

dollars and no/100 (\$955,750) (hereinafter "Federal Funds"), to Arcola for use in the Project. Such Federal Funds shall be provided as set forth below.

3.2 Arcola shall provide funds totaling seven hundred and eighty-one thousand nine hundred and seventy-seven and 50/100 (\$781,977.50) (hereinafter "Local Funds"), as the required 45% local match for the Grant

3.3 On or about the fifteenth (15) day of each month during the performance of services hereunder Arcola shall review all invoices from all subcontractors and approve the completion of all services hereunder. Arcola shall submit to the County original invoices from each subcontractor showing the amounts due for services performed during the previous month, setting forth work accomplished under this Agreement, accompanied by a progress report indicating the percent complete for the tasks included in the Scope of Project, in a form acceptable to County until such time as all of the Federal Funds are expended.

3.4 County shall review such invoices and approve them within 30 calendar days with such modifications as are consistent with this Agreement and forward same to the Auditor for processing. County shall pay each such approved invoice within thirty (30) calendar days of approval.

3.5 County reserves the right to withhold payment pending verification of satisfactory work performed.

Article IV. Termination

4.1 Termination for Convenience

4.1.1 County may terminate this Agreement at its sole option at any time, with or without cause, by providing thirty (30) days written notice of such intention to terminate and by stating in said notice the "Termination Date" which shall be at least thirty (30) days later than the actual receipt of such written notice by Arcola.

4.2 Termination for Default

4.2.1 County may terminate the whole or any part of this Agreement for cause in the following circumstances:

4.2.1.1 If Arcola fails to perform services within the time specified in the Scope of Project or any extension thereof granted by the County in writing;

4.2.1.2 If Arcola materially breaches any of the covenants or terms and conditions set forth in this Agreement or fails to perform any of the other provisions of this Agreement or so fails to make progress as to endanger performance of this Agreement in accordance with its terms, and in any of these circumstances does not cure such breach or failure to County's reasonable satisfaction within a period of ten (10) calendar days after receipt of notice from County specifying such breach or failure.

4.2.2 If, after termination, it is determined for any reason whatsoever that Arcola was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the County in accordance with Section 4.1 above.

4.2.3 If it is found that Arcola violated any of the assurances required by this Agreement, it will be the responsibility of Arcola to refund to the County any and all of the Federal Funds expended on Arcola's behalf.

4.3 Upon termination of this Agreement, County shall compensate Arcola in accordance with Article III, above, for those services which were provided under this Agreement prior to its termination and which have not been previously invoiced to County. Arcola's final invoice for said services will be presented to and paid by County in the same manner set forth in Article III above.

4.4 If County terminates this Agreement as provided in this Section, no fees of any type, other than fees due and payable at the Termination Date, shall thereafter be paid to Arcola.

Article V. Inspection of Books and Records

Arcola will permit County, or any duly authorized agent of County, to inspect and examine the books and records of Arcola for the purpose of verifying the amount of work performed under the Scope of Project. County's right to inspect survives the termination of this Agreement for a period of four years.

Article VI. Indemnity

6.1 **TO THE EXTENT ALLOWED BY LAW, ARCOLA SHALL SAVE HARMLESS COUNTY FROM AND AGAINST ALL CLAIMS, LIABILITY, AND EXPENSES, INCLUDING REASONABLE ATTORNEYS FEES, ARISING FROM ACTIVITIES OF ARCOLA, ITS AGENTS, CONSULTANTS, OR EMPLOYEES, PERFORMED UNDER THIS AGREEMENT THAT RESULT FROM THE NEGLIGENT ACT, ERROR, OR OMISSION OF ARCOLA OR ANY OF ITS AGENTS, CONSULTANTS, OR EMPLOYEES.**

6.2 **TO THE EXTENT ALLOWED BY LAW, ARCOLA SHALL ALSO SAVE HARMLESS COUNTY FROM AND AGAINST ANY AND ALL EXPENSES, INCLUDING REASONABLE ATTORNEY'S FEES WHICH MIGHT BE INCURRED BY COUNTY, IN LITIGATION OR OTHERWISE RESISTING SAID CLAIMS OR LIABILITIES THAT MIGHT BE IMPOSED ON COUNTY AS THE RESULT OF SUCH ACTIVITIES BY ARCOLA, ITS AGENTS, CONSULTANTS, OR EMPLOYEES.**

Article VII. Independent Contractor

7.1 In the performance of work or services hereunder, Arcola shall be deemed an independent contractor, and any of its agents, employees, officers, or volunteers performing

work required hereunder shall be deemed solely as employees of Arcola or, where permitted, of its subcontractors.

7.2 Arcola and its agents, employees, officers, or volunteers shall not, by performing work pursuant to this Agreement, be deemed to be employees, agents, or servants of County and shall not be entitled to any of the privileges or benefits of County employment.

