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TEXAS DEPARTMENT OF RURAL AFFAIRS

CONTRACT NO. DRS010068 FOR

CDBG DISASTER RECOVERY ENTITLEMENT GRANT PROGRAM

STATE OF TEXAS

COUNTY OF TRAVIS

SECTION 1. PARTIES TO CONTRACT

This Contract and agreement is made and entered into by and between the Texas Department of Rural Affairs an agency of the State of Texas, referred to as the "TDRA", and the County of Hidalgo, hereinafter referred to as "Grantee". The parties have severally and collectively agreed and by the execution hereof are bound to the terms and conditions of this Contract.

SECTION 2. CONTRACT PERIOD

This Contract and agreement shall commence on December 1, 2009, and shall terminate on November 30, 2011, unless otherwise specifically provided by the terms of this Contract.

SECTION 3. STATEMENT OF SERVICES TO BE PERFORMED

The funds provided under this Contract were appropriated by the Consolidated Security, Disaster Assistance, and Continuing Appropriation Act (Public Law 110-329) enacted on September 30, 2008, to facilitate disaster recovery, restoration and economic revitalization in areas affected by Hurricanes Dolly and Ike, which are Presidentially-declared major disaster areas under title IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 *et seq.*).

A. Grantee Performance

1. Grantee shall conduct, in a satisfactory manner as determined by TDRA, the activities and projects set forth in Exhibit A, the Performance Statement that is attached hereto and made a part of this Contract. These project and activity services are for emergency in the Hurricanes Dolly and Ike Federally-declared disaster areas. Grantee shall perform all projects and activities in accordance with Exhibit A and the terms set forth in the following attached exhibits that are made a part of this Contract: Exhibit B, the Budget; Exhibit C, the Certifications; Exhibit D, the Applicable Laws and Regulations; Exhibit E, the Project Implementation Schedule; and the assurances, certifications, and all other statements made by Grantee in its application for funding under this Contract. Grantee shall accomplish all tasks in accordance with Title I of the Housing and Community Development Act of 1974, as amended (42 U.S.C. Sec. 5301 *et seq.*), hereinafter referred to as "the Act", and the regulations promulgated thereunder pertaining to the State's Program at 24 CFR Part 570, hereinafter referred to as "the Regulations", subject to applicable statutory and/or regulatory waivers or alternative requirements; and with all other terms, provisions, and requirements set forth in this Contract.

2. Grantee shall ensure that the projects described in Exhibit A, the Performance Statement, were either directly damaged or experienced a failure to function as designed as a result of either Hurricane Dolly on July 23, 2008 or Hurricane Ike on September 13, 2008. Grantee shall ensure that all funds expended under this Contract are used in accordance with the approved Methods of Distribution established by the appropriate county and/or Council of Government.

3. Grantee shall ensure that the persons to benefit from the activities described in Exhibit A, Performance Statement, are receiving the service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled and before submitting the Project Completion Report to TDRA. If the persons to benefit from the activities described in Exhibit A are not receiving the service or a benefit, Grantee is liable to repay to TDRA any associated disallowed costs.

4. Grantee shall adhere to the Project Implementation Schedule timelines for key project activities as shown in Exhibit E. TDRA may require Grantee to submit written justification for any contract activity that is not completed by the end of the month specified on the schedule in Exhibit E. These key activities include Procurement of Professional Services Completed, Plans and Specifications Completed/Submitted for Approval, Environmental Review Services Completed, Clearance of Special Conditions, Wage Rate Request/Decision/10-Day Call, Bid Advertisement/Construction Contact Awarded, Construction- 50 percent TxCDBG project complete, Construction- 50 percent of TxCDBG funds requested from TDRA, Construction-75 percent of TxCDBG project complete, Construction-75 percent of TxCDBG funds requested from TDRA, Construction-90 percent of TxCDBG project complete, Construction-90 percent of TxCDBG funds requested from TDRA, Final Inspections Completed, and Close-out documents submitted to TDRA.

5. Grantee shall fully cooperate with TDRA's Project Management Firm or Company (hereinafter referred to as "PMC") as requested, in all efforts related to the administration of the Disaster Recovery Program. In the event of the failure to perform, in whole or in part, of Grantee's design engineer, TDRA reserves the right to assign the PMC to step into this role to complete a project(s), and Grantee will bear this cost as an assessment against Grantee's grant award.

6. Grantee shall refund to TDRA any sum of money which has been paid to Grantee by TDRA, which TDRA determines has resulted in overpayment to Grantee, or which TDRA determines has not been spent by Grantee strictly in accordance with the terms of this Contract. Such refund shall be made by Grantee to TDRA within thirty (30) working days after such refund is requested by TDRA.

B. TDRA Obligations

Measure of Liability

In consideration of full and satisfactory performance of the activities referred to in Section 3(A) of this Contract, TDRA shall be liable for actual and reasonable costs incurred by Grantee during the contract period for performances rendered under this Contract by Grantee, subject to the limitations set forth in this Section 3(B).

1. It is expressly understood and agreed by the parties that TDRA's obligations under this Section 3(B) are contingent upon the actual receipt of adequate state or federal funds to meet TDRA's liabilities under this Contract. If adequate funds are not available to make payments under this Contract, TDRA shall notify Grantee in writing within a reasonable time after such fact is determined. Upon Grantee's receipt of such notice, TDRA or Grantee may terminate this Contract and neither will be liable to the other for any Contract obligations thereafter. The Grantee shall not be liable for performing any of its Contract obligations if TDRA does not have the funding to pay for them.
2. TDRA shall not be liable to Grantee for any costs incurred by Grantee, or any portion thereof, which has been paid to Grantee or is subject to payment to Grantee, or has been reimbursed to Grantee or is subject to reimbursement to Grantee, by any source other than TDRA or Grantee.
3. TDRA shall not be liable to Grantee for any costs incurred by Grantee which are not allowable costs, as set forth in Section 6 (A) of this Contract.
4. TDRA shall not be liable to Grantee for any costs incurred by Grantee or for any performances rendered by Grantee which are not strictly in accordance with the terms of this Contract, including the terms of Exhibit A, Exhibit B, Exhibit C, Exhibit D, and Exhibit E of this Contract.
5. TDRA shall not be liable to Grantee for any costs incurred by Grantee in the performance of this Contract which have not been billed to TDRA by Grantee within sixty (60) days following termination of this Contract unless otherwise provided for in the Certificate of Expenditures referred to in Section 8 (C) of this Contract.
6. TDRA shall not be liable for costs incurred or performances rendered by Grantee before commencement of this Contract or after termination of this Contract unless: (a) the costs are specifically identified in Exhibit A, Performance Statement and Exhibit B, Budget, of this Contract; (b) the costs incurred by Grantee were for otherwise allowable pre-agreement program costs as set forth in Section 22(J) of this Contract; (c) Grantee has complied with all TDRA's requirements applicable to the Disaster Recovery Grants provided under Public Law 110-329, including: all applicable state and federal laws, such as procurement procedures, applicable environmental, labor, civil rights and acquisition requirements; all provisions of this Contract; and all applicable Texas Community Development Block Grant (CDBG) Disaster Recovery Supplemental funding (TxCDBG-DRS) policies and procedures.
7. TDRA shall not be liable for costs incurred and reserved on the Certificate of Expenditures if such costs are not billed to TDRA within ninety (90) days after the contract's termination date. An exception will be made for the reserved funds for the final 5% administrative drawdown for programmatic closure. Audit funds reserved on the Certificate of Expenditures eligible for reimbursement under the provisions of Section 19 of this Contract shall be billed to TDRA within twelve months after the end of Grantee's fiscal year that follows the termination date of this Contract. TDRA shall de-obligate all reserved funds not requested under this subsection.
8. Performances rendered by Grantee which are not strictly in accordance with Public Law 110-329, the applicable CDBG regulations, and other U. S. Department of Housing and Urban Development (HUD) requirements that govern the use of the funds provided under this Contract.

SECTION 4. CONTRACT AMOUNT AND FUND ALLOCATION

Notwithstanding any other provision of this Contract, the total of all payments and other obligations incurred by TDRA under this Contract shall not exceed the sum of Five Million and No/100 Dollars (\$5,000,000) reflecting the total allocation of disaster recovery funds to Grantee.

SECTION 5. METHOD OF PAYMENT

A. Grantee shall request payment under this Contract by submitting to TDRA—at the designated office location—a completed Request for Payment form accompanied by detailed documentation supporting the request, and a State of Texas Purchase Voucher, as specified by TDRA. TDRA shall determine the reasonableness of each payment amount requested by Grantee. Grantee shall review the document(s) for accuracy, then sign and return such document(s) to TDRA. Upon receipt of the signed document(s), TDRA shall disburse payment to Grantee.

B. Grantee's requests for the advance of funds shall be limited to the minimum amounts needed for effective operation of programs under this Contract, and shall be timed as closely as possible to be in accord with actual cash requirements. Grantee shall establish procedures to minimize the time elapsing between the transfers of funds from TDRA to Grantee and shall ensure that such funds are disbursed as soon as administratively possible.

C. Notwithstanding the provisions of Section 5 (A) of this Contract, it is expressly understood and agreed by the parties that payments under this Contract are contingent upon Grantee's full and satisfactory performance of its obligations under this Contract.

D. It is expressly understood and agreed by the parties that any right or remedy provided for in this Section 5 or in any other provision of this Contract shall not preclude the exercise of any other right or remedy under this Contract or under any provision of law, nor shall any action taken in the exercise of any right or remedy be deemed a waiver of any other rights or remedies. Failure to exercise any right or remedy shall not constitute a waiver of the right to exercise that or any other right or remedy at any time.

