

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**INTERLOCAL COOPERATION AGREEMENT BETWEEN THE
COUNTY OF HIDALGO, CITY OF MERCEDES, AND CITY OF EDCOUCH, TEXAS
CONCERNING PROJECT DEVELOPMENT ACTIVITIES OF THE
MILE 2 WEST ROAD PROJECT,
FROM STATE HIGHWAY (SH) 107 TO INTERSTATE HIGHWAY (IH) 2**

THIS agreement is made on this the _____ day of _____, 2025 by and between the COUNTY OF HIDALGO, Texas (hereinafter referred to as “County”), the CITY OF MERCEDES, Texas (hereinafter referred to as the “Mercedes”) and the CITY OF EDCOUCH, Texas, (hereinafter referred to as “Edcouch”), pursuant to the provisions of the Texas Inter-local Cooperation Act (the “ACT”), Chapter 791 et seq., Texas Government code, as follows:

WITNESSETH:

WHEREAS the County is defined as a “Local Government” under the ACT and a Political Subdivision organized under the laws of the State of Texas; and

WHEREAS both Mercedes and Edcouch are municipalities defined as a “Local Government” under the ACT and a Political Subdivision organized under the laws of the State of Texas, within the boundary of Hidalgo County, Texas; and

WHEREAS Mercedes, Edcouch and the County desire to cooperate in developing Mile 2 West Road, from SH 107 to IH2 (hereinafter referred to as the “Project”) which is located within the limits and traverse the jurisdictions of Mercedes, Edcouch, and the County as shown on Exhibit A; and

WHEREAS, the project, from SH 107 to IH2, is needed to prevent further deterioration of the existing pavement and improve the safety of the traveling public; and

WHEREAS Mercedes, Edcouch and the County, each pursuant to its statutory and constitutional authority, are responsible for maintenance and improvements to certain public roadways within their boundaries; and

WHEREAS, Mercedes, Edcouch and the County have secured funds towards construction and construction engineering costs of the project through the Rio Grande Valley Metropolitan Planning Organization (RGVMPO) in the amount of \$12,400,000, and

WHEREAS Mercedes, Edcouch and the County agree to participate and contribute to all phases of the project as indicated below. Any over runs and/or under runs will be shared equally between Mercedes and County; and

WHEREAS Mercedes, Edcouch and the County now desire to cooperate in the development of the Project and it shall be completed in phases defined as follows:

Phase I – Environmental Studies, Public Involvement, and Schematic Design

Phase II – Plans, Specifications and Estimates

Phase III – Right of Way Acquisition is Not Applicable

Phase IV – Construction Oversight

WHEREAS Mercedes, Edcouch and the County are authorized to enter into this Agreement pursuant to the Act, which authorizes local governments to contract with each other and with agencies of the state, to perform governmental functions and services under the terms of the Act; and

NOW, THEREFORE, Mercedes, Edcouch and the County in consideration of the mutual covenants expressed hereinafter, agree to enter into this agreement as follows:

1. Mercedes and Edcouch agree that the County will be the fiduciary agent for the project and assume the role of project development lead.
2. Mercedes and Edcouch agree that the County will assume the role of project sponsor to develop the project development activities of the project within the limits of Mercedes and Edcouch.

3. The County agrees to complete Phases I through IV which consists of:

Phase I – Environmental Studies, Public Involvement, and Schematic Design

Phase II – Plans, Specifications and Estimates

Phase III – Right of Way Acquisition is Not Applicable.