Article VIII. Contract Administration

8.1 All written notices, demands, and other papers or documents to be delivered to County under this Agreement shall be delivered to the Fort Bend County Judge, 301 Jackson Street, Suite 719, Richmond, Texas 77469, or at such other place or places as it may from time to time designate by written notice delivered to Arcola.

8.2 All written notices, demands, and other papers or documents to be delivered to ARCOLA under this Agreement shall be delivered to City of Arcola, City Hall, 13222 Highway 6, Arcola, Texas 77583, Attention: Mayor, or such other place or places as Arcola may designate by written notice delivered to County.

Article IX. Compliance with Laws

Arcola shall comply with all federal, state, and local laws, statutes, ordinances, rules and regulations, and the orders and decrees of any courts or administrative bodies or tribunals in any matter affecting the performance of this Agreement. When required, Arcola shall furnish County with certification of compliance with said laws, statutes, ordinances, rules, regulations, orders, and decrees above specified.

Article X. Assignment

Neither party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party.

Article XI. Applicable Law

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 Fort Bend County, Texas.

Article XII. Successors and Assigns

County and Arcola bind themselves and their successors, executors, administrators and assigns to the other party of this Agreement and to the successors, executors, administrators and assigns of the other party, in respect to all covenants of this Agreement.

Article XIII. Publicity

Arcola shall not make news releases, publicize or issue advertising pertaining to this Agreement without first obtaining the written approval of County.

Article XIV. Administrative Conditions

14.1 Arcola covenants and agrees that it will expeditiously initiate and timely complete the Project, in accordance with all applicable provisions of 40 CFR Chapter 1, Subchapter B. Arcola warrants, represents, and agrees that it and all its contractors, employees, and representatives, will comply with all APPLICABLE provisions of 40 CFR Chapter 1, Subchapter B, INCLUDING BUT NOT LIMITED TO the provisions of 40 CFR Parts 31, 32, 34, and 35. The Federal Funds may be reduced or terminated at such time that Arcola fails to comply with the program objectives, Grant award conditions, or Federal reporting requirements.

14.2 Arcola standards of administration, property management, procurement, and financial management, as well as records and facilities of Arcola, its contractors, and subcontractors are subject to audit and inspection by the Comptroller General of the United States and the U.S. Environmental Protection Agency in accordance with Office of Management and Budget (OMB) Circulars A-87, A-102, or A-110, as appropriate, A-133 and 40 CFR Part 31. Arcola's standards governing procurement will be in accordance with 40 CFR, Part 31.36 and OMB Circular A-102. ARCOLA shall maintain a financial management system which meets the requirements of 40 CFR Part 31.20.

14.3 Arcola shall comply with the requirements set forth in Section 6002 of the Resource Conservation and Recovery Act (RCRA)(42 U.S.C. 6862). Regulations issued under RCRA Section 6002 apply to any acquisition of an item where the purchase price exceeds \$10,000 or where the quantity of such items acquired in the course of the preceding fiscal year was \$10,000 or more. RCRA Section 6002 requires that preference be given in procurement programs to the purchase of specific products containing recycled materials identified in guidelines developed by EPA. These guidelines are listed in 40 CFR 247.

14.4 In accordance with EPA Order 1000.25 and Executive Order 13101, Greening the Government Through Waste Prevention, Recycling, and Federal Acquisition, Arcola agrees to use recycled paper for all reports which are prepared as a part of this Agreement and delivered to the County. This requirement does not apply to reports prepared on forms supplied by EPA, or to Standard Forms, which are printed on recycled paper and are available through the General Services Administration. Please note that Section 901 of Executive Order 13101, dated September 14, 1998, revoked Executive Order 12873, Federal Acquisition, Recycling, and Waste Prevention in its entirety.

14.5 In accordance with 40 CFR Part 31.41, Arcola shall submit an annual Federal Financial Report (FFR), Standard Form 269 or 269A, to:

Fort Bend County Judge

301 Jackson Street, Suite 719
Richmond, Texas 77469

The final Federal Financial Report (FFR) is due on or before 60 days after the end of the budget period. In accordance with EPA policy, all Project expenditures reported by Arcola shall be deemed to include both the Federal Funds and Local Funds share of the expenditures. For water infrastructure grants when required in accordance with 40 CFR Part 31.41(e)(2)(iii), Arcola may substitute the Federal Financial Report specified in Part 31.41(b) for the Outlay Report and Request for Reimbursement, Standard Form 271. The final Federal Financial Report shall be submitted to:

Fort Bend County Judge
301 Jackson Street, Suite 719
Richmond, Texas 77469

14.6 Arcola agrees to ensure that all conference, meeting, convention, or training space funded in whole or in part with Federal Funds, complies with the Hotel and Motel Fire Safety Act of 1990.

