

STATE OF TEXAS

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COUNTY OF HIDALGO

**FIRST AMENDMENT TO MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF
MERCEDDES, HIDALGO COUNTY DRAINAGE DISTRICT NO. 1, AND HIDALGO
COUNTY URBAN COUNTY PROGRAM REGARDING COORDINATION FOR 2018
CDBG-DR INFRASTRUCTURE COMPETITION**

This first amendment to Memorandum of Understanding between **City of Mercedes, Hidalgo County Drainage District No. 1, and Hidalgo County Urban County program** regarding coordination for 2018 CDBG-DR infrastructure competition is made as of the 23rd day of June, 2026 by and between City of Mercedes, Hidalgo County Drainage District No. 1, and the Hidalgo County Urban County Program, hereinafter referred to as “**PARTIES**”.

WHEREAS, On or about December 12, 2023, Parties entered into a Memorandum of Understanding Regarding Coordination for 2018 CDBG-DR infrastructure Competition (the “Agreement”), roles and responsibilities of the City of Mercedes, Hidalgo County Drainage District No. 1, and Hidalgo County Urban County Program regarding funding and implementation of the GLO's CDBG-DR 2018 Infrastructure Competition described therein; and

WHEREAS, on or about November 7, 2025, the Parties received guidance from of the Texas General Land Office (“GLO”) representative regarding the need to add and clarify provisions related to Hidalgo County Drainage District No. 1 (“HCDD#1”) responsibilities for real property acquisition; and

WHEREAS, on or about March 23, 2026, the Parties received guidance from the Texas General Land Office (“GLO”), in response to an inquiry from Hidalgo County Drainage District No. 1 (“HCDD#1”) and the City of Mercedes regarding construction payment and reimbursement procedures; and

WHEREAS, on or about April 1, 2026, the Parties received guidance from the Texas General Land Office (“GLO”), in response to an inquiry from Hidalgo County Drainage District No. 1 (“HCDD#1”) regarding the potential use of force account labor; and

WHEREAS, the parties seek to amend the agreement in response to guidance received from the Texas General Land Office (“GLO”); and

WHEREAS the current agreement allows for the Agreement to be modified or amended “only by an agreement in writing executed by Drainage District, Urban County, and City of Mercedes, subject to approval of the GLO;

NOW, THEREFORE, for and in consideration of the terms and provisions set forth herein, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Parties hereby agree to amend the agreement as follows:

1. Modify, revise or replace section “4. Roles and Responsibilities” of the Agreement as follows:
 - a. “4.8.1 No acquisition activities shall occur until the environmental review process has been completed and the Authority to Use Grant Funds (“AUGF”) has been issued by the Texas General Land Office (“GLO”).
 - b. “4.8.2 The Drainage District grants permission for the Project to be constructed on property acquired and/or owned for this Project and agrees that such property shall be used solely for eligible CDBG-DR purposes, maintain National Objective compliance for the required affordability period, and retain responsibility for long-term operation and maintenance.”
 - c. “4.10.1 The Drainage District may perform eligible construction activities through Force Account work as permitted under applicable GLO, HUD, and federal requirements.”
 - d. “4.11 The Parties agree that Hidalgo County Drainage District No. 1 (“HCDD#1”) may pay construction contractors and vendors directly for eligible Project costs associated with the Project. HCDD#1 shall provide the City of Mercedes (“City”) with detailed invoices, pay applications, supporting documentation, and any additional records required to substantiate eligibility of such costs under applicable Texas General Land Office (“GLO”) and U.S. Department of Housing and Urban Development (“HUD”) requirements.

The City, as the grant recipient, fiduciary, and responsible entity for the Project, shall review all submitted documentation, determine eligibility of costs, and submit reimbursement requests to the GLO for approved eligible Project costs in accordance with applicable federal, state, and GLO requirements.”
 - e. “4.12 Any provision in the original MOU that may be interpreted to grant the Drainage District procurement authority for third-party services under this project shall not apply.”
2. Except as modified herein, all terms and conditions of the Agreement, as amended, remain in full force and effect and ENTITY and SUBRECIPIENT ratify and confirm the terms, and provisions of the Agreement as amended.

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

Approved and signed this _____ day of _____, **2026**.

Alberto Perez

City Manager of the City of Mercedes, Texas

Richard Cortez

Chairman of Board of

Hidalgo County Drainage District No. 1

Nellie Flores

Division Manager III of

Hidalgo County Urban County Program

SUBRECIPIENT

Name: _____

Address: _____

City/State/Zip: _____

Federal I.D. #: _____

UEID #: _____

STATE OF TEXAS

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_____ personally appeared before me and declared that he/she signed this application in the capacity designated, if any, and further states that, he/she has read the above application, and the statements therein contained are true.

Subscribed and sworn to before me this _____ day of _____, 20____ .

(Seal)

Notary - Signature

COUNTY OF HIDALGO – URBAN COUNTY PROGRAM

Witness:

Dr. Joel Rivera, Ph.D., UCP Director

APPROVED AS TO FORM:
Hidalgo County Criminal District Attorney's
Office Toribio "Terry" Palacios

By: _____
_____,
Assistant District Attorney