

HILL COUNTRY TRANSIT DISTRICT dba THE HOP

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INTERLOCAL AGREEMENT – TRANSIT SERVICES

This Interlocal Agreement (ILA) (hereinafter the “Agreement”) is being made between the **Hill Country Transit District** (hereinafter “the HCTD”) and the Local Government of the City of **Killeen**, (hereinafter “the Local Government”), a Texas home rule city, pursuant to the provisions of the Interlocal Cooperation Act, Texas Government Code 5791.001 et seq. This Agreement includes any addendum between the Local Government and the HCTD that is attached hereto and incorporated herein by reference.

PREAMBLE

WHEREAS, the Local Government historically created an urban transit district (UTD) under Chapter 458 of the Texas Transportation Code and entitled it Hill Country Transit District (the HCTD); and

WHEREAS, the HCTD is a political subdivision under the laws of the State of Texas as defined by Chapter 458 of the Texas Transportation Code and Chapter 791 of the Texas Government Code, under which this Agreement is made, and

WHEREAS, Copperas Cove, Harker Heights, and Killeen further formed into an integral geographic part of the federally established Killeen Urbanized-Zone-Area (“Killeen UZA”), designated as a large UZA for federal formula funding purposes, and

WHEREAS, the HCTD is the designated recipient of both federal and state transportation funds for the Local Government to provide public transportation services within the Killeen UZA; and

WHEREAS, it is the sense of the Local Government that a specialized agency of government should supervise the performance of this agreement and operate and manage the public transportation system (the “system”) for the Local Government; and

WHEREAS, the HCTD is trained and experienced in the operation and management of a public transportation system, has operated the Local Government Urban Transit System

since 1999, and is currently designated under Chapter 458 of the Texas Transportation Code as the sole authorized provider of public transportation services within the Local Government; and

WHEREAS, the Local Government finds that it will increase the efficiency and effectiveness of operations to contract with and designate the HCTD to provide public transportation services; and

WHEREAS, the boundaries of the UZA in effect when this Agreement is adopted may change through growth of the UZA, through expansion or annexation, or through the addition of, or withdrawal of, Local Governmental entities; and

WHEREAS, this Agreement is made under the authority of the Interlocal Cooperation Act of 1971, as amended and codified in Chapter 791 of the Texas Government Code; and

WHEREAS, the governing body of the Local Government and the HCTD have authorized their undersigned representative to enter into this Agreement; and

WHEREAS, the Bylaws of HCTD require HCTD to enter into an interlocal agreement for transit services before transit services may be provided; and

THEREFORE, for and in consideration of the mutual promises and covenants contained in this Agreement, it is agreed that:

SECTION 1 – PURPOSE

The purpose of this Agreement is to provide for a public transportation system to be operated and managed by the HCTD within the UZA for the Local Government as per the terms and conditions hereinafter set forth.

SECTION 2 – GOVERNANCE

The HCTD shall be exclusively governed by a Board of Directors as set forth in the HCTD By-Laws.

SECTION 3 – RIGHTS AND DUTIES

Contracting and Support Services:

The HCTD may contract with the Local Government for the provision of support services such as fueling stations and for the lease of real property and use of other Local Governments-owned facilities under supplemental agreements. The Local Government may contract with the HCTD for special services that are not included in the day-to-day operations of the system. The HCTD's provision of these special services shall not interfere with or reduce the quality of service offered to the public by the system and cannot violate any federal or state regulations governing the use of state or federally funded transit equipment or operations.

Management and Operation of the System:

1. The HCTD shall provide management services and operate a public transportation system which includes all properties, equipment, facilities, routes, runs, zones, and services designed for such purposes.
2. The HCTD shall employ, furnish, and supervise employees and contract for services with third parties as necessary for the operation of the system.
3. The HCTD shall assume the active direction of the system including transportation, maintenance, schedule preparation, accounting, purchasing and contracting, public relations, and human resources.
4. Management and operation of the system shall be provided at the principal office of the HCTD in Belton, Texas, and such other locations designated by the HCTD Board of Directors.
5. The use of public streets within the geographical service areas of the Local Government shall be subject to the control of such Local Governments and may require the HCTD to comply with ordinances requiring permits and certificates of necessity.