14.7 In accordance with OMB Circular A-133, Arcola shall obtain a single audit if it expends \$500,000 or more a year in Federal Funds. Arcola shall also submit a copy of the audit report to:

Fort Bend County Judge
301 Jackson Street, Suite 719
Richmond, Texas 77469

14.8 Arcola agrees to comply with the requirements of EPA's Program for Utilization of Small, Minority and Women's Business Enterprises in procurement under assistance agreements:

- a. Arcola accepts the applicable FY2005 Minority Business Enterprise (MBE)/Women's Business Enterprise (WBE) "fair share" goals/objectives negotiated with EPA by the Texas Commission on Environmental Quality as follows:

MBE: Construction-34%; Supplies-18%; Services-22%; Equipment-13%
WBE: Construction-8%; Supplies-29%; Services-26%; Equipment-13%

- b. (1) Arcola agrees to ensure, to the fullest extent possible, that at least the applicable "fair share" objectives of Federal Funds for prime contracts or subcontracts for supplies, construction, equipment or services are made available to organizations owned or controlled by socially and economically

disadvantaged individuals, women, and Historically Black Colleges and Universities.

(2) For assistance agreements related to research under the Clean Air Act Amendments of 1990, Arcola agrees to ensure, to the fullest extent possible, that at least the applicable "fair share" objectives of Federal Funds for prime contracts or subcontracts for supplies, construction, equipment or services are made available to organizations owned or controlled by socially and economically disadvantaged individuals, women, disabled Americans, Historically Black Colleges and Universities, Colleges and Universities having a student body in which 40% or more of the students are Hispanic, minority institutions having a minority student body of 50% or more, and private and voluntary organizations controlled by individuals who are socially and economically disadvantaged.

- c. Arcola agrees to include in its bid documents the applicable "fair share" objectives and require all of its prime contractors to include in their bid documents for subcontracts the negotiated "fair share" percentages.
- d. Arcola agrees to follow the six affirmative steps or positive efforts stated in 40 CFR Section 30.44(b), 31.36(e), or 35.6580, as appropriate, and retain records documenting compliance.
- e. Arcola agrees to submit an EPA form 5700-52A "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements" beginning with the Federal fiscal year quarter Arcola provides services under the Scope of Project and receives the Federal Funds and continuing until the Project is completed. These reports must be submitted to the County within 15 days of the end of the Federal Fiscal quarter (January 30, April 30, July 30, and October 30) in an electronic format. For Federal Funds for continuing environmental programs and Federal Funds with institutions of higher education, hospitals, and other non-profit organizations, Arcola agrees to submit an EPA form 5700-52A to the County by October 10 of each year. (Reporting form available at www.epa.gov/osdbu).
- f. If race and/or gender neutral efforts prove inadequate to achieve "fair share" objective, Arcola agrees to notify the County in advance of any race and/or gender conscious action it plans to take to more closely achieve the "fair share" objectives.

14.9 Arcola also agrees and is required to utilize the six affirmative steps if a contract is awarded under this Agreement relative to small businesses in rural areas (SBRAs) in compliance with Section 129 of Public Law 100-50, 40 CFR 30.44(b) and 40 CFR 31.36(e).

14.10 EPA may take corrective action under 40 CFR Parts 30, 31, and 35, as appropriate, if Arcola fails to comply with the MBE/WBE terms and conditions.

14.11 The Federal Funds share of allowable expenditures chargeable to the Project will be financed by the EPA through the U.S. TREASURY AUTOMATED STANDARD APPLICATION FOR PAYMENTS (ASAP) SYSTEM.

Arcola will strictly adhere to the accounting and reporting procedures described in the EPA-ACH Recipient's Manual for the duration of the Project. Three conditions should receive special attention:

- a. Invoices will only be submitted as actually needed for disbursements.
- b. Arcola will provide timely reporting of cash disbursements and balances through semi-annual submission (within seven (7) days after June 30 and December 31 of each calendar year) of a Federal Cash Transactions Report (SF-272) to:

Fort Bend County Judge
301 Jackson Street, Suite 719
Richmond, Texas 77469

- c. Arcola will impose the same standards of timing and reporting on subcontractors, if any.

14.12 In accordance with 40 CFR 31.36(j)(1), EPA's participation in the salary rate (excluding overhead) paid to individual consultants is limited to the maximum hourly rate for a level 4 of the Executive Schedule, which is currently approximately \$68.51 per hour or \$548.08 per day (2006).

14.13 Arcola agrees to comply with Executive Order 13202 (Feb. 22, 2001, 66 Fed. Reg. 11225) of February 17, 2001, entitled "Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal And Federally Funded Construction Projects," as amended by Executive Order 13208 (April 11, 2001, 66 Fed. Reg. 18717) of April 6, 2001, entitled "Amendment to Executive Order 13202, Preservation of Open Competition and Government Neutrality Towards Government Contractors' Labor Relations on Federal and Federally Funded Construction Projects.

