City

If the Subsidence District is unable to obtain sponsorships in the preferred school(s), the Sponsor will not sponsor any students for that academic year.

2.02 The Sponsor hereby agrees to pay to the Subsidence District, promptly upon receipt of an invoice from the Subsidence District, the total amount due, which is equal to \$40.00 per sponsorship. The above payment shall provide sponsorship for one year.

2.03 Upon renewal of this Agreement, the Sponsor may seek to adjust the number of sponsorships by providing a written request to the Subsidence District.

2.04 The Sponsor warrants that funds to support this program have been budgeted for the current fiscal year and will continue to be budgeted each year this Agreement is renewed.

2.05 This cost represents the sole monetary obligation of the Sponsor in exchange for and in consideration of the Subsidence District's obligations hereunder.

III.

TERM AND TERMINATION

3.01 The term of this Agreement shall be from the effective date hereof for the 2026-2027 academic year until termination by non-renewal by the Sponsor or termination of the program by the Subsidence District. This Agreement may be renewed annually with written authorization of the Sponsor and approval of that authorization by the General Manager of the Subsidence District.

3.02 The Certificates of Deposit in the Groundwater Bank shall be transferred to the custody of the Sponsor upon receipt of payment from Sponsor, and shall be honored by the Subsidence District for no longer than 20 years after the date the Certificate of Deposit is issued.

IV.

MISCELLANEOUS

4.01 Subsidence District is engaged as an independent contractor, and all of the services provided for herein shall be accomplished by Subsidence District in such capacity. The Sponsor will have no control or supervisory powers as to the detailed manner or method of the Subsidence District's performance of the subject matter of this Agreement. All personnel supplied or used by the Subsidence District shall be deemed employees or subcontractors of the Subsidence District and will not be considered employees, agents or subcontractors of the Sponsor for any purpose whatsoever.

4.02 Each party to the contract is paying for the performance of the contract from current revenues and will pay for each subsequent year this Agreement continues from the revenues budget for that year. The parties agree that each party is paying fair compensation for the services or products rendered.

4.03 This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (expressed or implied) or other terms with respect to the Project, whether written or verbal, antecedent or contemporaneous with the execution hereof.

4.04 The Subsidence District may not assign or delegate any portion of its performance under this Agreement without the written consent of the Sponsor.

4.05 The Subsidence District shall remain obligated under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including the obligation to honor Certificates of Deposit in the Groundwater Bank as provided in Section 1.02.

IN WITNESS WHEREOF, the parties put their hands to this Agreement on the dates indicated below. This Agreement shall be effective on the date of the last signature hereto.

SPONSOR

By: _____ (Title)

ATTEST:

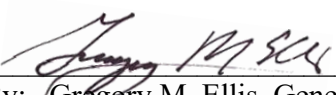
By: _____
(Title)

Date: _____

HARRIS-GALVESTON SUBSIDENCE DISTRICT


By: Michael J. Turco, General Manager

ATTEST:


By: Gregory M. Ellis, General Counsel