Phase IV – Construction Oversight

4. Phase I, which includes Environmental Studies, Public Involvement, and Schematic Design is estimated to cost \$1,339,000. Upon execution of this agreement, Mercedes shall pay the County as its contribution to Phase I, \$193,258; Edcouch shall pay the County as its contribution to Phase I, \$0; and the County will contribute an amount of \$1,145,742 as outlined in Exhibit B.
5. Phase II, which includes Plans, Specifications and Estimates, including TxDOT review, is estimated to cost \$1,428,000. On January 1, 2026, Mercedes shall pay the County as its contribution to Phase II, an estimated amount of \$206,103; Edcouch shall pay the County as its contribution to Phase II, \$0; and the County will contribute an amount of \$1,221,897 as outlined in Exhibit B.
6. Phase III, which includes Right of Way Acquisition, is not applicable for this project as outlined in Exhibit B.
7. Phase IV, which includes Construction Oversight and Letting is estimated to cost \$540,800. On April 20, 2025, Mercedes shall pay the County as its contribution to Phase IV, an estimated amount of \$78,054; Edcouch shall pay the County as its contribution to Phase IV, \$0; and the County will contribute an amount of \$462,246 as outlined in Exhibit B.
8. Mercedes and Edcouch, pursuant to Texas Transportation Code 251.012, authorizes the County to perform the work and services described herein within their city limits and Extraterritorial Jurisdiction (ETJ).
9. Each party agrees to conform to its own applicable purchasing laws, regulations, policies, and procedures with respect to the portion of the work under this Agreement performed by each party.
10. **Term.** The term of this Agreement shall be from the effective date of this Agreement to the date indicted herein or when all phases of the project is completed or as otherwise agreed to by the parties.
11. **Termination.** Either party may terminate this Agreement with or without cause upon thirty (30) days written notice to the other.
12. **Liability Insurance.** Each entity will carry sufficient liability insurance at the statutorily required limits, pursuant to the Texas Tort Claims Act.

13. **Nature of Relationship.** Nothing contained in this Agreement shall be deemed or construed to create the relationship of principal and agent or that of partnership or joint venture or any association between the parties, and any intention to create a joint venture or partnership relationship between the parties hereto is hereby expressly disclaimed. No provision contained in this agreement, nor any acts of the parties hereto shall be deemed to create any relationship between Mercedes, Edcouch and the County other than what is specifically described within the Agreement. The County shall maintain exclusive control, direction and management of its own employees, and Mercedes and Edcouch shall have no rights with respect thereto, except for the right to enforce covenants of the Agreement as set forth herein.
14. **Indemnification.** To the extent permitted under the Constitution and Laws of the State of Texas, Mercedes and Edcouch agree to indemnify and hold harmless and defend the County, its agents, employees, and officers from and against any claim, loss, damage, liability and expense including reasonable attorney's fees, incurred or suffered by it, by reason of any and all claims, demands or causes of action asserted or that may be asserted, against any or all of the above named parties, whether alleging intentional or negligent acts or omissions, and whether seeking compensatory or punitive damages, and involving arising out of, or in any manner related to this Agreement.
15. **Immunities.** It is expressly understood and agreed that, in the execution of this Agreement, neither Mercedes and Edcouch nor the COUNTY waive, nor shall be deemed hereby to waive, any immunity or defense that would otherwise be available to it against claims arising in the exercising of governmental powers and functions.
16. **Conflict of Applicable Law.** Nothing in this Agreement shall be construed so as to require the commission of any act contrary to law, and whenever there is any conflict between any provision of their Agreement and any present or future law, ordinance, or administrative, executive or judicial regulation, order or decree, or amendment thereof, contrary to which the parties have no legal right to contract, the latter shall prevail, but in such event the affected provision or provisions of the Agreement shall be modified

only to the extent necessary to bring them within the legal requirements and only during the time such conflict exists.

17. **No Waiver.** No waiver by any party hereto of any breach of any provision of the Agreement shall be deemed to be a waiver of any preceding or succeeding breach of the same or any other provision hereof.

18. **Entire Agreement.** This Agreement contains the entire contract between the parties hereto and each party acknowledges that neither has made (either directly or through any agreement or representative) representation or agreement in connection with this Agreement, not specifically set forth herein. This Agreement may be modified or amended only by agreement in writing executed by Mercedes, Edcouch and the COUNTY, and not otherwise.

19. **Texas Law to Apply:** This agreement shall be construed under and in accordance with the laws of the State of Texas, and all obligation of the parties created hereunder are performable in Hidalgo County, Texas. The parties hereby consent to personal jurisdiction in Hidalgo County, Texas.