SECTION 6. UNIFORM ADMINISTRATIVE REQUIREMENTS, COST PRINCIPLES, AND PROGRAM INCOME

A. Except as specifically modified by law or the provisions of this Contract, Grantee shall, in performing under this Contract, comply with the Regulations in Exhibit D and, for matters not addressed therein, with 24 CFR Part 85, "Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments" (referred to as the "Common Rule"), as modified by the rules promulgated by the Office of the Governor under the Uniform Grant and Contract Management Act (TEX. GOV'T CODE Chapter 783). The allowability of costs incurred for performances rendered shall be determined in accordance with Office of Management and Budget (OMB) Circular A-87, as supplemented by the Uniform Grant Management Standards (UGMS) and the terms and conditions of this Contract.

B. Grantee shall comply with the requirements set forth in 24 CFR Section 570.489(e) of the Regulations to account for program income related to activities financed in whole or in part with funds provided under this Contract.

C. Grantee shall maintain records of the receipt and accrual of all program income in the same manner as required for all other funds under this Contract, and Grantee shall provide reports of program income to TDRA with each form submitted by Grantee in accordance with Section 8 of this Contract. All program income must be returned to TDRA on at least a quarterly basis and must be reported to TDRA in perpetuity.

SECTION 7. RETENTION AND ACCESSIBILITY OF RECORDS

A. Grantee shall maintain fiscal records and supporting documentation for all expenditures of funds made under this Contract in a manner which conforms to OMB Circular A-87, 24 CFR Section 570.490 of the Regulations in Exhibit D, and this Contract. Such records must include data on the racial, ethnic, and gender characteristics of persons who are applicants for, participants in, or beneficiaries of the funds provided under this Contract. Grantee shall retain such records, and any supporting documentation, for the greater of these three (3) periods: (i) three (3) years from closeout of the HUD disaster recovery grant to the state of Texas, not the closeout of this Contract; (ii) a date consistent with the period required by other applicable laws and regulations as described in 24 CFR 570.487 and 570.488; or, (iii) if notified by TDRA that audit issues have not been fully resolved, the date TDRA accepts Grantee's audit or TDRA resolves to its satisfaction the audit issues. If an expenditure or audit report has been waived, the retention period is based on the other two (2) dates alone.

B. Grantee shall give the United States Department of Housing and Urban Development, the Inspector General, the Government Accountability Office, the Auditor of the State of Texas, an office or agency of the State of Texas, TDRA, the PMC, or any of TDRA's other duly authorized representatives, access to and the right to examine all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by Grantee pertaining to this Contract. Such rights to access shall continue as long as the records are retained by Grantee. Grantee agrees to maintain such records in an accessible location and to provide citizens reasonable access to such records consistent with the Texas Public Information Act (TEX. GOV'T CODE Chapter 552).

C. Grantee shall include the substance of this Section 7 in all subcontracts.

SECTION 8. REPORTING REQUIREMENTS

A. Grantee shall submit to TDRA such reports on the operation and performance of this Contract as may be required by TDRA including but not limited to the reports specified in this Section 8.

B. Grantee shall submit a Quarterly Progress Report to TDRA no later than the fifteenth day of the month after the end of each calendar quarter of the contract period specified in Section 2, and continuing until all funds have been expended and all expenditures reported. The Quarterly Progress Report shall be in a format prescribed by TDRA and shall include a report of the progress, in narrative form, of all construction and non-construction activities by budget categories performed pursuant to Exhibit A, Performance Statement, and of the expenditures and obligations of funds by budget category made pursuant to Exhibit B, Budget. The Quarterly Progress Report may also include information about the uses of funds during the applicable quarter including (but not limited to) the project names; activity descriptions, locations, and beginning/ending dates; national objective compliance; non-CDBG funding source information; and performance measure details.

C. Grantee shall submit a Certificate of Expenditures to TDRA no later than sixty (60) days after the contract termination date or at the conclusion of all contract activities as determined by TDRA. The Certificate of Expenditures shall be in a format prescribed by TDRA and shall be accompanied by a final Project Completion Report of all activities performed under this Contract.

D. In addition to the limitations on liability otherwise specified in this Contract, it is expressly understood and agreed by the parties that if Grantee fails to submit to TDRA in a timely and satisfactory manner any report required by this Contract, TDRA may, at its sole option and in its sole discretion, withhold any or all payments otherwise due or requested by Grantee. If TDRA withholds such payments, it shall notify Grantee in writing of its decision and the reasons therefore. Payments withheld pursuant to this paragraph may be held by TDRA until such time as the delinquent obligations for which funds are withheld are fulfilled by Grantee.

E. Grantee is required to immediately report to TDRA any incident of criminal misapplication of TxCDBG-DRS funds, or other instances of fraud affecting TxCDBG-DRS funds or related projects, associated with this Contract.

SECTION 9. MONITORING

TDRA reserves the right to perform periodic on-site monitoring of Grantee's compliance with the terms and conditions of this Contract, assurance of non-duplication of beneficiaries and of the adequacy and timeliness of Grantee's performances under this Contract. After each monitoring visit, TDRA shall provide Grantee with a written report of the monitor's findings. If the monitoring reports note deficiencies in Grantee's performances under the terms of this Contract, the monitoring report shall include requirements for the timely correction of such deficiencies by Grantee. Failure by Grantee to take action specified in the monitoring report may be cause for suspension or termination of this Contract, as provided in Sections 17 and 18 of this Contract.

SECTION 10. INDEPENDENT GRANTEE

It is expressly understood and agreed by the parties that TDRA is contracting with Grantee as an Independent Grantee, and that Grantee, as such, agrees to the extent allowed by law to hold TDRA harmless and to indemnify TDRA from and against any and all claims, demands, and causes of action of every kind and character which may be asserted by any third party occurring or in any way incident to, arising out of, or in connection with the services to be performed by Grantee under this Contract.

SECTION 11. SUBCONTRACTS

A. Except for subcontracts to which the federal labor standards requirements apply, Grantee may subcontract for certain performances described in this Contract without obtaining TDRA's prior written approval. For subcontracts to which the federal labor standards requirements apply, Grantee shall submit a Subcontractor Eligibility form, as specified by TDRA, for each proposed subcontract, and obtain TDRA's prior written approval. Grantee, in subcontracting for any performances described in this Contract, expressly understands that in entering into such subcontracts, TDRA is in no way liable to Grantee's subcontractor(s).

B. In no event shall any provision of this Section 11, specifically the requirement that Grantee obtain TDRA's prior written approval of a subcontractor's eligibility, be construed as relieving Grantee of the responsibility for ensuring that the performances rendered under all subcontracts are rendered so as to comply with all of the terms of this Contract, as if such performances rendered were rendered by Grantee. TDRA's approval under Section 11 does not constitute adoption, ratification, or acceptance of Grantee's or subcontractor's performance. TDRA maintains the right to insist upon Grantee's full compliance with the terms of this Contract, and by the act of approval under Section 11, TDRA does not waive any right of action which may exist or which may subsequently accrue to TDRA under this Contract.

C. Grantee shall comply with 24 CFR Section 85.36, this Contract and all applicable federal, state and local laws, regulations, and ordinances for making procurements under this Contract.

D. Grantee shall retain the amount of five percent (5%) of each construction or rehabilitation subcontract entered into by Grantee until TDRA determines that the Federal labor standards requirements applicable to each such subcontract have been satisfied.

SECTION 12. CONFLICT OF INTEREST

A. Grantee shall ensure that no employee, officer, or agent of Grantee shall participate in the selection, or in the award or administration of a subcontract supported by funds provided if a conflict of interest, real or apparent, would be involved. Such conflict of interest would arise when: 1) the employee, officer, or agent; 2) any member of his or her immediate family; 3) his or her partner; or 4) any organization which employs, or is about to employ any of the above; has a financial or other interest in the firm or person selected to perform the subcontract. Grantee shall comply with Chapter 171, Texas Local Government Code and 24 CFR 570.489(h) of the federal regulations.

B. In all cases not governed by Subsection (A) of this Section, no persons specified in subsection (C) of this Section who exercise or have exercised any functions or responsibilities with respect to the activities assisted under this Contract or any other CDBG contract, or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity, or have an interest or benefit from the activity, or have any interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties during their tenure or for one (1) year thereafter.

C. The conflict of interest provisions of Subsection (B) apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of Grantee or of a subcontractor of Grantee.

D. Grantee shall include the substance of this section in all subcontracts.

SECTION 13. NONDISCRIMINATION, RELIGIOUS ACTIVITY, AND FAITH-BASED ORGANIZATIONS

A. Grantee shall ensure that no person shall on the ground of race, color, national origin, religion, sex, age, or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under or be denied access to any program or activity funded in whole or in part with funds made available under this Contract.

B. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in this program and activities funded under this Contract. Grantee shall not discriminate against an organization on the basis of the organizations' religious character or affiliation. None of the performances rendered by Grantee under this Contract shall involve, nor shall any portion of the funds received by Grantee under this Contract, be used to engage in inherently religious activities. Funds made available under this Contract may not be used for the acquisition, construction, or rehabilitation of structures to the extent that those structures are used for inherently religious activities. Funds made available under this Contract may be used for the acquisition, construction, or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities. Where a structure is used for both eligible and inherently religious activities, funds made available under this Contract may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to funds provided under this Contract. Grantee shall comply with the regulations promulgated by the U.S. Department of Housing and Urban Development on faith-based activities at 24 CFR §570.200(j).

SECTION 14. LEGAL AUTHORITY

A. Grantee assures and guarantees that Grantee possesses the legal authority to enter into this Contract, receive funds authorized by this Contract, and to perform the services Grantee has obligated itself to perform.