14.14 Pursuant to EPA's annual Appropriations Act, Arcola shall require that no Federal Funds have been used to engage in lobbying of the Federal Government or in litigation against the United States unless authorized under existing law. As mandated by this Act, Arcola agrees to provide certification to the County via EPA Form 5700-53, Lobbying and Litigation Certificate, within 60 days after the end of project period. The form can be accessed at <http://www.epa/ogd/forms/adobe/5700-53.pdf>.

14.15 Arcola shall abide by its respective OMB Circular (A-21, A-87, or A-122), which prohibits the use of Federal Funds for litigation against the United States. Any part 30 recipient shall abide by its respective OMB Circular (A-21 or A-122), which prohibits the use of Federal Funds to participate in various forms of lobbying or other political activities.

14.16 Arcola agrees to comply with Title 40 CFR Part 34, New Restrictions on Lobbying. Arcola shall include the language of this provision in award documents for all subcontracts exceeding \$100,000, and require that subcontractors submit certification and disclosure forms accordingly.

14.17 In accordance with the Byrd Anti-Lobbying Amendment, if Arcola makes a prohibited expenditure under Title 40 CFR Part 34 or fails to file the required certification or lobbying forms, it shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure.

14.18 Arcola shall fully comply with Subpart C of 40 CFR Part 32, entitled "Responsibilities of Participants Regarding Transactions." Arcola is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 40 CFR Part 32, entitled "Covered Transactions," includes a term or condition requiring compliance with Subpart C. Arcola is responsible for further requiring the inclusion of a similar term or condition in any subsequent lower tier covered transactions. Arcola acknowledges that failing to disclose the information required under 40 CFR 32.335 may result in the delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

14.19 Arcola may access the Excluded Parties List System at www.epls.gov. This term and condition supersedes EPA Form 5700-49, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters."

Article XV. Programmatic Conditions

15.1 This Agreement is subject to all applicable Federal crosscutting laws and authorities as well as EPA, Office of Wastewater Management, policy guidance dated March 29, 2006.

15.2 In accordance with the National Environmental Policy Act (NEPA), 42 U.S.C. § 4321 et seq., EPA is required to conduct an environmental review on the Project. Accordingly:

Arcola agrees to provide the County, in a timely fashion, an updated Environmental Information Document (EID) if applicable. The updated EID should contain all the necessary information on the Project including a written analysis of the alternatives and the environmental impacts of the Project if applicable. The updated EID must be of sufficient scope and detail to enable EPA to perform an environmental review under NEPA and other Federal environmental statutes.

Arcola agrees not to take any action on the Project beyond conceptual design (Conceptual design is essentially the same as facility planning as defined in EPA's Construction Grants program), including but not limited to, beginning the preparation of plans and specifications, purchasing land, advertising or awarding design and/or construction contracts, initiating construction or requesting reimbursement from the County for costs associated with such actions until such time as EPA has completed its environmental review in accordance with NEPA and 40 CFR Part 6 and 1500 et seq. Completion of this review will be evidenced by the issuance of a Categorical Exclusion (CE), the conclusion of the Finding of No Significant Impact (FNOSI) process, or the issuance of a Record Decision (ROD).

Arcola agrees that, upon completion of the NEPA review, design and construction shall be undertaken in accordance with the results of that review, including but not limited to, the implementation of measures EPA identifies as reasonable to mitigate the environmental impacts of the Project. The County reserves the right to unilaterally terminate this Agreement in the event Arcola fails to comply with this condition, in accordance with 40 CFR Section 31.43.

15.3 Please note that Arcola can only seek reimbursement of an allowable Project cost after the cost is incurred. Arcola will be responsible for any interest penalty assessed to the County if Arcola obtains the Federal share of allowable Project cost before it incurs the cost. The interest rate of the penalty will be set by the U.S. Department of Treasury and will be significantly above the market rate.

In accordance with 40 CFR 31.40 and 31.41, Arcola must submit Quarterly and Final Performance Reports and Quarterly and Final Financial Status Reports to the County for monitoring the project progress and financial management. The Standard Form 271 (SF-271), Outlay Report and Request for Reimbursement for Construction Programs should be used for the Quarterly and Final Financial Status Reports.

15.4 Federal laws and regulations shall apply except in those cases where State requirements are more stringent than Federal requirements. Where questions arise as to applicability, the County should be contacted.

15.5 As part of the environmental review, Arcola will ensure that all environmental review documentation developed will be consistent with the EPA Region 6 document, NEPA Handbook for Special Appropriation Projects.