Grants:

The HCTD will apply for grants on behalf of the Local Government of the UZA from the Federal Transit Administration (FTA) and Texas Department of Transportation (TxDOT) and any other grant source deemed applicable. The HCTD will serve as both the grantee and the designated recipient for the Local Government. The parties will ensure federal and state requirements for substituting the HCTD for the Local Government in this capacity are completed and maintained.

1. The HCTD shall be solely responsible for executing grant agreements and receiving and managing grant funds.
2. The HCTD shall be responsible for complying with the obligations and responsibilities under all grants and all accompanying certifications, assurances, and agreements made or given by the FTA, or TxDOT, or other entity.
3. The HCTD shall comply with all applicable grant laws, regulations, ordinances, rules, guidelines, and requirements of the United States and the State of Texas and the Local Government within which it provides public transportation service.

Contributions to the HCTD:

1. The Local Government may provide local funds through imposed service fees levied by HCTD, or in-kind contributions, to the HCTD for the enhancement of the system. The HCTD may use such local funds as matching funds as allowed by Federal and State law.
2. If any funds or in-kind contributions are provided by a Local Government, said funds or in-kind contributions may be specified by the Local Government to be used to enhance and support the transportation services in the contributing Local Government's geographical area and may further be apportioned to fund mutually agreed upon regional transit services to enhance mobility and access to important destinations outside a specific Local Government's designated boundaries. Funding for regional services shall be

approved on an annual basis as authorized by addendums to this agreement. HCTD shall maintain accounting records that will track how the funds are used to support the public transportation service in the contributing Local Government's geographical area. The Local Government shall have the right to inspect the financial records of the HCTD during regular business hours to assure compliance with this Agreement. Moreover, the HCTD shall comply with the Texas Open Meetings Act and Public Information Act.

3. It is understood that any local share funds shall constitute a current expense of the Local Government during the year in which the contribution is made and shall not be considered or construed as a debt of the Local Government in contravention of a constitutional, statutory, or charter provision.

Specific Powers:

The HCTD shall have the powers to operate the system including but not limited to the authority to contract, to acquire and own real and personal property, and to accept and expend grant funds from governments, legal entities, and individuals.

The HCTD shall not have the power to tax, to obligate Local Governments, to assess Local Governments, or to adopt ordinances, laws, or regulations.

The HCTD shall provide expert management services and efficiently operate, maintain, and own all assets unless stated otherwise herein. The HCTD shall also ensure the system, including all properties, equipment, facilities including but not limited to bus shelters (shelters, signs, benches, pads), routes, and services now or hereafter existing for such purposes.

The HCTD shall employ and supervise employees and contract for services with third party service providers as necessary for such operation of the system. The HCTD shall be responsible for transportation, maintenance, equipment purchase, schedule preparation, routing, accounting, budgeting, purchasing, contracting, human resources, safety and accident prevention, public relations and advertising, customer relations, and security necessary for the efficient operation of the system. The HCTD shall comply with all federal, state, and local laws, regulations, and ordinances that apply to its operation of the system, including those local regulations regarding the use of the Local Government's public streets and right-of-way. It is understood that the HCTD has Policies and Procedures applicable to transit operations, and that they will be made available to the Local Government for review upon request.

Emergency Services:

The transportation service provided by the HCTD in accordance with this section is for emergency evacuation services in a disaster related incident. A disaster is an occurrence such as a tornado, severe storm, flood, high water, fire, explosion, building structural collapse, commercial transportation accident, or other incident that endangers persons that require outside assistance.

The HCTD will provide vehicles and drivers to assist in evacuation of those persons as determined by emergency management administration. The HCTD management will determine the availability of transportation service based on priority of need and contractual requirements for normal service.