B. The person or persons signing and executing this Contract on behalf of Grantee, or representing themselves as signing and executing this Contract on behalf of Grantee, do hereby warrant and guarantee that he, she or they have been duly authorized by Grantee to execute this Contract on behalf of Grantee and to validly and legally bind Grantee to all terms, performances, and provisions set forth.

C. TDRA shall have the right to suspend or terminate this Contract if there is a dispute as to the legal authority of either Grantee or the person signing this Contract to enter into this Contract or to render performances. Grantee is liable to TDRA for any money it has received from TDRA for performance of the provisions of this Contract, if TDRA has suspended or terminated this Contract for reasons enumerated in this Section 14.

SECTION 15. LITIGATION AND CLAIMS

Grantee shall give TDRA immediate notice in writing of 1) any action, including any proceeding before an administrative agency, filed against Grantee arising out the performance of any subcontract; and 2) any claim against Grantee, the cost and expense of which Grantee may be entitled to be reimbursed by TDRA. Except as otherwise directed by TDRA, Grantee shall furnish immediately to TDRA copies of all pertinent papers received by Grantee with respect to such action or claim.

SECTION 16. CHANGES AND AMENDMENTS

A. Except as specifically provided otherwise in this Contract, any alterations, additions, or deletions to the terms of this Contract shall be by amendment in writing and executed by both parties to this Contract.

B. It is understood and agreed by the parties that performances under this Contract must be rendered in accordance with the Act, applicable regulations, assurances and certifications made to TDRA by Grantee, and the assurances and certifications made to the United States Department of Housing and Urban Development by the State of Texas regarding the operation of the TxCDBG-DRS Program.

Accordingly, and in order to ensure the legal and effective performance of this Contract by both parties, the parties agree that the provisions of the TxCDBG Project Implementation Manual apply to this Contract, and that any amendments thereto are automatically incorporated into this Contract without written amendment as follows: TDRA may from time to time during the period of performance of this Contract issue policy directives which serve to establish, interpret, or clarify performance requirements under this Contract. Such policy directives shall be promulgated by TDRA in the form of TxCDBG-DRS issuances, and shall have the effect of qualifying the terms of this Contract and shall be binding upon Grantee, as if written herein. However, such policy directives and any amendments to the TxCDBG Project Implementation Manual shall not alter the terms of this Contract so as to release TDRA of any obligation specified in Section 4 of this Contract to reimburse costs incurred by Grantee prior to the effective date of the amendments or policy directives.

C. Any alterations, additions, or deletions to the terms of this Contract which are required by changes in Federal or State law or regulations are automatically incorporated into this Contract without written amendment, and shall become effective on the date designated by such law or regulation.

D. Notwithstanding Subsection A of this Section 16, Grantee may make transfers of funds between or among budget categories of Exhibit B, Budget, without requiring an amendment to this Contract, or otherwise requiring TDRA's prior written approval provided that:

1. The cumulative dollar amount of all transfers among direct budget categories is equal to or less than ten percent (10%) of the total amount of this Contract as specified in Section 4, but does not exceed \$25,000;
2. The transfer will not change the scope or objective of the projects funded under this Contract; and
3. Grantee submits a budget revision report to TDRA, on a form specified by TDRA, simultaneously with the submission of Grantee's first request for payment following any such transfers made in accordance with this Subsection D.

SECTION 17. SUSPENSION

To the extent permitted by TEX. GOV'T CODE Section 2251.003(3), in the event that Grantee fails to comply with any term of this Contract, TDRA may, upon written notification to Grantee, suspend this Contract in whole or in part and withhold further payments to Grantee, and prohibit Grantee from incurring additional obligations of funds under this Contract.

SECTION 18. TERMINATION

A. TDRA may terminate this Contract for cause based upon the failure of Grantee to comply with the terms and/or conditions of the contract, provided that TDRA give Grantee written notice specifying Grantee's failure. If within thirty (30) days after receipt of such notice, Grantee has not either corrected such failure or, in the case of failure which cannot be corrected in thirty (30) days, begun in good faith to correct said failure and thereafter proceed diligently to complete such correction and thereafter maintain agreed upon performance standards, then TDRA may, at its option, give notice of default to Grantee and terminate this Contract on the date specified in such notice. However, if TDRA determines that Grantee is ineligible to receive the contract, TDRA may immediately terminate the contract without further obligation to Grantee.

B. Either of the parties to this Contract shall have the right to terminate this Contract, in whole or in part, when both parties agree that the continuation of the activities funded under this Contract would not produce beneficial results commensurate with the further expenditure of funds; provided that both parties agree, in writing, upon the termination conditions, including the effective date of such termination; and in the case of partial termination, the portion of the contract to be terminated.

C. Upon termination or receipt of notice to terminate, whichever occurs first, Grantee shall cancel, withdraw, or otherwise terminate any outstanding orders or subcontracts related to the performance of this Contract or the part of this Contract to be terminated, and shall cease to incur costs thereunder. TDRA shall not be liable to Grantee or to Grantee's creditors for costs incurred after termination of this Contract.

D. Notwithstanding any exercise by TDRA of its right to suspension under Section 17 of this Contract or of early termination pursuant to this Section 18, Grantee shall not be relieved of any liability to TDRA for damages due to TDRA for which it is legally liable resulting from any breach of this Contract by Grantee. TDRA may withhold payments to Grantee until such time as the exact amount of damages due to TDRA from Grantee is agreed upon or is otherwise determined.

SECTION 19. AUDIT

A. Grantee shall arrange for the performance of an annual financial and compliance audit of funds received and performances rendered under this Contract, subject to the following conditions and limitations:

1. (a) **Audit Required-Federal Awards.** Grantees expending \$500,000 or more in Federal financial assistance for any fiscal year, beginning with fiscal years ending January 31, 2004 and after, shall have a single audit conducted in accordance with the Single Audit Act Amendments of 1996, 31 U.S.C. 7501, and OMB Circular No. A-133 - Revised as of June 27, 2007 "Audits of States, Local Governments, and Non-Profit Organizations." Alternatively, TDRA may require a program specific audit for certain situations and when the Single Audit Act does not apply. For purposes of this Section 19, "Federal Financial Assistance" means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals as described in OMB Circular A-133 § __.205(h) and § __.205(i). The term includes awards of Federal financial assistance received directly from Federal agencies, or indirectly through other units of State and local government.

(b) **Audit Required-State Financial Assistance.** Grantees that expended \$500,000 or more in State Financial Assistance for any fiscal year, beginning with fiscal years *ending January 31, 2004 and after*, shall have a single or program specific audit conducted for that year in accordance with provisions of the State of Texas Single Audit Circular and the Uniform Grant Management Standards as adopted June 2004. For purposes of this Section 19, "State Financial Assistance" (or cost reimbursement contract) means assistance that non-state entities receive or administer in the form of grants, loans, loan guarantee, property (including donated surplus properties), cooperative agreements, interest subsidies, insurance, food commodities, and other assistance, but does not include amounts received as a reimbursement for services rendered to individuals as described in § __.205 (f). "State Financial Assistance" (or cost reimbursement contract) is received directly from state awarding agencies or indirectly from pass-through entities under a federal block grant. State financial assistance also does not include federal awards as defined by OMB Circular A-133.

2. **Audit Expenses.** Notwithstanding Section 4, Grantee may utilize funds budgeted under this Contract to pay for that portion of the cost of such audit services properly allocable to the activities funded by TDRA under this Contract, provided however that TDRA shall not make payment for the cost of such audit services until TDRA has received a satisfactory audit report and invoice, as determined by TDRA, from Grantee; the invoice submitted for reimbursement should clearly show the percentage of cost relative to the total single audit cost of the audit services. Therefore, when submitting a request for audit fees reimbursement, Grantee shall submit an invoice that clearly shows the total cost of the audit and the corresponding prorated charge per funding source. In addition, when applicable, an explanation shall be submitted with the reimbursement request supporting why the percentage of audit fee charges exceeds the percentage amount of TxCDBG-DRS funds expended of the total funds expended by Grantee.

3. Grantee shall submit one (1) copy of the report of such audit to TDRA within thirty (30) days after the completion of the audit, but no later than nine (9) months after the end of Grantee's audit period (i.e., after Grantee's fiscal year end). Grantee shall ensure that the audit report is made available for public inspection within thirty (30) days after completion of the audit. Audits performed under Subsection A of this Section 19 are subject to review and resolution by TDRA or its authorized representative. Grantee shall ensure the Audit Report submitted include either in the report or as part of the cover letter, auditor and Grantee contact information, including contact person, mailing address, telephone, fax number and e-mail address. Grantee shall ensure the Audit Report submitted also includes the submission of the CPA Management Letter if a Management Letter was issued to Grantee by its CPA firm. Failure by Grantee to submit a completed single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under any TxCDBG Program, and the issuance of new contracts for funding awards.

4. Notwithstanding the requirements after paragraphs "A-1 through 3" of this Section 19, Grantee shall submit within sixty (60) days after its fiscal year end an Audit Certification Form (ACF) or a similar statement. The ACF or statement will include information indicating if Grantee has or has not met the \$500,000 expenditure threshold that will require a Single Audit Report in accordance with the UGMS, Subpart C-Post Award Requirements, §__.26 Audit, item (d). If Grantee did not exceed the threshold, Grantee shall include with the ACF or statement, a list of all open TDRA contracts providing financial assistance and the corresponding activity. Failure by Grantee to submit an ACF or a similar statement or failure to submit a completed single audit package as described in the audit requirements by the required due date could affect funding for all existing contracts, eligibility to apply under any TxCDBG Program, and the issuance of new contracts for funding awards.