20. **Notice.** Except as maybe otherwise specifically provided in this Agreement, all notices, demands, requests or communication required or permitted hereunder shall be in writing and shall either be (i) personally delivered against a written receipt, or (ii) sent by registered or certified mail, return receipt requested, postage prepaid and addressed to the parties at the addresses set forth below, or at such other addresses as may have been theretofore specified by written notice delivered in accordance herewith.

If to CITY: City of Mercedes
 Attention: Hon. Oscar D. Montoya, Mayor
 400 S. Ohio Ave.
 Mercedes TX 78570

If to CITY: City of Edcouch
 Attention: Hon. Virginio Gonzalez, Jr., Mayor
 211 Southern Ave.
 Edcouch TX 78538

If to COUNTY: Hidalgo County, Texas
Attention: Hon. Richard F. Cortez, County Judge
100 E. Cano St., Second Floor
Edinburg, Texas 78539

With copy to: Hon. David L. Fuentes, Commissioner Precinct 1
1902 Joe Stephens Ave. #101
Weslaco, Texas 78596

Each notice, demand, request or communication which shall be delivered or mailed in the manner described above shall be deemed sufficiently given for all purposes at such time as it is personally delivered to the addressee, or, if mailed, at such time as it is deposited in the United States mail.

21. **Additional Documents.** The parties hereto covenant and agree that they will execute such other and further instruments and documents as are or may become necessary or convenient to effectuate and carry out the terms of this agreement.
22. **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.
23. **Assignment.** This Agreement shall not be assignable.
24. **Headings.** The headings and captions contained in this Agreement are solely for the convenience reference and shall not be deemed to affect the meaning or interpretation of any provision of paragraph hereof.
25. **Gender and Number.** All pronouns used in this Agreement shall include the other gender, whether used in the masculine, feminine or neuter gender, and singular shall include the plural whenever and as often as may be appropriate.
26. **Non-Discrimination.** The Agreement and all related activities shall be conducted in a manner that does not discriminate against any person on a basis prohibited by applicable law or Mercedes, Edcouch and the County policy, including without limitation of race, color, national origin, religion, sex, age, veteran status, disability or any other category protected under law.
27. **Governmental Purpose.** Each party hereto is entering into the Agreement for the purpose of providing for governmental services or functions and will pay for

such services out of current revenues available to the paying party as herein provided.

28. Commitment or Current Revenues Only. In the event that, during any term hereof, the governing body of the County does not appropriate sufficient funds to meet the obligations under this Agreement, the County may terminate this Agreement upon ninety (90) days' written notice to the City of Mercedes and Edcouch. The County agrees; however, to use reasonable 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 the County. *Agreements for the acquisition, including lease of real or personal property under Tex. Loc. Govt. Code Ann. §271.903.*

29. Governing Provisions. Parties shall comply with all applicable laws and regulations. A non-exclusive list of regulations commonly applicable to Federal and State grants, and equipment can be found in the new 2 CFR 200 Uniform Administrative Requirements and Cost Principles and Audit Requirements.

30. Legal Construction/Severability. In case any one or more of the provisions contained in this Agreement will for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability will not affect any other provision thereof, and this Agreement will be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

31. Prior Agreements. This Agreement supersedes and terminates all previous Inter-local Agreement(s) between the parties hereto concerning the subject matter hereof, except for any Inter-local Agreement dated prior to this Agreement to the extent work is being performed under said Agreement at the time of executing this Agreement. Once ongoing work under any such previous Inter-local Agreement(s) is completed and payment is remitted such previous Inter-local Agreement(s) shall terminate at such time.

32. Authority to Execute. The execution and performance of this Agreement by the Mercedes, Edcouch and the County have been duly authorized by all necessary laws, resolutions or corporate action, and this Agreement constitutes

the valid and enforceable obligations of the Mercedes, Edcouch and the County in accordance with its terms.

[SIGNATURE PAGE TO FOLLOW]

WITNESS THE HANDS OF THE PARTIES effective as of the day and year first written above.