The HCTD staff responsibilities will be limited to operating vehicles. At no time will the HCTD staff administer medications.

To request emergency service, or the possibility of emergency services, the HCTD staff can be reached weekdays from 8 AM until 5 PM by calling 254-933-3700 in Belton. For emergency contact after the HCTD normal business hours, please call the Chief Safety Officer at 254-394-3680.

The Local Government will attempt to utilize available private charter providers before requesting assistance from the HCTD.

The Local Government will notify the HCTD, as soon as possible, of the need for emergency evacuation.

The Local Government emergency management administration will determine persons to be evacuated, a safe location to load/unload evacuees, and the destination of those evacuated. The Local Government emergency management administration will record and track evacuee manifests information and provide the HCTD with the number of evacuees transported.

The Local Government will be invoiced for emergency services by the HCTD for transportation on a minimum three (3) hour per-vehicle basis. The per hour charge will be the current HCTD cost per hour rate. The HCTD, at its sole discretion, may consider waiving these costs in catastrophic events that affect a large geographical area or a large number of people.

SECTION 4 – INDEMNIFICATION

To the extent allowed by law, the HCTD shall indemnify the Local Government and hold them harmless from claims, causes of action, damages, attorney fees, costs, suits, or liability. The HCTD shall obtain and maintain industry-standard amounts of insurance sufficient to cover the maximum joint and severable liability (if any) of all parties under the Texas Tort Claims Act (as amended) for all claims, suits, causes of action, damages, attorney fees, and costs, arising out of or related to acts or omissions in the maintenance or operations for the provision of transportation services.

SECTION 5 – INSURANCE

The HCTD shall obtain and maintain industry-standard Workers' Compensation insurance in an amount sufficient to cover the statutory requirements, Commercial (Public) Liability, and

Comprehensive Automobile Liability insurance. The HCTD shall provide certificates of insurance to parties upon request.

SECTION 6 – SERVICE PARAMETERS AND COSTS

1. This section defines the specific service parameters that outline the service area (via a service map), service hours, days of operations, funding sources & uses, and are included as ATTACHMENT A to this Agreement. Each local government unit shall authorize by signature the parameters and funding levels each calendar year. HCTD shall invoice for the local commitment share after October 1st of each year so that the HCTD can provide services prior to the next calendar year of service. Funds must be received by November 30 of each year to ensure continuity of transit services delivery.
2. Funds allocated to HCTD but not spent shall be reserved for each funding partner and can be used for future years.

SECTION 7 – CONFLICT OF INTEREST

3. The HCTD covenants and agrees that it, its officers and employees have no interest or contract and shall not acquire any interest or contract, direct or indirect, which conflicts with the HCTD's efficient, diligent, and faithful performance of the terms of this contract and agreement.
4. This agreement shall not be assigned or transferred by the HCTD without the prior written consent of the Local Government.

SECTION 8 – LEGAL

Legal Liability:

The HCTD is a Political Subdivision of the State of Texas performing a governmental function and service and shall have the immunities and liabilities of a district under the Texas Civil Practices and Remedies Code.

Interruption of Service:

The HCTD shall not be liable to the Local Government for any failure, delay, or interruption of service or for any failure or delay in the performance of any duties and obligations under this Agreement or similar acts beyond the control of the HCTD.

Venue:

The parties agree that in any legal action brought hereunder, venue shall lie in Bell County, Texas.

Choice of Law:

The validity of this Agreement and of its terms and provisions, as well as the rights and duties of the parties, shall be governed by the laws of the state of Texas.

SECTION 9 – CAPTIONS AND SEVERABILITY

1. The descriptive captions of this Agreement are for informational purposes only and shall not limit nor affect the terms and conditions of the paragraphs.
2. The sections, paragraphs, sentences, clauses, and phrases of this Agreement are severable and if any designated portion is declared invalid, such invalidity shall not affect any remaining portions of this Agreement.