5. Pursuant to Title 1 of the Texas Administrative Code (TAC) §5.167(c), "Chapter 2105, Texas Government Code, requires that all subrecipients of federal block grants be included under the provisions of the Uniform Grant and Contract Management Standards". UGMS §__.400 requires "Recipients who are required to have a single audit and receive state or federal awards for more than one state agency shall have a state single audit coordinating agency. The governor's office shall designate a state single audit coordinating agency based upon the state awarding agency that provides the predominant amount of direct funding to a recipient and other factors, as appropriate, to ensure equitable and manageable workloads." Grantee has the responsibility to make this request to the governor's office pursuant to 1 TAC §5.167(c)(2) which states: "To have a state single audit coordinating agency designated a recipient must submit a written request to the Governor's Budget and Planning Office, P.O. Box 12428, Austin, Texas 78711. This request must list the state

agencies providing financial assistance with the grant amounts for the year to be audited and indicate that the governing body has authorized the initiation of the single audit.”

B. Notwithstanding Subsection A of this Section 19, TDRA reserves the right to conduct an annual financial and compliance review of funds received and performances rendered under this Contract. Grantee agrees to permit TDRA or its authorized representative to audit Grantee’s records and to obtain any documents, materials, or information necessary to facilitate such review.

C. Grantee understands and agrees that it shall be liable to TDRA for any costs disallowed pursuant to financial and compliance audit(s) of funds received under this Contract. Grantee further understands and agrees that reimbursement to TDRA of such disallowed costs shall be paid by Grantee from funds which were not provided or otherwise made available to Grantee under this Contract.

D. Grantee shall take such action to facilitate the performance of such audit or audits conducted pursuant to this Section 19 as TDRA may require of Grantee. Grantee shall establish written standard operating procedures and internal controls to include the timely procurement of a CPA firm to start and complete the year end single audit report if applicable, in order to comply with contractual and regulatory requirements. TDRA shall not release any funds for any costs incurred by Grantee under this Contract until TDRA has received a copy of any audit report required by this Section 19.

E. Grantee shall procure audit services through an open, competitive process at least once every four (4) years. The auditor shall retain working papers and reports for a minimum of three (3) years after the date of issuance of the auditor’s report to the auditee. Audit working papers shall be made available upon request to TDRA at the completion of the audit, as a part of a quality review, to resolve audit findings, or to carry out oversight responsibilities consistent with the purposes of this part. Access to working papers includes the right to obtain copies of working papers, as is reasonable and necessary.

F. Grantee understands that acceptance of funds under this Contract acts as acceptance of the authority of the State Auditor’s Office, or any successor agency, to conduct an audit or investigation in connection with those funds. Grantee further agrees to cooperate fully with the State Auditor’s Office or its successor in the conduct of the audit or investigation, including providing all records requested. Grantee will ensure that this clause concerning the authority to audit funds received indirectly by subcontractors through Grantee and the requirement to cooperate is included in any subcontract it awards.

SECTION 20. ENVIRONMENTAL CLEARANCE REQUIREMENTS

A. Grantee understands and agrees that by signing this Contract Grantee shall assume the responsibilities for environmental review, decision making, and other action required of responsible entities in the assumption of authority for decision-making and action delegated by the U.S. Department of Housing and Urban Development (HUD) under the National Environmental Policy Act (NEPA), other provisions of law that further the purpose of NEPA, as specified in 24 CFR Part 58, and with all other terms, provisions, and requirements set forth in this Contract. Grantee shall ensure that an environmental review or written assessment of its projects is prepared in accordance with 24 CFR Part 58 and the TxCDBG Project Implementation Manual. Grantee must also ensure that the necessary steps are taken and applicable procedures followed to ensure compliance with NEPA. Grantee shall maintain a written Environmental Review Record (ERR), of the review undertaken for its projects, including all supporting source documentation, and provide a copy of the ERR, including all related source documentation, to TDRA.

B. In accordance with Section 58.77(b) of such regulations, Grantee further understands and agrees that Grantee shall handle inquiries and complaints from persons and agencies seeking redress in relation to environmental reviews covered by approved certifications.

C. Funds provided under this Contract may be obligated and expended before the actions specified in this Section occur only for the following eligible activities:

1. The payment of reasonable planning and administrative costs related to the project.
2. Environmental studies, including environmental clearance activities required by this Section; and
3. The payment or reimbursement of reasonable project engineering and design costs incurred for this project.

SECTION 21. CITIZEN PARTICIPATION WAIVER AND ALTERNATIVE REQUIREMENTS

A. Provisions of Federal Notice [Docket No. FR-5256-N-01] entitled "Allocations and Common Application and Reporting Waivers Granted to and Alternative Requirements for Community Development Block Grant (CDBG) Appropriations", and relating to the supplemental funding for natural disasters that occurred in 2008 (Public Law 110-329) expressly provides that the citizen participation requirement is waived. This waiver removes the mandate for public hearings or meetings, at either the state or local government level, as the method for disseminating information or collecting citizen comments about proposed projects under this funding. However, while public hearing or meeting requirements are waived, Grantee must ensure that all citizens have equal and ongoing access to information about the projects; including, but not limited to, ensuring that project information is available in the appropriate languages for the geographical area served by the jurisdiction. Information furnished to citizens shall include, but not be limited to:

1. The amount of Tx-CDBG-DRS funds expected to be made available;
2. The range of activities that may be undertaken with the Tx-CDBG-DRS funds;
3. The estimated amount of the Tx-CDBG-DRS funds proposed to be used for activities that will meet the national objective of benefit to low and moderate income persons; and
4. The proposed Tx-CDBG-DRS activities likely to result in displacement and the entity's anti-displacement and relocation plan.

B. Complaint Procedures: Grantee must have written citizen complaint procedures that provide a timely written response (within fifteen (15) working days) to complaints and grievances. Citizens must be made aware of the location and the days and hours when the location is open for business so they may obtain a copy of these written procedures.

C. Technical Assistance: When requested, Grantee shall provide technical assistance to group's representative of persons of low and moderate income in developing proposals for the use of Tx-CDBG-DRS funds. The level and type of assistance shall be determined by the applicant/recipient based upon the specific needs of the community's residents.

D. Grantee shall maintain a citizen participation file which includes a copy of the Plan Requirements described in the "2008 Supplemental Disaster Recovery Fund: Hurricanes Dolly and Ike Non-Housing Activities Application Guide"; Grantee's complaint procedures; any technical assistance provided by Grantee; and public notices, minutes, and attendance lists for public hearings, if any.

SECTION 22. SPECIAL CONDITIONS

A. As provided for in Public Law 110-329, the contract funds may not be used for activities reimbursable by or for which funds are made available by the Federal Emergency Management Agency (FEMA), the Army Corps of Engineers (Corps), any other federal funding source, or covered by insurance. Grantee shall ensure that any request for payment submitted to TDRA under this Contract does not include a fund request for costs for activities reimbursable by or for which funds are made available by FEMA, the Corps, any other federal funding source, or covered by insurance. Further, none of the funds made available under this Contract may be used by Grantee as a matching requirement, share, or contribution for any other federal program.

B. TDRA shall not release any funds for any costs incurred by Grantee under this Contract until TDRA has received a copy of Grantee's previous fiscal year audit report or certification from Grantee that its fiscal control and fund accounting procedures are adequate to assure the proper disbursement of and accounting for funds provided under this Contract. TDRA shall specify the content and form of such certification.

C. TDRA shall not be liable to Grantee for any costs incurred by Grantee under this Contract until TDRA receives a properly completed Depository/Authorized Signators Form, as specified by TDRA from Grantee.

D. Grantee shall not advertise or solicit bids for construction or rehabilitation of a project assisted with funds provided under this Contract until Grantee has received the applicable prevailing wage rates from TDRA.

E. In accordance with Section 18 of this Contract, this Contract shall terminate six (6) months after the commencement date specified in Section 2 unless activities specified in Section 20 of this Contract have begun by such date.

F. TDRA shall not be obligated to release any funds for any costs incurred by Grantee under this Contract until Grantee has provided to TDRA any additional information related to the project described in Exhibit A that TDRA determines necessary to complete the application or to otherwise satisfy any TxCDBG-DRS program or Texas Disaster Recovery Grant Action Plan requirement.

G. Grantee shall ensure that any request for payment submitted to TDRA under this Contract does not include a request for funds for costs that have been reimbursed from other sources.

H. Grantee shall, to the fullest extent necessary, pursue resolution of all compliance findings, collect identified disallowed costs, submit timely bankruptcy filings, provide any required documentation, attend administrative hearings, provide court testimony, and submit documentation to the Texas Attorney General for further collection efforts and participate in the process provided under applicable HUD regulations for any actions that HUD may take to address corrective and remedial actions associated with funding provided under this Contract.

I. Grantee must take steps, as directed by TDRA, to avoid or mitigate occurrences of fraud, abuse, and mismanagement, especially with respect to the financial management of this Contract and

procurements made under this Contract. Upon the discovery of such alleged or suspected fraud, the Contractor shall immediately notify TDRA and appropriate law enforcement authorities, if necessary, of the theft of any assets provided for under this Contract, malfeasance, abuse of power or authority, kickbacks, or the embezzlement or loss of any funds under this Contract.

J. Public buildings, facilities, and centers constructed with TDRA TxCDBG-DRS assistance shall have permanent signage placed in a prominent visible public area with the wording provided below. The formatting of such signage will be at local discretion to best fit the architectural design of the facility constructed but should be legible from at least three (3) feet distance.

Other construction projects, e.g., water transmission lines, sewer collection lines, drainage, roadways, housing rehabilitation, etc. utilizing TDRA TxCDBG-DRS funding shall have temporary signage erected in a prominent location at the construction project site or along a major thoroughfare within the locality as directed by the owner.