15.6 Project management and execution will be very closely monitored by the County and/or EPA representatives throughout the Agreement's project and budget periods. Effective implementation of the Scope of Project involves a jointly supported strong ongoing collaboration between ARCOLA, the EPA, and the County. Technical assistance and

coordination will be routine. The County, the EPA, and Arcola will maintain a continuous dialogue for the rapid identification, solution, and escalation of problems to top-level managers.

The County and the EPA will conduct monitoring to ensure that administrative and programmatic conditions are being met. This will involve periodic reviews of five core areas: (1) compliance with all programmatic terms and conditions; (2) correlation of the work plan and progress under the Agreement; (3) availability of funds to complete the project; (4) proper management of and accounting for applicable equipment/land purchased under the Agreement; and (5) compliance with all statutory and regulatory requirements of the program. To accomplish this, the County and the EPA will periodically review Arcola activities, including but not limited to those listed below, to ensure that Federal laws, regulations, and Grant conditions are being followed.

- Procurement activities, including solicitation, advertisement, service, and contract documents, cost and price analysis, appraisal reports for acquiring land, rights of way, easements, site assessment report, MBE/WBE/SBRA, etc.
- Monitoring of construction management activities to assure adherence with approved plans and specifications.
- Approval of payment requests including final payment
- Change orders and contractors' claims
- Analyze environmental review documents for NEPA-compliance, if appropriate
- Determine that the project is capable of meeting its objectives and is operable

Also, the County and the EPA will assure that Arcola understands and meets requirements related to the National Environmental Policy Act and applicable Federal crosscutting laws and authorities.

15.7 EPA Region 6 "Supplemental Conditions for Federally Assisted Water and Wastewater Treatment Facilities" must be included in all construction contract bidding documents, and shall control where a conflict arises with other contract provisions. Certain provisions also pertain to professional service contracts, and these provisions must be applied as appropriate.

15.8 Executed site certificate(s) shall be submitted to the County, as evidence that sites, easements and rights-of-way have been acquired.

15.9 Arcola will ensure that any design and construction performed under this assistance agreement shall be consistent with the EPA documents, Guidance on Quality Assurance for Environmental Technology, Design, Construction and Operation (EPA QA/G-11).

15.10 All of the following must be submitted to and approved by the County before Arcola may advertise for bids for construction:

- a. Plans and specifications and addenda to the plans and specifications
- b. An updated project schedule

All change orders executed after the award of the contract must be submitted and approved by the County.

15.11 Arcola agrees to submit proposed and existing procurement actions, including subcontracts, to the County, that will use Federal Funds for review as soon as available. All procurement actions must comply with the provisions of 40 CFR Part 31, specifically 40 CFR 31.36.

15.12 Arcola agrees that only wastewater and water infrastructure facilities that are or will be owned by Arcola are eligible for Federal Funds funding. For example, this means that house laterals (the sewer line from the collection system to the house) and drinking water service lines (the line from the drinking water distribution system to the house) must be owned by Arcola in order for these facilities to be eligible for Federal Funds funding. The ownership requirement applies to new construction, as well as the rehabilitation of existing facilities, and to infiltration/inflow correction associated with existing sewer lines, including house laterals. Arcola can have ownership by either fee simple title, or by the issuance of an enforceable easement with right of access. Since Arcola has ownership of these facilities, Arcola would be responsible for the operations and maintenance of those facilities for the life of those facilities. Additionally, Arcola could not transfer ownership of the facilities to any entity without written approval from the County.

15.13 Arcola agrees to meet the Work Schedule in Attachment A or the most recent amended schedule approved by the County unless justifiable delays occur due to unexpected circumstances.

15.14 Arcola understands that the use of its work force to perform Federal Funds funded construction projects is subject to provisions of OMB Circular No. A-87. Arcola agrees that the rates paid for direct labor and the types of fringe benefits for Arcola's work force performing Federal Funds funded construction will be in accordance with normal rates and benefits applicable to similar work performed by Arcola's work force. Arcola agrees to maintain adequate file information to support both the basis for pay rates and benefits, and the total costs charged.

15.15 Quarterly reports including expenditures by category to date are required. Reports should be submitted to the County.

15.16 Arcola understands that procurement of equipment with Federal Funds is subject to the provisions of EPA regulations at 40 CFR 31.32.