APPROVED BY COMMISSIONERS' COURT ON _____, 2025

Agenda Item No. _____

Executive Office: _____

COUNTY OF HIDALGO

Hon. Richard F. Cortez, County Judge

ATTEST:

Arturo Guajardo, Jr., County Clerk

CITY OF MERCEDES

Hon. Oscar D. Montoya, Mayor

ATTEST:

Joselynn Castillo, City Secretary

CITY OF EDCOUCH

Hon. Virginio Gonzalez, Jr., Mayor

ATTEST:

Andrew Perez, City Secretary

APPROVED AS TO FORM:

By: _____
Mercedes City Attorney

APPROVED AS TO FORM:

By: _____
Edcouch City Attorney

APPROVED AS TO FORM:

**Office of the Criminal District Attorney,
Toribio "Terry" Palacios**

By: Michelle Lopez, Assistant District Attorney

STATE OF TEXAS §
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COUNTY OF HIDALGO §

**APPROVAL OF
INTERLOCAL COOPERATION AGREEMENT
MILE 2 WEST ROAD PROJECT**

In accordance with Texas Government Code §791.014, Hidalgo County, Texas, acting by and through the Hidalgo County Commissioners Court, has been advised of a proposed project regarding Mile 2 West Road, from SH 107 to IH2 which is in part within the city limits of Mercedes and Edcouch and in part within the jurisdiction of Hidalgo County, through an Inter-local Cooperation Agreement to be entered into between the Cities of Mercedes and Edcouch, Texas and Hidalgo County.

By vote on _____, 2025, the Hidalgo County Commissioners’ Court has approved the project identified above.