Project Sign Wording:

“This project is funded by the Texas Department of Rural Affairs of the State of Texas, to provide for disaster recovery and restoration of infrastructure for communities impacted by the 2008 hurricanes. Funds allocated by the United States Department of Housing and Urban Development through the Community Development Block Grant Program.”

K. Pre-Agreement Costs. Notwithstanding Section 3(B)(10), Grantee shall be allowed to incur costs prior to the commencement date specified in Section 2, but not prior to July 23, 2008 for damages caused by Hurricane Dolly or September 13, 2008 for damages caused by Hurricane Ike. Such costs may only be incurred for activities described in Exhibit A, Performance Statement, provided that these activities meet the requirements of 24 CFR Part 570, Subpart I and 24 CFR Part 58.

L. Memoranda of Understanding/Interlocal Agreements. Prior to TDRA’s release of funds, in any case where Grantee is acting as the representative of or on behalf of other local government entities or private service providers, Grantee and each other local government entity or private service provider being represented shall enter into a Memorandum of Understanding (MOU) or Interlocal Agreement which contains provisions defining: (1) the relationship between Grantee, the other local government entity or private service provider and TDRA; (2) the path of communication to be used between Grantee, the other local government entity or private service provider and TDRA; (3) a mechanism for resolving conflicts or disputes; (4) clear delineation of access rights being given and rights of way being shared as relate to activities specified in Exhibit A, Performance Statement; (5) the maintenance by Grantee of receipts and documentation pertinent to this Contract, including furnishing such records to TDRA as required; and (6) the manner in which projected annual operations and maintenance expenses associated with the project(s) will be handled.

M. National Flood Insurance Program Compliance. Grantee shall provide documentation to TDRA prior to release of funds which indicates that it has received approval from the Texas Water Development Board (TWDB), the National Flood Insurance Program (NFIP) State Coordinating Agency, that appropriate ordinances or orders necessary for Grantee to be eligible to participate in the NFIP have been adopted.

Grantee understands and agrees that, where activities specified in Exhibit A, Performance Statement involve structures that are located in Special Flood Hazard Areas (SFHA), flood insurance may be required. In those instances, such flood insurance must be obtained prior to contract termination and maintained as evidenced by a policy declaration form. A copy of the policy declaration form is to be provided to TDRA and kept as part of the contract documentation.

N. Project Mapping/Design Information. Grantee shall receive, from the Engineer(s) that provide design engineering services for Grantee, and maintain a copy (in written and/or digital format) of the final project record drawing(s) engineering schematics, as constructed using funds under this Contract.

O. Sewer System Improvements. Prior to TDRA's release of funds for the construction of the sewer system improvements described in Exhibit A, Performance Statement, of this Contract, Grantee shall provide certification to TDRA that plans, specifications, and related documents for the specified sewer system improvements have been prepared by the engineer selected for such activities from the Master List of Qualified Engineering Firms, or their duly authorized representative, or Grantee's other registered professional engineer (as described in Section 4) and that the review of such plans, specifications, and related documents meet the applicable Texas Commission on Environmental Quality (TCEQ) review requirements described in 30 Texas Administrative Code, Chapter 217. Further, prior to TDRA's release of funds for construction of sewer lines/additional service connections described in Exhibit A, Performance Statement, of this Contract, Grantee shall provide to TDRA notification of start of construction of any sewer treatment plant or other system-related improvements included in this Contract.

P. Use of Local Funds. Prior to TDRA's release of funds, Grantee shall submit to TDRA documentation (i.e., a resolution) of its local funding commitment of \$189,700 for completion of the project funded under this Contract.

Q. Street Lighting for Colonias. Grantee shall comply with 10 TAC §255.1(w) and shall allocate for the colonia(s) described in Exhibit A, Performance Statement of this Contract, not less than five percent (5%) but not more than fifteen percent (15%) of the total funds targeted for street improvement for the installation of adequate street lighting, if street lighting is absent or needed. Grantee shall issue a written determination of whether street lighting is necessary or not and shall submit that determination to TDRA prior to the preparation of the construction bid package

R. Flood Insurance.

Grantee is hereby notified and understands and agrees that the subject property is located within a floodplain and that following terms and conditions apply:

I. Under the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001-4128), Federal financial assistance for acquisition and construction purposes (including rehabilitation) may not be used in an area identified by the Federal Emergency Management Act (FEMA) as having special flood hazards, unless:

a. The community in which the area is situated is participating in the National Flood Insurance Program (see, 44 CFR parts 59 through 79), or less than one (1) year has passed since the FEMA notification regarding such hazards; and

b. The community is participating in the National Flood Insurance Program, flood insurance protection is to be obtained as a condition of the approval of financial assistance to the property owner.

2. Where the community is participating in the National Flood Insurance Program and the recipient provides financial assistance for acquisition or construction purposes (including rehabilitation) for property located in an area identified by FEMA as having special flood hazards, the responsible entity is responsible for assuring that flood insurance under the National Flood Insurance Program is obtained and maintained.

3. Paragraph (a) of this section does not apply to Federal formula grants made to a State. However, all HUD requirements for the 8-Step Process for projects located in a Flood Hazard area found at 24 CFR 55.20 will apply.

4. Under section 582 of the National Flood Insurance Reform Act of 1994, 42 U.S.C. 515a, HUD disaster assistance that is made available in a special flood hazard area may not be used to make a payment (including any loan assistance payment) to a person for repair, replacement or restoration for flood damage to any personal, residential or commercial property if:

- a. The person had previously received Federal flood disaster assistance conditioned on obtaining and maintaining flood insurance; and
- b. The person failed to obtain and maintain flood insurance.

5. Grantee understands and agrees that it has a responsibility to inform homeowners receiving disaster assistance that triggers the flood insurance purchase requirement of their statutory responsibility to notify any transferee of the requirement to obtain and maintain flood insurance, and that the transferring owner may be liable if he or she fails to do so.

SECTION 23. DEBARMENT

By signing this Contract, Grantee certifies that it will not award any funds provided under this Contract to any party which is, debarred, suspended or otherwise excluded from or ineligible for participation in federal assistance programs under Executive Order 12549 and 24 CFR Part 24. Grantee shall receive the certification provided by TIDRA from each proposed subcontractor under this Contract and its principals.

SECTION 24. POLITICAL AID AND LEGISLATIVE INFLUENCE PROHIBITED

A. None of the funds provided under this Contract shall be used for influencing the outcome of any election, or the passage or defeat of any legislative measure. This prohibition shall not be construed to prevent any official or employee of Grantee from furnishing to any member of its governing body upon request, or to any other local or state official or employee or to any citizen information in the hands of the employee or official not considered under law to be confidential information. Any action taken against an employee or official for supplying such information shall subject the person initiating the action to immediate dismissal from employment.

B. No funds provided under this Contract may be used directly or indirectly to hire employees or in any other way fund or support candidates for the legislative, executive, or judicial branches of government of Grantee, the State of Texas, or the government of the United States.

SECTION 25. INDEMNIFICATION AND LIMITATION OF LIABILITY

To the extent allowed by law Grantee shall defend, indemnify, and hold harmless the State of Texas, its officers, and employees, and TDRA, its officers, and employees and Grantees, from and against all claims, actions, suits, demands, proceedings, costs, damages, and liabilities, including without limitation attorneys' fees and court costs, arising out of, connected with, or resulting from any acts or omissions of Grantee or any agent, employee, subcontractor, or vendor in the execution or performance of any contract with Grantee resulting from this Contract. Grantee shall coordinate its defense with the Texas Attorney General as requested by TDRA. This section is not intended to and shall not be construed to require Grantee to indemnify or hold harmless the state or TDRA for any claims or liabilities resulting from the negligent acts or omissions of TDRA or its employees.

TDRA may, in addition to other remedies available to it at law or equity and upon notice to Grantee, retain such monies from amounts due Grantee, or may proceed against the performance and payment bonds, if any, as may be necessary to satisfy any claim for damages, penalties, costs and the like asserted by or against it.

SECTION 26. COMPLIANCE WITH CIVIL RIGHTS LAWS

Grantee agrees to abide by the requirements of the following as applicable: Title VI of the Civil Rights Act of 1964 and Title VII of the Civil Rights Act of 1964, as amended by the Equal Employment Opportunity Act of 1972, Federal Executive Order 11246 as amended, the Rehabilitation Act of 1973, as amended, the Vietnam Era Veteran's Readjustment Assistance Act of 1974, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, the Fair Housing Act of 1968 as amended, and the requirements of the Americans with Disabilities Act of 1990. Additionally, to the extent applicable, Grantee shall comply with the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (41 CFR part 3); the Davis-Bacon Act (40 U.S.C. 276a to 276a-7) as supplemented by Department of Labor regulations (29 CFR part 5); and Sections 103 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327A 330) as supplemented by Department of Labor regulations (29 CFR part 5).

Grantee agrees not to discriminate in its employment practices, and will render services under this Contract without regard to race, color, religion, national origin, veteran status, political affiliation, or disabilities. Any act of discrimination committed by Grantee, or failure to comply with these statutory obligations when applicable shall be grounds for termination of this Contract.

SECTION 27. SECTION 109 OF THE HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1974

No person in the United States shall on the grounds of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this Contract. Section 109 further provides that discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in Section 504 of the Rehabilitation Act of 1973, as amended, is prohibited.

SECTION 28.

**"SECTION 3" COMPLIANCE IN THE PROVISION OF TRAINING,
EMPLOYMENT AND BUSINESS OPPORTUNITIES**

Grantee agrees to comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3) insofar as this act applies to the performance of this agreement. The purpose of section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing. HUD-assisted projects covered by Section 3 are those defined in 24 CFR 135.3 a) (2) and (a)(3).

