MEMORANDUM OF UNDERSTANDING FOR TEXAS COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM 2023/2024 GRANT FUND

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STATE OF TEXAS

KNOW ALL MEN BY THESE PRESENTS

COUNTY OF PANOLA §

This Agreement is entered into by and between Rock Hill Water Supply Corporation, a public utility, hereinafter referred to as "WSC," and Panola County, a political subdivision of the State of Texas, hereinafter referred to as "COUNTY."

WITNESSETH

WHEREAS, WSC and COUNTY desire to develop a viable community, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low-and-moderate income; and,

WHEREAS, WSC and COUNTY have identified a need for System Improvements for residents living within the area served by the WSC, within unincorporated areas of the COUNTY; and,

WHEREAS, COUNTY will apply for a 2023/2024 Texas Community Development Block Grant Program (TxCDBG) grant from the Texas Department of Agriculture on behalf of WSC in the maximum amount of \$500,000 to be used for the construction of System Improvements, related project engineering, and the general administration of the Project, as described in COUNTY'S 2023/2024 TxCDBG Grant Application; and,

WHEREAS, WSC and COUNTY hereby agree that COUNTY will be authorized (the authorized applicant) to act in a representative capacity for all of the participating units;

WHEREAS, <u>Contingent upon award</u> WSC will be responsible for payment of local matching funds in the maximum amount of \$______ and any approved cost overruns, should they occur, during construction of the improvements described in the 2023/2024 TxCDBG Grant Application;

WHEREAS, Upon completion of construction, WSC will agree to accept ownership of the improvements constructed and to operate the improvements in order to accomplish the stated purpose of the Project to provide improved water service to the beneficiaries identified in the grant application; and,

WHEREAS, WSC, as the permanent owner and operator of the proposed public infrastructure improvements, needs COUNTY to defer the acceptability of proposed construction plans, specifications, and bids to WSC prior to authorizing advertisement for bids or awarding any construction or materials contract(s).

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants and agreements contained herein, the parties mutually agree, as follows:

PURPOSE

It is the purpose of the parties to this Memorandum of Understanding to set forth the terms, rights, and duties of the parties whereby COUNTY, as a unit of general local government, will administer the above-described grant funds for the project described herein, for the ultimate benefit of WSC.

TERMS, RIGHTS AND DUTIES

PART I - SERVICES AND CONDITIONS

- 1.1 Subject to the provisions hereof, COUNTY agrees to accept and administer the Texas Community Development Block Grant Program grant funds described herein.
- 1.2 WSC agrees to furnish all local matching funds for payment of any <u>approved</u> cost overruns, should they occur, during construction of the improvements described in the 2023/2024 TxCDBG Grant Application.
- 1.3 COUNTY further agrees to enter into the following contracts:

1.3.1 Grant Contract with the Texas Department of Agriculture (an agency of the State of Texas) which governs the provision of the TxCDBG grant funds for the construction of project activities as described in the 2023/2024 TxCDBG grant application; and,

1.3.2 Contract with a grant consulting firm, for the provision of necessary and related grant management services. Compensation for grant management services shall not exceed the budget established in the grant application without a corresponding increase in WSC's cash contribution; and,

1.3.3 Contract with a consulting engineer for the provision of necessary and related engineering services. Compensation for engineering services shall not exceed the budget established in multi-jurisdictional grant application without a corresponding increase in WSC's cash contribution.