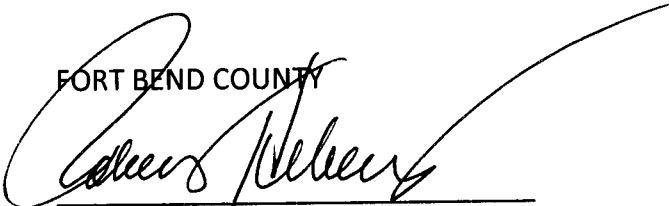
Article XVI. Appendices

The Appendices attached to this Agreement consists of:

- Attachment A Scope of Project
- Attachment B Assurances- Construction Programs
- Attachment C Disclosure of Lobbying Activities

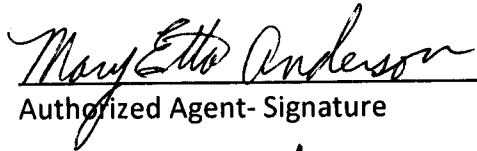
IN WITNESS WHEREOF, the parties hereto have signed or have caused their respective names to be signed to multiple counterparts to be effective on the 6th day of September, 2011.

FORT BEND COUNTY



Robert E. Hebert, County Judge

CITY OF ARCOLA



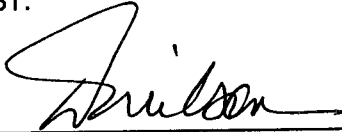
Authorized Agent- Signature

Mary Etta Anderson
Authorized Agent- Printed Name

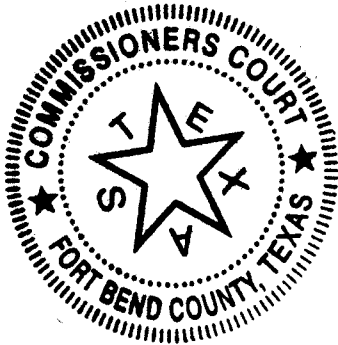
Mayor City of Arcola
Title

August 25, 2011
Date

ATTEST:



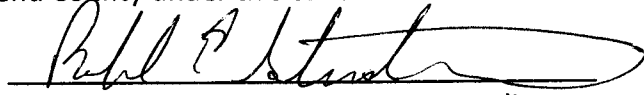
Dianne Wilson, County Clerk



AUDITOR'S CERTIFICATE

Grant RA

I hereby certify that ^{Grant RA} funds are available in the amount of \$ 955,750.00 to accomplish and pay the obligation of Fort Bend County under this contract.



Robert Edward Sturdivant, County Auditor

ATTACHMENT A

**U.S. Environmental Protection Agency (EPA)
State and Tribal Assistance Grant (STAG)
for
Fort Bend County
Freshwater Supply District #1 / City of Arcola
Regional Water Project**

WORK PLAN

I. PURPOSE

The City of Arcola (Arcola) and the Fort Bend County Freshwater Supply District #1 (FWSD #1) are currently in the process of designing and constructing a comprehensive public water distribution system. With the exception of three small water supply corporations located within FWSD #1, the remaining residences and businesses have private water wells. The existing private wells produce low quality water with significant color, odor, and taste problems.

The City of Arcola and FWSD #1 have agreed to work together to provide a regional water system capable of supplying the local residents with quality drinking water and fire protection. Funding is requested to design and construct portions of the water distribution system to serve both FWSD #1 and the City of Arcola.

II. GEOGRAPHIC LOCATION

The FWSD #1/Arcola project area is located along the FM 521 corridor south of Houston, Texas in the western portion of Fort Bend County. There are approximately 4,236 acres in the FWSD #1 project area and approximately 1,236 acres in the City of Arcola. A map has been provided which depicts the service areas for both entities.

III. DEMOGRAPHIC INFORMATION

Census information was analyzed for both FWSD #1 and for Arcola. Census data indicated a population of 5,049 for FWSD #1 in 2000 and a population of 1,048 for Arcola in 2004. A growth rate between 2.3% and 4.6% per year is projected for both FWSD #1 and for Arcola. Census data also indicated a minority population of nearly 66% for both areas.

IV. SCOPE OF WORK

The project consists of the design and construction of water distribution lines that will provide portions of the FWSD#1 and the City of Arcola with potable water and fire protection.

Currently other environmental reports are being or have been prepared for the FWSD#1 and City of Arcola. Modifications to these reports will be made to address the area involving this proposed water distribution system.

V. WORK SCHEDULE

The work schedule and anticipated completion deadlines is listed below in chronological order:

Application submittal – August 1, 2006

Application approval –
 EPA award obligation – September 30, 2006
 Post award activities:
 Planning phase – October 1, 2006 to September 30, 2011 (or sooner)
 Design phase – October 1, 2008 to March 2012 (or sooner)
 Bidding phase – April 2012 to June 2012 (or sooner)
 Construction phase – July 2012 to August 31, 2013 (or sooner)
 Project End Date – August 31, 2013 (or sooner)

The planning phase will include the preliminary engineering and environmental studies as well as EPA review. The design phase will include the production of detailed plans and specifications for the project.

The entities involved in this project have been working to provide water service to the area for the past ten years. Numerous engineering reports and environmental studies have been completed. It is anticipated that this information may allow expedited completion times for the planning and design phases of the project. If for some reason the project takes longer than anticipated to complete, an extension can be granted.