SECTION 29.

**CLEAN AIR ACT, CLEAN WATER ACT AND OTHER
REQUIREMENTS**

Grantee agrees to comply with all applicable standards, orders, or requirements issued under section 306 of the Clean Air Act (42 U.S.C. 1857 (h)), section 508 of the Clean Water Act (33 U.S.C. 1368), Executive Order 11738, and Environmental Protection Agency regulations (40 CFR part 15).

SECTION 30.

ENERGY EFFICIENCY

Grantee shall recognize mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act (Pub. L. 94A 163, 89 Stat.871).

SECTION 31.

ORAL AND WRITTEN AGREEMENTS

A. All oral and written agreements between the parties to this Contract relating to the subject matter of this Contract that were made prior to the execution of this Contract have been reduced to writing and are contained in this Contract.


B. The attachments enumerated and denominated below are hereby made a part of this Contract, and constitute promised performances by Grantee in accordance with Section 3 of this Contract:

1. Exhibit A, Performance Statement
2. Exhibit B, Budget
3. Exhibit C, Certifications
4. Exhibit D, Applicable Laws and Regulations
5. Exhibit E, Project Implementation Schedule

SECTION 32. VENUE


For purposes of litigation pursuant to this Contract, venue shall lie in Travis County, Texas.

THUS DONE AND SIGNED on the date(s) shown below:



**Rene A. Ramirez, County Judge
County of Hidalgo**

Date: 11/24/09



**Charles S. (Charlie) Stone, Executive Director
Texas Department of Rural Affairs**

Date: 12/8/09

EXHIBIT A

CONTRACT NO. DRS010068

PERFORMANCE STATEMENT

Hidalgo County



Grantee shall carry out the following activities in the target area identified in its 2008 Texas CDBG Disaster Recovery Supplemental Grant application to aid areas most impacted and distressed by Hurricanes Ike or Dolly. The persons to benefit from the activities described in this Performance Statement must be receiving service or a benefit from the use of the new or improved facilities and activities for the contract obligations to be fulfilled. Grantee shall ensure that the amount of funds expended for each activity described does not exceed the amount specified for such activity in Exhibit B, Budget.

As a result of Hurricane Dolly on July 23, 2008, the county sustained flooding that resulted in drainage infrastructure failure and subsequently caused the roads to fail to function as the primary means of access for the area. The failure of the drainage system and the roadways to function threatened the public health, safety, and welfare of all served by these systems due to the threat posed by flooding and unsafe conditions posed by the standing water on the roads that impeded emergency vehicle access. The county is in need of roadway improvements and drainage infrastructure improvements to remediate flooding and ensure the function of the roads.

The existing roads in Hidalgo County precinct No. 2 experienced high volumes of truck traffic involved in the recovery effort and flooding due to the storm. The storm and recovery effort caused significant street damage. The precinct is in need of roadway improvements to repair the damaged roads.

The Hidalgo County Precinct No. 1 Delta Drainage Outfall system failed to function due to high volumes of storm water. The Precinct is in need of drainage improvements to reduce flood water and improve the flow of food water to the IBWC North floodway.

The Hidalgo County Precinct No. 4 drainage system failed to function due to high volumes of storm water. The Precinct is in need of drainage improvements to area ditches and storm sewers to reduce flooding to homes and businesses.

Street Improvements-4

Precinct No.2

Grantee shall rework approximately forty four thousand three hundred twenty-three square yards (44,323 s.y.) of existing material, install forty four thousand three hundred twenty-three square yards (44,323 s.y.) of six-inch (6in.) stabilized base material, lay approximately three thousand four hundred seventy-three tons (3,473 ton) of hot mix asphalt pavement, apply twelve thousand one hundred eighty-eight gallons (12,188 Gal.) of seal coat (asphalt), apply three thousand forty-

seven cubic yards (3,047 c.y.) of seal coat (aggregate), and other related appurtenances. The repairs will improve transportation and ensure the function of the road. Construction shall take place at the following locations:

STREET	FROM	TO
Moore Road	Nebraska Avenue	Border Road
Cesar Chavez Road	Sioux Road	Minnesota Road
Eldora Road	Fern Street	Border Road
Minnesota Road	Jenica Circle	Border Road

These activities shall benefit twenty thousand two hundred ninety-six (20,296) persons, of which fourteen thousand eight hundred four (14,804) or seventy-two percent (72%) are of low to moderate income.

Flood and Drainage Improvements-5

Precinct-1

Grantee shall excavate approximately thirteen thousand five hundred cubic yards (13,500 c.y.) of channel, construct three hundred twenty linear feet (320 l.f.) of ten foot (10 ft.) by ten foot (10 ft.) box culverts, provide four thousand cubic yards (4,000 c.y.) of hydro-mulch for erosion control, place one thousand eighty five cubic yards (1,085 c.y.) of concrete rip rap, construct two (2) gatewell structures with sluice gate controls and other related appurtenances. Construction shall take place at the Hidalgo County Precinct 1 Delta Area Drainage Outfall System extending from Mile 19 North for the northern boundary, State HWY 107 for the southern boundary, east of FM 493 for the western boundary, and IBWC North Floodway for the eastern boundary. These proposed improvements will increase the capacity of the storm sewer systems and reduce flooding.

These activities shall benefit eighteen thousand six hundred ninety (18,690) persons, of which thirteen thousand three hundred twenty-five (13,325) or seventy-one percent (71%) are of low to moderate income.

Precinct-4

Grantee shall purchase and install approximately fifteen thousand two hundred seventy-two linear feet (15,272 l.f.) of reinforced concrete pipe of various sizes including eighteen inch (18 in.), twenty-four inch (24 in.), thirty inch (30 in.), thirty-six inch (36 in.), forty-two inch (42 in.), and forty-eight inch (48 in.) reinforced concrete pipe; install forty-five (45) type "CC" inlets; install twenty one (21) storm manholes; restore three thousand six hundred twenty-five square yards (3,625 s.y.) of pavement, restore two hundred seventy-nine (279) driveways; re-grade six thousand two hundred linear feet (6,200 l.f.) of roadside ditch; excavate one hundred twelve thousand nine hundred sixty-three cubic yards (112,963 c.y.) of drainage ditches; re-grade seven thousand seven hundred fifty linear feet (7,750 l.f.) of drainage ditches, repair any miscellaneous pavement and backfill and related appurtenances. These proposed improvements will increase the capacity of the storm sewer systems and reduce flooding.

Construction shall take place at the following locations:

HOEHN DRIVE SUBDIVISION

STREET	FROM	TO
Russett Street	Ebony Avenue	Hoehn Drive
Crimson Street	Ebony Avenue	Hoehn Drive
Indigo Street	Ebony Avenue	Hoehn Drive
Lavender Street	Ebony Avenue	Hoehn Drive
Ivory Street	Ebony Avenue	Hoehn Drive
Ebony Street	Ivory Street	Russett Drive
Peach Street	Ivory Street	Monte Cristo Street
Lilac Street	Ivory Street	Russett Street

DAMIAN ACRES PHASE 1 & 2 AREA

STREET	FROM	TO
Nuiguy Drive	Alberta Road	Labrador Lane
Labrador Lane	Alberta Road	Buck Drive
Fox Lane	Alberta Road	Buck Drive
Tillmin Drive	Alberta Road	Buck Drive
Buck Drive	Cesar Chavez Road	Tillmin Drive

ALAMO BRISAS SUBDIVISION

STREET	FROM	TO
Alamo Road	Rogers Road	Mile 17 ½ Road
La Paz	Rogers Road	Barcelona Street
Santiago Street	Rogers Road	Barcelona Street
Barcelona Street	Alamo Road	Santiago Street

TOWER HEIGHTS SUBDIVISION

STREET	FROM	TO
Grove Avenue	Mile 17 ½ Road	Orchard Avenue
	Orchard Avenue	Tower Road

BANDERA ESTATES SUBDIVISION

	FROM	TO
-	Bandera Lane	Tower Road
-	Grove Avenue	Orchard Avenue

FOUR QUEENS SUBDIVISION

	FROM	TO
-	Queen Drive	Tower Road

DIANA ESTATES SUBDIVISION

	FROM	TO
-	Diana Drive	Tower Road

OWASSA ACRES SUBDIVISION

	FROM	TO
-	Owassa Road	Roman Circle

OWASSA ROAD BETWEEN ALAMO ROAD AND CEASAR CHAVEZ AREA

STREET	FROM	TO
All streets in Owassa Estates	-	-
Avocado Park-King Street	Alamo Road	Prince Street
Queen Street	Alamo Road	Prince Street

LOS TINACOS SUBDIVISION

	FROM	TO
-	Cenizo Street	Owassa Road
-	El Sauz Street	Owassa Road

KAYLEN HEIGHTS SUBDIVISION

	FROM	TO
-	Nicole Drive	Alberta Road
-	Michelle Drive	Intersection of Nicole Drive

SOUTH SAN CARLOS SUBDIVISION

STREET	FROM	TO
Hendrix Circle	S.H. 107	Tex-Mex Road
S. 4 th Avenue	S.H. 107	Tex-Mex Road
S. 5 th Street	S.H. 107	Tex-Mex Road
Holmes Avenue	N. 3 rd Street	S. 4 th Avenue

RUTHIVEN SUBDIVISION No. 2

STREET	FROM	TO
N. 3rd Street	Tex-Mex Road	S.H. 107

COLONIA TEJANA SUBDIVISION

STREET	FROM	TO
S. 6 th Street	S.H. 107	Tex-Mex Road
S. 6 th Street	S. 5 th Street	Tex-Mex Road

PORSALDO SUBDIVISION

STREET	FROM	TO
Tex-Mex Road	S. 6 th Street	Villarreal

NORTH ALAMO TERRACE SUBDIVISION

STREET	FROM	TO
Beaumont Avenue	Alamo Road	Dallas Avenue
Austin Avenue	Alamo Road	Dallas Avenue
Dallas Avenue	Beaumont Avenue	Austin Avenue
Chicago Avenue	Beaumont Avenue	Austin Avenue

SAN MARCOS ACRES No. 3 SUBDIVISION

	FROM	TO
-	San Marcos Avenue	Alamo Road

ALAMO ESTATES UNIT 1 & 2 SUBDIVISION

STREET	FROM	TO
Leigh Ann Drive	Alamo Road	Alanoz Avenue

HOPEWELL GARDENS SUBDIVISION

STREET	FROM	TO
-	Hudson Street	Alamo Road
Pioneer Street	Hudson Street	Anchor Street
Eclipse Street	Hudson Street	Anchor Street

DAN BURNS ESTATES AREA

STREET	FROM	TO
Leigh Ann Drive	Alamo Road	Alanoz Avenue

These activities shall benefit seventeen thousand seven hundred fifty-five (17,755) persons, of which twelve thousand four hundred ninety-five (12,495) or seventy percent (70%) are of low to moderate income.