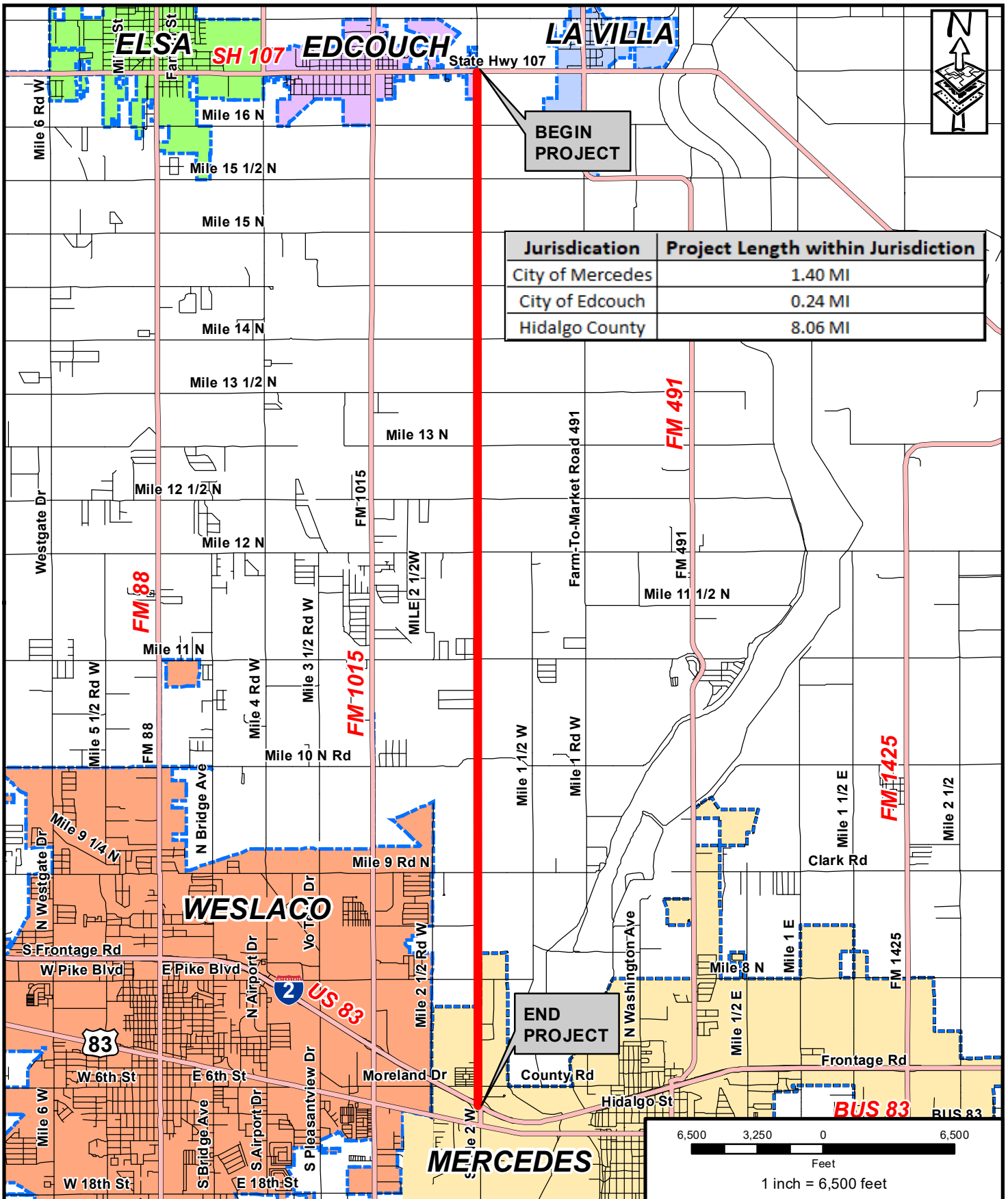
By: Richard F. Cortez, County Judge

ATTEST:

Arturo Guajardo, Jr., County Clerk

APPROVED AS TO FORM:
Office of the Criminal District Attorney,
Toribio “Terry” Palacios

Michelle Lopez, Assistant District Attorney



MILE 2 W LOCATION MAP

FROM SH 107 TO I-2 (US 83) (APPROX. 9.7 MILES)



EXHIBIT "B"

