

STATE OF TEXAS                   §  
COUNTY OF HIDALGO           §

**INTERLOCAL COOPERATION AGREEMENT  
BETWEEN HIDALGO COUNTY DRAINAGE DISTRICT NO. 1  
AND HIDALGO COUNTY**

THIS AGREEMENT is made on this the 22<sup>nd</sup> day of April, 2008, by and between HIDALGO COUNTY DRAINAGE DISTRICT NO. 1, hereinafter referred to as "District", and HIDALGO COUNTY, hereinafter referred to as "County", pursuant to the provisions of the Texas Interlocal Cooperation Act, as follows:

**WITNESSETH:**

**WHEREAS**, District expects to receive government federal grant(s) or other federal funding for various levee barriers from the federal government;

**WHEREAS**, District previously utilized accounting and administrative services of County;

**WHEREAS**, County is experienced in administrative and accounting procedures for federal grant management;

**WHEREAS**, the parties hereto have determined it is beneficial to both parties to enter into this relationship for the receipt of the anticipated federal grant (s) or other funding by District and that the compensation to County hereunder is reasonable for the services provided by County to District; and

**WHEREAS**, District and County are authorized to enter into this Agreement pursuant to the Interlocal Cooperation Act, Texas Government Code 791.001 et seq., (the "Act") which authorizes local governments to contract with each other to perform governmental functions and services under the terms of the Act.

**NOW, THEREFORE**, District and County, in consideration of the mutual covenants expressed hereinafter, agree as follows:

- 1. Duties of County. County agrees to perform the following services for District:**
  - A. County shall provide accounting for all federal grant(s) or other federal funding received by District as required by OMB Circulars A102 and 133 as well as all other accounting services and reports and requirements required of District as required or recommended by the federal agency or department providing grant(s) or other federal funding to District.
  - B. The County shall assist the District if requested by the District, in preparation of documents including, but not limited to, resolutions, reports, agendas, and

meeting notices as may be necessary for the District's Board of Directors to conduct the administration of the federal grant(s) or other federal funding received by District.

- C. The County shall assist District's Financial Officer in coordinating and maintaining records of District relating to the federal grant(s) or other federal funding.

**2. Additional Services.** County may, upon request by the District, provide any additional services upon such terms and conditions as may be mutually agreed to between District and County.

**3. Term of Agreement.** Unless termination occurs under the provisions of Paragraph 5.C of this Agreement, the term of this Agreement shall be one (1) year from the date hereof. This Agreement shall automatically renew for additional one (1) year periods unless prior to any anniversary date hereof, any party notifies the other in writing at least ninety (90) days prior to any such anniversary date of such party's termination of this Agreement on the next occurring anniversary date.

**4. Compensation of County.** For performing the duties set forth in numbered paragraph 1 under this Agreement, District agrees to compensate County at hourly rates as may from time to time be agreed by District and County but in no event shall the total compensation paid by District under this Agreement in any twelve month period exceed the sum of One Hundred Thousand Dollars (\$100,000.00). Such agreed to hourly rates shall be in writing, signed and dated by the manager of the District and the department head of the department of County furnishing such services. The department head shall compute the hourly rates such that County receives no less than the actual cost to County of the services provided.

**5. Miscellaneous.**

- A. This Agreement may be modified or amended only by agreement in writing executed by the District and County, and not otherwise.
- B. This Agreement, including any exhibit attached hereto, constitutes the entire agreement and understanding between the parties hereto and supersedes any prior agreement or understanding relating to the subject matter of this Agreement.
- C. Except as elsewhere provided herein, this Agreement is not assignable by either County or District, in whole or in part. Notwithstanding anything to the contrary herein, the District may, upon ninety (90) days written notice to County, terminate this Agreement upon County's negligence or willful misconduct in the administration of its duties under this Agreement.

- D. The parties hereto each represent and warrant to the other that it has full right and authority to enter into this Agreement and to perform its obligations hereunder and that all actions required by law to be taken by each party as a condition precedent to the valid execution of this Agreement have been taken, and assuming due authorization, execution and delivery by the parties hereto, this Agreement constitutes a legal, valid and binding obligation of the parties enforceable in accordance with its terms.
- E. This Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.
- F. County shall at all times be deemed an independent contractor with the District and this Agreement shall not be deemed to constitute the County as a partner or joint venturer with District.
- G. Nothing herein contained shall be construed as prohibiting County from entering into agreements with other parties, which agreements are similar in nature or which contemplate activities similar to this Agreement.
- H. **Notice.** Addresses for all notices, requests, demands or other documents which may be required to be given or delivered in accordance with the Agreement are as follows:
  - District: Hidalgo County Drainage District No. 1  
902 N. Doolittle Road  
Edinburg, Texas 78539
  - County: Hidalgo County, Texas  
Attn: County Judge  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, Texas 78539
- I. **Texas Law to Apply.** This Agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.
- J. **Severability.** Should any phrase, clause, sentence or section of this Agreement be judicially declared to be invalid, unenforceable or void, such decision will not have the effect of invalidating or voiding the remainder of this Agreement, and such part of this Agreement will be deemed to have been stricken herefrom and the remainder of this Agreement will have the same force and effect as if such part or parts had never been included

herein.