Acquisition-24

Grantee shall acquire an approximately twenty (20) Acre tract of land in the county of Hidalgo for the drainage easement. Grantee shall carry out all acquisition of needed real property, easements, and/or rights-of-way in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*) and HUD implementing regulations (24 CFR Part 42).

Engineering-30

Grantee shall ensure that the amount of TDRA funds expended for all eligible project-related engineering services, including preliminary and final design plans and specifications, all interim and final inspections, and all special services does not exceed the amount specified for engineering in Exhibit B, Budget.

Planning / Project Delivery-33

Grantee shall ensure that the amount of TDRA funds expended for all eligible project-related "planning / project delivery" administration activities, including the required annual program compliance and fiscal audit does not exceed the amount specified for Planning / Project Delivery in Exhibit B, Budget.

EXHIBIT B

CONTRACT NO. DRS010068

BUDGET

Hidalgo County

<u>LINE CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
1a. Water Facilities	\$	\$	\$
1b. Sewer Facilities	\$	\$	\$
2. Solid Waste Disposal Facilities	\$	\$	\$
3. Other Public Utilities (Gas)	\$	\$	\$
4. Street Improvements	\$ 1,072,964	\$ -0-	\$ 1,072,964
5. Flood and Drainage Facilities	\$ 3,041,676	\$ -0-	\$ 3,041,676
5a. Flood and Drainage – Debris Removal	\$	\$	\$
6. Neighborhood Facilities/ Community Centers	\$	\$	\$
7. Senior Centers	\$	\$	\$
8. Centers for the Handicapped/ Sheltered Workshops	\$	\$	\$
9. Parks, Playgrounds, and Other Recreational Facilities	\$	\$	\$
10. Fire Protections Facilities and Equipment	\$	\$	\$
11. Parking Facilities	\$	\$	\$
12. Pedestrian Malls and Walkways	\$	\$	\$
13. Specially Authorized Assistance to Privately Owned Utilities	\$	\$	\$
14. Specially Authorized Public Facilities and Improvements	\$	\$	\$
15. Public Services (LIMITED TO 15% OF REQUEST)	\$	\$	\$
16. Interim Assistance	\$	\$	\$

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
17.	Rehabilitation of Private Properties (Housing)	\$	\$	\$
17a.	Rehabilitation of Private Properties (Water Service)	\$	\$	\$
17b.	Rehabilitation of Private Properties (Sewer Service)	\$	\$	\$
17c.	Rehabilitation – Housing Reconstruction	\$	\$	\$
17d.	Rehabilitation – Emergency Repairs	\$	\$	\$
18.	Rehabilitation of Public Residential Structures	\$	\$	\$
19.	Public Housing Modernization	\$	\$	\$
19a.	Homeownership Assistance	\$	\$	\$
19b.	Affordable New Housing	\$	\$	\$
20.	Clearance Demolition Activities	\$	\$	\$
21.	Historic Preservation	\$	\$	\$
22.	Removal of Architectural Barriers	\$	\$	\$
23.	Code Enforcement	\$	\$	\$
24.	Acquisition	\$ 420,349	\$ -0-	\$ 420,349
25.	Relocation Payments & Assistance	\$	\$	\$
26.	Economic Development Loan	\$	\$	\$
27.	Economic Devel. Interest Subsidy	\$	\$	\$
28.	Economic Devel. Loan Guarantee	\$	\$	\$
29.	Special Activities by Local Devel Corporations, Etc.	\$	\$	\$
30.	Engineering/Architectural Serv. (Total for all construction accounts)	\$ 207,511	\$ 189,700 ¹	\$ 397,211
31.	Planning Study (NOT TO EXCEED 16%)	\$	\$	\$
31a.	COG Planning	\$	\$	\$

<u>LINE</u>	<u>CATEGORIES</u>	<u>CONTRACT FUNDS</u>	<u>OTHER FUNDS</u>	<u>TOTAL</u>
32.	General Administration	\$	\$	\$
32a.	COG Administration	\$	\$	\$
33.	Planning / Project Delivery	\$ 257,500	\$ -0-	\$ 257,500
	TOTALS	\$ 5,000,000	\$ 189,700	\$ 5,189,700

¹County of Hidalgo match total of \$189,700

EXHIBIT C

CERTIFICATIONS

WITH RESPECT TO THE EXPENDITURE OF FUNDS PROVIDED UNDER THIS CONTRACT, THE COUNTY OF HIDALGO, CERTIFIES THAT;

(1) IT WILL MINIMIZE DISPLACEMENT OF PERSONS AS A RESULT OF ACTIVITIES ASSISTED WITH SUCH FUNDS;

(2) THE PROGRAM WILL BE CONDUCTED AND ADMINISTERED IN CONFORMITY WITH THE CIVIL RIGHTS ACT OF 1964 (42 U.S.C. SEC. 2000A ET SEQ.) AND THE FAIR HOUSING ACT (42 U.S.C. 3901 ET SEQ.), AND THAT IT WILL AFFIRMATIVELY FURTHER FAIR HOUSING, AS SPECIFIED BY TDRA;

(3) IT WILL PROVIDE FOR OPPORTUNITIES FOR CITIZEN PARTICIPATION, HEARINGS AND ACCESS TO INFORMATION WITH RESPECT TO ITS COMMUNITY DEVELOPMENT PROGRAMS, AS SPECIFIED BY TDRA;

(4) IT WILL NOT ATTEMPT TO RECOVER ANY CAPITAL COSTS OF PUBLIC IMPROVEMENTS ASSISTED IN WHOLE OR IN PART WITH SUCH FUNDS BY ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF LOW AND MODERATE INCOME, INCLUDING ANY FEE CHARGED OR ASSESSMENT MADE AS A CONDITION OF OBTAINING ACCESS TO SUCH PUBLIC IMPROVEMENTS UNLESS (A) SUCH FUNDS ARE USED TO PAY THE PROPORTION OF SUCH FEE OR ASSESSMENT THAT RELATED TO THE CAPITAL COSTS OF SUCH PUBLIC IMPROVEMENTS THAT ARE FINANCED FROM REVENUE SOURCES OTHER THAN SUCH FUNDS; OR (B) FOR PURPOSES OF ASSESSING ANY AMOUNT AGAINST PROPERTIES OWNED AND OCCUPIED BY PERSONS OF MODERATE INCOME, GRANTEE CERTIFIES THAT IT LACKS SUFFICIENT FUNDS UNDER THIS CONTRACT TO COMPLY WITH THE REQUIREMENTS OF CLAUSE (A).

(5) IN THE EVENT THAT DISPLACEMENT OF RESIDENTIAL DWELLINGS WILL OCCUR IN CONNECTION WITH A PROJECT ASSISTED WITH TXCDBG FUNDS, IT WILL FOLLOW A RESIDENTIAL ANTIDISPLACEMENT AND RELOCATION ASSISTANCE PLAN, AS SPECIFIED BY TDRA.

(6) IT SHALL ADOPT AND ENFORCE A POLICY PROHIBITING THE USE OF EXCESSIVE FORCE BY LAW ENFORCEMENT AGENCIES WITHIN ITS JURISDICTION AGAINST ANY INDIVIDUAL ENGAGED IN NONVIOLENT CIVIL RIGHTS DEMONSTRATIONS AND A POLICY OF ENFORCING APPLICABLE STATE AND LOCAL LAWS AGAINST PHYSICALLY BARRING ENTRANCE TO OR EXIT FROM A FACILITY OR LOCATION WHICH IS THE SUBJECT OF SUCH NONVIOLENT CIVIL RIGHTS DEMONSTRATION WITHIN ITS JURISDICTION.

**CERTIFICATION REGARDING LOBBYING FOR
CONTRACTS, GRANTS, LOANS, AND COOPERATIVE AGREEMENTS**

COUNTY OF HIDALGO

CERTIFIES, TO THE BEST OF ITS KNOWLEDGE AND BELIEF, THAT:

(1) NO FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID, BY OR ON BEHALF OF THE UNDERSIGNED, TO ANY PERSON FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF AN AGENCY, A MEMBER OF CONGRESS, AN OFFICER OR EMPLOYEE OF CONGRESS, OR AN EMPLOYEE OF A MEMBER OF CONGRESS IN CONNECTION WITH THE AWARDED OF ANY FEDERAL CONTRACT, THE MAKING OF ANY FEDERAL GRANT, THE MAKING OF ANY FEDERAL LOAN, THE ENTERING INTO OF ANY COOPERATIVE AGREEMENT, AND THE EXTENSION, CONTINUATION, RENEWAL, AMENDMENT, OR MODIFICATION OF ANY FEDERAL CONTRACT, GRANT, LOAN, OR COOPERATIVE AGREEMENT.