1.3.4. Construction Contract for Water Improvements as necessary for the project's completion.

- 1.4 WSC and COUNTY shall be given an opportunity to review and approve all construction plans and specifications prior to advertisement for bids.
- 1.5 COUNTY authorizes WSC to accept and review proposals and statements of qualifications for professional services and bids of materials and/or construction contracts.
- 1.6 COUNTY shall not authorize and award a contract or Change Order without the approval of WSC. Construction Contract amount(s) shall in no event exceed the amounts established in Table 1 of grant application without approval of WSC.
- 1.7 COUNTY further agrees to administer said grant funds, pursuant to the terms and conditions expressed in TxCDBG Grant Contract, and the rules and regulations pertaining thereto.
- 1.8 To minimize unnecessary project costs, COUNTY agrees to permit construction of water improvements within existing rights-of-way of County roads, if applicable at no additional cost to the project.
- 1.9 WSC agrees to accept, upon completion of construction, ownership and operation of the water improvements constructed.
- 1.10 In addition to the cash contribution to the Project discussed above, WSC agrees to bear the incidental costs required for the publication of required public notices, including but not limited to: Floodplain Early Notice (if applicable), Floodplain Final Notice (if applicable), Notice of Finding of No Significant Impact and Notice of Request For The Release of Funds, Public Fair Housing and Equal Opportunity Notice, Two (2) Advertisements for Materials and/or Construction Bids, and the Project Close-out Public Hearing Notice.

- 1.11 The parties hereto agree that certain financial obligations, responsibilities, and liabilities may be incurred by WSC, and are the responsibility of WSC, pursuant to the entering into of the abovementioned contracts and the administration of said grant funds.
- 1.12 WSC hereby agrees that it will completely indemnify and hold harmless COUNTY from any and all claims, of whatever kind, and from any and all financial obligations or claimed obligations relating to said grants funds or related to the agreements listed above of this Memorandum of Understanding, insofar as any such claim or obligation cannot be paid out of grant funds.

PART II - TERM

The term of this Memorandum of Understanding shall commence on the effective date of COUNTY's acceptance of a fully executed 2023 or 2024 TxCDBG contract with the Texas Department of Agriculture, and continue in full force and effect through the extinguishing of any and all claims, obligations, or responsibilities, of whatever kind, relating to the administering of said grant funds or the agreements listed in Section 1.3.1 through Section 1.3.4 of this Memorandum of Understanding.

PART III - SEVERABILITY

In case any one or more of the provisions contained in this Memorandum of Understanding shall for any reason be invalid, illegal or unenforceable in any respect, such *invalidation*, illegality or unenforceability shall not affect any other provision hereof and this Memorandum of Understanding shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

PART IV - ENTIRETY

This Memorandum of Understanding contains the entire Agreement of the parties. Any prior agreements, promises, negotiations or representations not expressly contained in this Memorandum of Understanding are of no force and effect.

IN WITNESS WHEREOF, WSC and COUNTY enter into this Memorandum of Understanding EFFECTIVE upon execution by all entities.

APPROVED BY Rock Hill WSC on the <u>28</u> day of <u>January</u>, 202<u>3</u> and executed by Ronnie Hutchinson, President, as authorized representative of WSC.

ATTEST:

Rock Hill Water Supply Corporation

Jackie Merket, Board President

Wade Allums, General Manager

APPROVED BY Panola County on the <u>17th</u> day of <u>January</u>, 202<u>3</u> and executed by Rodger McLane, County Judge, as authorized representative of COUNTY.

ATTEST:

Panola County

BY Vicki Heinkel, Administrative Assistant

BY:

Rodger McLane, County Judge



County of Panola

110 S. Sycamore • Room 216-A Carthage • Texas 75633 Phone 903-693-0391 • Fax 903-693-2726 County Judge Rodger G. McLane

County Commissioners Billy Alexander, Pct. #1 David Cole, Pct. #2 Craig Lawless, Pct. #3 Dale LaGrone, Pct. #4

January 10, 2023

Rock Hill WSC 220 County Road 21 Beckville, Texas 75631

RE: 2023/2024 Texas Community Development Block Grant Application

Dear Ms. Brown:

Please accept this letter as Panola County's commitment to sponsor an application to the Texas Department of Agriculture for 2023/2024 Texas Community Development Block Grant funding on behalf of Rock Hill WSC. The responsibilities of the County and WSC will be outlined in a Memorandum of Understanding prior to application submittal.

Should the application not be selected for funding during the 2023/2024 cycle, the Court agrees to again sponsor the WSC's application in 2025/2026 as improving the water system is vital to the public health and safety of residents within the RHWSC service area.

Sincerely, Renhym 4. M. Lanu

Rodger McLane County Judge