SECTION 10 – TERMINATION AND ASSIGNMENT

Any party at any time may terminate this Agreement or any extension thereof for convenience upon ninety (90) days prior written notice to the other party. Upon termination, all obligations under this Section shall cease and HCTD shall be reimbursed for all reasonable expenses incurred to complete its obligations to the Local Government and other parties to this agreement. This Agreement shall not be assigned or transferred by the HCTD.

SECTION 11 – FORCE MAJEURE

No party shall be responsible for damages or expected to fulfill its obligations under this Agreement should an act of God or other unforeseen catastrophe occur and cause such damage or prevent the performance of such obligation.

SECTION 12 – PREVIOUS AGREEMENTS

All previous agreements regarding transportation services between the parties are superseded upon execution of this agreement.

SECTION 13 - ENTIRE AGREEMENT

This Agreement contains all commitments and obligations of the parties and represents the entire agreement of said parties. No verbal or written conditions not contained herein shall have any force or effect to alter any term of this Agreement.

SECTION 14 – EFFECTIVE DATE AND TERM

This Agreement shall take effect January 1, 2026, upon execution by the Local Government and the HCTD and shall remain in effect as authorized by the Local Government through approval of annual funding allocations by Federal, State and Local funding sources, and annual approval of service levels by the Local Government Unit as defined in Attachment A on an annual basis.

HCTD services shall be delivered without interruption to the Local Government until such time that the Local Government provides HCTD notice of cancellation at least 90 days prior to the end or service stoppage. HCTD shall commence orderly shutdown of services upon notice and will be reimbursed by the Local Government Unit for all reasonable expenses incurred for services rendered and required activities necessary to provide for orderly shutdown of service and cancellation of contracts.

Attachment A, which dictates annual Service Parameters and Cost/Revenue Assumptions for each Local Government is tied to this base Agreement but is subject to change and therefore shall be subject to annual execution by both the Local Government Unit and the HCTD.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized representatives.

SIGNED AND AGREED TO this _____ day of _____, 2025.

THE LOCAL GOVERNMENT:

For Killeen, TX
Mr. Kent Cagle, City Manager

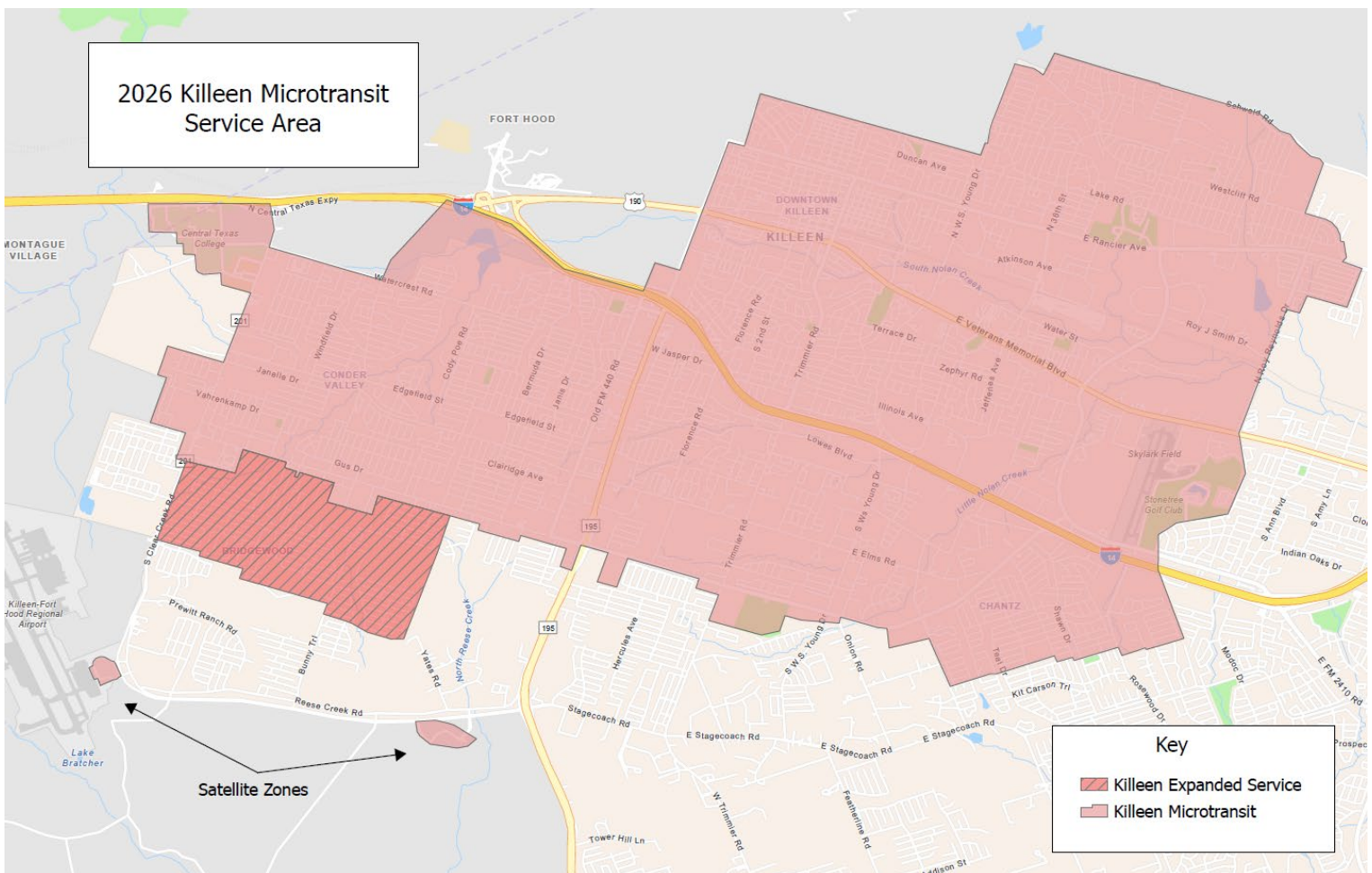
THE HILL COUNTRY TRANSIT DISTRICT

For Hill Country Transit District
Mr. Raymond Suarez, General Manager

ATTACHMENT: A

This attachment A is incorporated into the 2026 Interlocal Agreement Dated _____ by reference in Section 6 and is subject to annual execution by all participating Local Government members and Hill Country Transit District. The following Service Parameters and Cost / Revenue projections for FY2026 are hereby included in the Base ILA.

SERVICE AREA MAP



URBAN INTERLOCAL AGREEMENT - FY2026
SERVICE PARAMETERS AND COSTS/REVENUE

Parameters:	Killeen
Killeen Service Parameters	
Planned Hours of Operation Weekday (Monday - Friday)	6am-8pm
Planned Connector Service from Copperas Cove Through Temple	6:30am-7:30pm To be a shared cost between all Local Governments
Not to Exceed Total Service Hours per Year	34,024
Avg. Targeted Wait Times During Peak Times	30 min.
Avg. Targeted Wait Times During Off-Peak Times	40 min.
Cost and Revenue Assumptions	
Cost:	
Total Projected Costs*	\$ 3,721,784
Revenue:	
Anticipated Fare Box Revenue	\$ 405,281
Anticipated Federal and State Revenue	\$ 2,491,588
Fort Hood Impact Allocation	\$ 174,915
Total Revenue without Local Subsidy	\$ 3,071,784
Local Share:	
Net Required Local Government Subsidy**	\$ 650,000

**Total Costs includes on and off peak Microtransit Services, TNC's, and Commuter Bus allocations*

***HCTD shall invoice Local governments for local share by October 31 annually.*

For Killeen, TX
Mr. Kent Cagle, City Manager

For Hill Country Transit District
Mr. Raymond Suarez, General Manager