MILE 2 W PROJECT (FROM: SH 107 TO I-2)US 83)) ESTIMATED PROJECT COSTS

PROJECT LIMITS	MILE 2 W PROJECT FROM SH 107 TO I-2 (US 83)		
EXISTING ROADWAY	40-FT Rural Roadway		
EXISTING ROW WIDTH	80-FT Usual		
PROPOSED ROADWAY	3-R improvements for 40-FT Rural		
PROPOSED ROW WIDTH	Existing 80-FT Usual		
PROPOSED NO. OF PARCELS	0		
ESTIMATED ROW LAND COST ...	\$0.00		
ESTIMATED CONSTRUCTION COST	\$11,200,000.00		
LENGTH FOR PROJECT	9.7 Miles		
LENGTH FOR OUTFALLS	0.0 Miles		
ESTIMATED PROJECT WORK ITEMS	ESTIMATED % LOCAL COST	TOTAL ESTIMATED PROJECT COST	ESTIMATED LOCAL COST
PHASE I EA, Public Involvement & Schematic Design - Work Authorization No. 1			
Project Management	100%	\$ 250,000.00	\$ 250,000.00
Environmental Document with TxDOT and Public Involvement	100%	\$ 270,000.00	\$ 270,000.00
Archeological and Historical Research	100%	\$ -	\$ -
Engineering Technical Support for EA and Public Involvement	100%	\$ 40,000.00	\$ 40,000.00
Schematic with intersection improvements	100%	\$ 192,000.00	\$ 192,000.00
Traffic Data Request as per TxDOT Directive	100%	\$ 75,000.00	\$ 75,000.00
Traffic Signal Warrants	100%	\$ -	\$ -
DRAINAGE AREA Map	100%	\$ -	\$ -
Office Surveys for Schematic (Prel. Ownership Identification and Property Rights)	100%	\$ -	\$ -
Office Surveys for Sch. (Prel. Ownership Identification and Property Rights) OUTFALLS	100%	\$ -	\$ -
Compensable Utilities Identification on Schematic (ROADWAY)	100%	\$ -	\$ -
Geotechnical and Pavement Design for approval by TxDOT	100%	\$ 162,000.00	\$ 162,000.00
Update Schematic based on comments as provide by TxDOT/FHWA for schematic and EA update w/ FHWA, City of Mercedes and County recommendations	100%	\$ -	\$ -
Engineering Technical Support to address Public Hearing with Layouts etc	100%	\$ -	\$ -
Field Surveys for Design and Construction OF ROADWAY	100%	\$ -	\$ -
Field Surveys for Design and Construction	100%	\$ 350,000.00	\$ 350,000.00
Either address the Public or hold 1 Public Hearing	100%	\$ -	\$ -
Sub-Surface Utility Engineering (SUE) 25 pot holes/mile	100%	\$ -	\$ -
Capacity and Level of Service Analysis	100%	\$ -	\$ -
SUB-TOTAL		\$ 1,339,000.00	\$ 1,339,000.00
PHASE II - PS&E - Work Authorization No. 2			
Project Management	100%	\$ 200,000.00	\$ 200,000.00
Complete ROW Map FOR DONATION OF PARCEL AND DEEDS	100%	\$ -	\$ -
PS&E Development Roadway (8.% Engineering Fee)	100%	\$ 896,000.00	\$ 896,000.00
Hydrologic Report for TXDOT	100%	\$ -	\$ -
Local letting submittal and engineering work	100%	\$ 108,000.00	\$ 108,000.00
Additional work associated with EA clearance	100%	\$ -	\$ -
PS&E Development Outfalls (8.% Engineering Fee)	100%	\$ -	\$ -
Permanent Signal Designs	100%	\$ -	\$ -
Temporary Flashing Beacon Design Or Stop Signs	100%	\$ -	\$ -
Engineering Fee to Create 1 set of Plans and Submit through TxDOT	100%	\$ -	\$ -
Permitted Utilities Coordination to adjust	100%	\$ -	\$ -
Direct State Costs for PE, Environmental, Utility, and ROW	100%	\$ 224,000.00	\$ 224,000.00
SUB-TOTAL		\$ 1,428,000.00	\$ 1,428,000.00
PHASE III - ROW Acquisition, Easements, Permits , Compensable Utilities , Atty Fees, etc			
Right-of-Way Costs - Acq.Services	100%	\$ -	\$ -
Right-of-Way Costs - Acq.Services comp utilities/JUA	100%	\$ -	\$ -
PROJECT MANAGEMENT	100%	\$ -	\$ -
Right-of-Way Costs - Acq.Services Outfalls	100%	\$ -	\$ -
Est. County Atty Costs for Condemnation (\$15,000/Parcel based on 20% total of parcels) RDWY	100%	\$ -	\$ -
Est. County Atty Costs for Condemnation (\$15,000/Parcel based on 20% total of parcels) Outfalls	100%	\$ -	\$ -
Estimated Compensable Utility Mgmt for Adjusting Compensable Utility	100%	\$ -	\$ -
Estimated Roadway Right-of-Way Costs	20%	\$ -	\$ -
Re-Evaluation of EA (3-year time line)	100%	\$ -	\$ -
Estimated COMPENSABLE UTILITY COSTS	20%	\$ -	\$ -
SUB-TOTAL		\$ -	\$ -
PHASE IV - Construction Oversight and Letting - Work Authorization No. 3			
Eng Consultant Construction Management (30 Months)	100.0%	\$ 144,000.00	\$ 144,000.00
CONSTRUCTION COST (80% Fed / 20% Local) Estimated EDC Reduction	3.2%	\$ 11,200,000.00	\$ 358,400.00
LPA Construction Inspection (12%) - (80% Fed / 20% Local) Estimated EDC Reduction	3.2%	\$ 1,200,000.00	\$ 38,400.00
SUB-TOTAL		\$ 12,544,000.00	\$ 540,800.00
ESTIMATED GRAND TOTAL		\$ 15,311,000.00	\$ 3,307,800.00

TOTAL EST. LPA COST WITH ELIGIBLE GRANT FUNDS : \$ 3,307,800.00

TOTAL ESTIMATED PROJECT COST: \$ 15,311,000.00