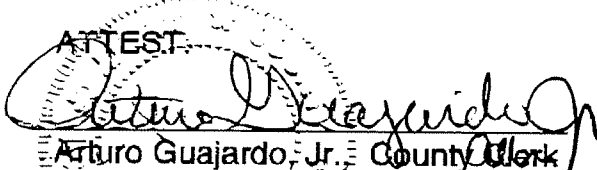
- K. **Governmental Purpose.** Each party hereto is entering into this Agreement for the purpose of providing governmental services or functions and will pay for such services out of current revenues available to the paying party as herein provided.
- L. **Successors.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns where permitted by this Agreement.
- M. **Commitment of Current Revenues Only.** In the event that, during any term hereof, the governing body of any party does not appropriate sufficient funds to meet the obligations of such party under this Agreement, then any party may terminate this Agreement upon ninety (90) days written notice to the other party. Each of the parties hereto agrees, however, to use its best efforts to secure funds necessary for the continued performance of this Agreement. The parties intend this provision to be a continuing right to terminate this Agreement at the expiration of each budget period of each party hereto pursuant to the provisions of Tex. Loc. Govt. Code Ann. Section 271.903.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first written above.

HIDALGO COUNTY, TEXAS

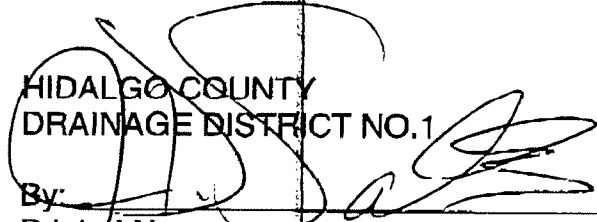
  
Juan de Dios ("J.D.") Salinas, III County Judge

ATTEST

  
Arturo Guajardo, Jr. County Clerk

HIDALGO COUNTY  
DRAINAGE DISTRICT NO.1

By:

  
Printed Name: Juan D. Salinas, III  
Title: Chairman of the Board of Directors

APPROVED AS TO FORM:  
Atlas & Hall, L.L.P.

By:   
Stephen L. Crain

STATE OF TEXAS §

COUNTY OF HIDALGO §

**AMENDMENT TO INTERLOCAL COOPERATION AGREEMENT**

This Amendment to Interlocal Cooperation Agreement is entered into by and between Hidalgo County Drainage District No. 1 ("District") and Hidalgo County ("County");

WHEREAS, on the 20<sup>th</sup> day of September, 2005, the District entered into an Interlocal Cooperation Agreement (the "Agreement") with County for accounting and procurement services to be provided to District by County; and

WHEREAS, the parties have mutually agreed to delete certain services provided District by County, add certain services provided to District by County, revise the compensation to County from District for such services, and to continue the Agreement under all other terms, conditions and covenants contained therein.

NOW THEREFORE, for the mutual consideration expressly herein, District and County agree as follows:

1. The provisions of the paragraph 1.C., 1.D., 1.E and 1.F of numbered paragraph 1 of the Agreement are hereby deleted in their entirety and paragraphs G. and H. of numbered paragraph 1 are re-lettered as paragraphs C. and D.
2. District and County entered into that certain Interlocal Cooperation Agreement dated December 28, 2006 ("Right of Way Agreement") which the District and County terminates by this Amendment on even date herewith. The following provision is added to the Agreement as paragraph 1.E:

The County, through its Right of Way Department (the "Department"), shall assist the District with compliance and interpretation of procedures for right of way and real property acquisitions and all property acquisitions and real estate matters shall be conducted in the usual and customary manner of the Department on an as needed basis.

3. The provisions of paragraph A of Exhibit A to the Agreement is hereby deleted in its entirety and replaced with the following:


A. For performing the duties set forth in numbered paragraph 1 under this Agreement, District agrees to compensate County at hourly rates as may from time to time be agreed by District and County but in no event shall the total compensation paid by District under this Agreement in any twelve month period exceed the sum of One Hundred Thousand Dollars (\$100,000.00). Such agreed to hourly rates shall be in writing, signed and dated by the manager of the District and the department head of the department of County furnishing such services. The department head shall compute the hourly rates such that County receives no less than the actual cost to County of the services provided.

4. All other terms, conditions and covenants set forth in the Engineering Agreement shall remain in force and effect.


EXECUTED on the 26th day of Dec., 2007.

HIDALGO COUNTY DRAINAGE

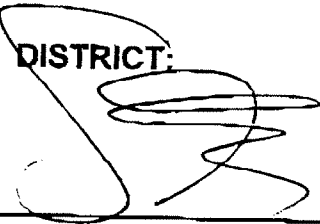
DISTRICT NO. 1:

  
\_\_\_\_\_  
Juan De Dios Salinas, III Chairman Board of Director

HIDALGO COUNTY

  
\_\_\_\_\_  
Juan De Dios Salinas, III  
County Judge

DISTRICT:

  
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