(2) IF ANY FUNDS OTHER THAN FEDERAL APPROPRIATED FUNDS HAVE BEEN PAID OR WILL BE PAID TO ANY PERSON FOR INFLUENCING OR ATTEMPTING TO INFLUENCE AN OFFICER OR EMPLOYEE OF ANY AGENCY, A MEMBER OF CONGRESS, AN OFFICER OR EMPLOYEE OF CONGRESS, OR AN EMPLOYEE OF A MEMBER OF CONGRESS IN CONNECTION WITH THIS FEDERAL CONTRACT, GRANT, LOAN, OR COOPERATIVE AGREEMENT, THE UNDERSIGNED SHALL COMPLETE AND SUBMIT STANDARD FORM - I.L.L, "DISCLOSURE FORM TO REPORT LOBBYING", IN ACCORDANCE WITH ITS INSTRUCTIONS.

(3) THE UNDERSIGNED SHALL REQUIRE THAT THE LANGUAGE OF THIS CERTIFICATION BE INCLUDED IN THE AWARD DOCUMENTS FOR ALL SUBAWARDS AT ALL TIERS (INCLUDING SUBCONTRACTS, SUBGRANTS, AND CONTRACTS UNDER GRANTS, LOANS, AND COOPERATIVE AGREEMENTS) AND THAT ALL SUBRECIPIENTS SHALL CERTIFY AND DISCLOSE ACCORDINGLY.

THIS CERTIFICATION IS A MATERIAL REPRESENTATION OF FACT WHICH RELIANCE WAS PLACED WHEN THIS TRANSACTION WAS MADE OR ENTERED INTO. SUBMISSION OF THIS CERTIFICATION IS A PREREQUISITE FOR MAKING OR ENTERING INTO THIS TRANSACTION IMPOSED BY SECTION 1352, TITLE 31, U.S. CODE. ANY PERSON WHO FAILS TO FILE THE REQUIRED CERTIFICATION SHALL BE SUBJECT TO A CIVIL PENALTY OF NOT LESS THAN \$10,000 AND NOT MORE THAN \$100,000 FOR EACH SUCH FAILURE.

EXHIBIT D

THE APPLICABLE LAWS AND REGULATIONS

Grantee shall comply with the Act and Regulations specified in Section 3 of this Contract and with the OMB Circular and federal regulations specified in Sections 6 and 7 of this Contract; Cash Management Improvement Act regulations (31 CFR Part 205); and with all other federal, state, and local laws and regulations applicable to the activities and performances rendered by Grantee under this Contract including but not limited to the laws, and the regulations promulgated thereunder specified in Section I through VII of this Exhibit D.

I. CIVIL RIGHTS

Title VI of the Civil Rights Act of 1964, (42 U.S.C. 2000d *et seq.*); 24 CFR Part 1, "Nondiscrimination in Federally Assisted Programs of the Department of Housing and Urban Development - Effectuation of Title VI of the Civil Rights Act of 1964";

Title VIII of the Civil Rights Act of 1968, "The Fair Housing Act of 1968" (42 U.S.C. 3601 *et seq.*), as amended;

Executive Order 11063, as amended by Executive Order 12259, and 24 C. F.R. Part 107, "Nondiscrimination and Equal Opportunity in Housing under Executive Order 11063". The failure or refusal of Grantee to comply with the requirements of Executive Order 11063 or 24 CFR Part 107 shall be a proper basis for the imposition of sanctions specified in 24 CFR 107.60;

The Age Discrimination Act of 1975 (42 U.S.C. 6101 *et seq.*);

Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794.) and "Nondiscrimination Based on Handicap in Federally-Assisted Programs and Activities of the Department of Housing and Urban Development", 24 CFR Part 8. By signing this Contract, Grantee understands and agrees that the activities funded shall be operated in accordance with 24 CFR Part 8; and the Architectural Barriers Act of 1968 (42 U.S.C. 4151 *et seq.*), including the use of a telecommunications device for deaf persons (TDDs) or equally effective communication system.

II. LABOR STANDARDS

The Davis-Bacon Act, as amended (40 U.S.C. 276a - 276a-5);

The Contract Work Hours & Safety Standards Act (40 U.S.C. 327 *et seq.*);

The Copeland "Anti-Kickback" Act (18 U.S.C. 874).

III. EMPLOYMENT OPPORTUNITIES

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C.1701u).

IV. LEAD-BASED PAINT

Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4831(b)) and the procedures established by TDRA thereunder.

V. ENVIRONMENTAL LAW AND AUTHORITIES

Environmental Review Procedures for Recipients assuming HUD Environmental Responsibilities, 24 CFR Part 58, as amended.

In accordance with the provisions of law cited in §58.1(b), the responsible entity must assume the environmental responsibilities for projects under programs cited in §58.1(b), and in doing so must comply with the provisions of the National Environmental Policy Act of 1969, as amended and the Council on Environmental Quality regulations contained in 40 CFR parts 1500 through 1508. This includes responsibility for compliance with the applicable provisions and requirements of the Federal laws and authorities specified in §58.5 [below]. The responsible entity must certify that it has complied with the requirements that would apply to HUD under these laws and authorities and must consider the criteria, standards, policies and regulations of these laws and authorities.

(a) Historic Properties

- (1) The National Historic Preservation Act of 1966 as amended (16 U.S.C. 470 *et seq.*), particularly sections 106 and 110 (16 U.S.C. 470 and 470h-2), except as provided in §58.17 for Section 17 projects.
- (2) Executive Order 11593, Protection and Enhancement of the Cultural Environment, May 13, 1971 (36 FR 8921), 3 CFR 1971-1975 Comp., p. 559, particularly section 2(c).
- (3) Federal historic preservation regulations as follows:
36 CFR part 800 with respect to HUD programs
- (4) The Reservoir Salvage Act of 1960 as amended by the Archeological and Historic Preservation Act of 1974 (16 U.S.C. 469 *et seq.*), particularly section 3 (16 U.S.C. 469a-1).

(b) Floodplain management and wetland protection

- (1) Executive Order 11988, Floodplain Management, May 24, 1977 (42 FR 26951), 3 CFR, 1977 Comp., p. 117, as interpreted in HUD regulations at 24 CFR part 55, particularly section 2(a) of the order (For an explanation of the relationship between the decision-making process in 24 CFR part 55 and this part, see §55.10 of this subtitle A.)
- (2) Executive Order 11990, Protection of Wetlands, May 24, 1977 (42 FR 26961), 3 CFR, 1977 Comp., p. 121 particularly sections 2 and 5.

(c) Coastal Zone Management

- (1) The Coastal Zone Management Act of 1972 (16 U.S.C. 1451 *et seq.*), as amended, particularly sections 307(c) and (d) (16 U.S.C. 1456(c) and (d)).

(d) Sole source aquifers

- (1) The Safe Drinking Water Act of 1974 (42 U.S.C. 201, 300(f) *et seq.*, and 21 U.S.C. 349) as amended; particularly section 1424(e)(42 U.S.C. 300h-3(e)).
- (2) Sole Source Aquifers (Environmental Protection Agency-40 CFR part 149.)

(e) Endangered species

(1) The Endangered Species Act of 1973 (16 U.S.C. 1531 *et seq.*) as amended, particularly section 7 (16 U.S.C. 1536)

(f) Wild and scenic rivers

(1) The Wild and Scenic Rivers Act of 1968 (16 U.S.C. 1271 *et seq.*) as amended, particularly sections 7(b) and (c) (16 U.S.C. 1278(b) and (c)).

(g) Air quality

(1) The Clean Air Act (42 U.S.C. 7401 *et seq.*) as amended, particularly sections 176(c) and (d) (42 U.S.C. 7506(c) and (d)).

(2) Determining Conformity of Federal Actions to State or Federal Implementation Plans (Environmental Protection Agency-40 CFR parts 6, 51, and 93).

(h) Farmland protection

(1) Farmland Protection Policy Act of 1981 (7 U.S.C. 4201 *et seq.*) particularly sections 1540(b) and 1541 (7 U.S.C. 4201(b) and 4202).

(2) Farmland Protection Policy (Department of Agriculture-7 CFR part 658).

(i) HUD environmental standards

(1) Applicable criteria and standards specified in HUD environmental regulations (24 CFR part 51)(other than the runway clear zone and clear zone notification requirement in 24 CFR 51.303(a)(3)

(2) HUD Notice 79-33, Policy Guidance to Address the Problems Posed by Toxic Chemicals and Radioactive Materials, September 10, 1979).

(j) Environmental justice

(1) Executive Order 12898 of February 11, 1994 --- Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations, (59 FR 7629), 3 CFR, 1994 Comp. p. 859.

(k) Other requirements

See 24 CFR Part 58.6.

VI. ACQUISITION/RELOCATION

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 *et seq.*), 24 CFR Part 42, and 24 CFR Section 570.606.

VII. FAITH-BASED ACTIVITIES

Executive Order 13279 of December 12, 2002 - Equal Protection of the Laws for Faith-Based and Community Organizations, (67 FR 77141).

EXHIBIT E

PROJECT IMPLEMENTATION SCHEDULE

County of Hidalgo

Precinct No. 1 Flood and Drainage Improvements

	0	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
Engineering Activities																								
Complete Design Survey		█																						
Complete Preliminary Engineering			█	█	█																			
Coordination with Affected Agencies			█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█			
Complete Plans and Specs						█	█	█	█	█	█	█												
Bid and Award Construction Contract													█	█										
Construction Complete															█	█	█	█	█	█	█			