VI. ASSOCIATED PROJECT COSTS

An estimate of costs associated with this project are listed below.

| | |
|-----------------------------------|--|
| Design - | \$ 300,000 (50% FWSD #1, 50% Arcola) |
| Design (Special Services) - | \$ 60,000 (50% FWSD #1, 50% Arcola) |
| Inspection and Material Testing - | \$ 120,000 (50% FWSD #1, 50% Arcola) |
| Construction - | \$ 2,995,455 (50% FWSD #1, 50% Arcola) |
| TOTAL - | \$ 3,475,455 (50% FWSD #1, 50% Arcola) |

FWSD #1 and the City of Arcola will each fund their 45% local match through loans or grants secured by their governmental body for use on this project and the local match may also include cash on hand. The scope of the project is further detailed in the Fiscal Year 2005, 2006, and 2008 U.S. EPA Stag Grants and Texas Water Development Board Million Dollar Interest Free Loan Facilities Plan for Fort Bend County Fresh Water Supply District #1 and City of Arcola (June 2008) Design costs include engineering fees for performing professional services throughout the various phases, except for surveying and geotechnical investigation. Design special service costs are for the engineering fees associated with surveying and geotechnical services.

VII. PROJECT BENEFITS

The City of Arcola currently has a public wastewater collection and treatment system, but no public water system. Fort Bend County FWSD # 1 currently has no public wastewater collection system and no public water system. A majority of the residents currently obtain their water from shallow wells, which are susceptible to contamination and can potentially result in unsafe drinking water. Most of the residents of FWSD #1 currently treat their wastewater in private septic tanks. This portion of Fort Bend County currently has more health department complaints than any other area of the County. Septic tanks have been constructed on lots that are not large enough to support them and some owners have been cited for discharging raw sewage into the roadside drainage ditches. These items contribute to the contamination of the shallow water wells.

The proposed water distribution system will allow for a portion of the FWSD#1 and City of Arcola to be provided with reliable and safe drinking water and fire protection. The proposed water distribution system will be constructed within existing rights-of-way (ROW) to minimize any environmental or construction related impacts to the area. The proposed water distribution system will connect to the region's existing water transmission line and regional water plant. As additional funding becomes available the remaining sections of the FWSD#1 and City of Arcola will receive water distribution lines until the entire area is served. When the system is complete, the residents will no longer have to rely on potentially contaminated shallow water wells as their only source of water. The construction of the water system will also help the City of Arcola with the billing and collection of fees for the wastewater service that they are currently providing.

ATTACHMENT B

ASSURANCES - CONSTRUCTION PROGRAMS

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Office of Management and Budget, Paperwork Reduction Project (0348-0042), Washington, DC 20503.

PLEASE DO NOT RETURN YOUR COMPLETED FORM TO THE OFFICE OF MANAGEMENT AND BUDGET. SEND IT TO THE ADDRESS PROVIDED BY THE SPONSORING AGENCY.

NOTE: Certain of these assurances may not be applicable to your project or program. If you have questions, please contact the Awarding Agency. Further, certain Federal assistance awarding agencies may require applicants to certify to additional assurances. If such is the case, you will be notified.

As the duly authorized representative of the applicant, I certify that the applicant:

1. Has the legal authority to apply for Federal assistance, and the institutional, managerial and financial capability (including funds sufficient to pay the non-Federal share of project costs) to ensure proper planning, management and completion of the project described in this application.
2. Will give the awarding agency, the Comptroller General of the United States and, if appropriate, the State, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to the assistance; and will establish a proper accounting system in accordance with generally accepted accounting standards or agency directives.
3. Will not dispose of, modify the use of, or change the terms of the real property title, or other interest in the site and facilities without permission and instructions from the awarding agency. Will record the Federal interest in the title of real property in accordance with awarding agency directives and will include a covenant in the title of real property acquired in whole or in part with Federal assistance funds to assure non-discrimination during the useful life of the project.
4. Will comply with the requirements of the assistance awarding agency with regard to the drafting, review and approval of construction plans and specifications.
5. Will provide and maintain competent and adequate engineering supervision at the construction site to ensure that the complete work conforms with the approved plans and specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.
6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.
7. Will establish safeguards to prohibit employees from using their positions for a purpose that constitutes or presents the appearance of personal or organizational conflict of interest, or personal gain.
8. Will comply with the Intergovernmental Personnel Act of 1970 (42 U.S.C. §§4728-4763) relating to prescribed standards for merit systems for programs funded under one of the 19 statutes or regulations specified in Appendix A of OPM's Standards for a Merit System of Personnel Administration (5 C.F.R. 900, Subpart F).
9. Will comply with the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. §§4801 et seq.) which prohibits the use of lead-based paint in construction or rehabilitation of residence structures.
10. Will comply with all Federal statutes relating to non-discrimination. These include but are not limited to: (a) Title VI of the Civil Rights Act of 1964 (P.L. 88-352) which prohibits discrimination on the basis of race, color or national origin; (b) Title IX of the Education Amendments of 1972, as amended (20 U.S.C. §§1681-1683, and 1685-1686), which prohibits discrimination on the basis of sex; (c) Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. §794), which prohibits discrimination on the basis of handicaps; (d) the Age Discrimination Act of 1975, as amended (42 U.S.C. §§6101-6107), which prohibits discrimination on the basis of age; (e) the Drug Abuse Office and Treatment Act of 1972 (P.L. 92-255), as amended, relating to nondiscrimination on the basis of drug abuse; (f) the Comprehensive Alcohol Abuse and Alcoholism Prevention, Treatment and Rehabilitation Act of 1970 (P.L. 91-616), as amended, relating to nondiscrimination on the basis of alcohol abuse or alcoholism; (g) §§523 and 527 of the Public Health Service Act of 1912 (42 U.S.C. §§290 dd-3 and 290 ee-3), as amended, relating to confidentiality of alcohol and drug abuse patient records; (h) Title VIII of the Civil Rights Act of 1968 (42 U.S.C. §§3601 et seq.), as amended, relating to nondiscrimination in the sale, rental or financing of housing; (i) any other nondiscrimination provisions in the specific statute(s) under which application for Federal assistance is being made; and, (j) the requirements of any other nondiscrimination statute(s) which may apply to the application.

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11. Will comply, or has already complied, with the requirements of Titles II and III of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (P.L. 91-646) which provide for fair and equitable treatment of persons displaced or whose property is acquired as a result of Federal and federally-assisted programs. These requirements apply to all interests in real property acquired for project purposes regardless of Federal participation in purchases.
12. Will comply with the provisions of the Hatch Act (5 U.S.C. §§1501-1508 and 7324-7328) which limit the political activities of employees whose principal employment activities are funded in whole or in part with Federal funds.
13. Will comply, as applicable, with the provisions of the Davis-Bacon Act (40 U.S.C. §§276a to 276a-7), the Copeland Act (40 U.S.C. §276c and 18 U.S.C. §874), and the Contract Work Hours and Safety Standards Act (40 U.S.C. §§327-333) regarding labor standards for federally-assisted construction subagreements.
14. Will comply with flood insurance purchase requirements of Section 102(a) of the Flood Disaster Protection Act of 1973 (P.L. 93-234) which requires recipients in a special flood hazard area to participate in the program and to purchase flood insurance if the total cost of insurable construction and acquisition is \$10,000 or more.
15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the National Environmental Policy Act of 1969 (P.L. 91-190) and Executive Order (EO) 11514; (b) notification of violating facilities pursuant to EO 11738; (c) protection of wetlands pursuant to EO 11990; (d) evaluation of flood hazards in floodplains in accordance with EO 11988; (e) assurance of project consistency with the approved State management program developed under the Coastal Zone Management Act of 1972 (16 U.S.C. §§1451 et seq.); (f) conformity of Federal actions to State (Clean Air) Implementation Plans under Section 176(c) of the Clean Air Act of 1955, as amended (42 U.S.C. §§7401 et seq.); (g) protection of underground sources of drinking water under the Safe Drinking Water Act of 1974, as amended (P.L. 93-523); and, (h) protection of endangered species under the Endangered Species Act of 1973, as amended (P.L. 93-205).
16. Will comply with the Wild and Scenic Rivers Act of 1968 (16 U.S.C. §§1271 et seq.) related to protecting components or potential components of the national wild and scenic rivers system.
17. Will assist the awarding agency in assuring compliance with Section 106 of the National Historic Preservation Act of 1966, as amended (16 U.S.C. §470), EO 11593 (identification and protection of historic properties), and the Archaeological and Historic Preservation Act of 1974 (16 U.S.C. §§469a-1 et seq.).
18. Will cause to be performed the required financial and compliance audits in accordance with the Single Audit Act Amendments of 1996 and OMB Circular No. A-133, "Audits of States, Local Governments, and Non-Profit Organizations."
19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.

| | | |
|---|----------------|--|
| SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL | TITLE | |
| APPLICANT ORGANIZATION | DATE SUBMITTED | |

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ATTACHMENT C

EPA Project Control Number

CERTIFICATION REGARDING LOBBYING

CERTIFICATION FOR CONTRACTS, GRANTS, LOANS AND COOPERATIVE AGREEMENTS

The undersigned certifies, to the best of his or her 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 any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding 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 in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "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 sub-awards at all tiers (including sub-contracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon 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.

Typed Name & Title of Authorized Representative

Signature and Date of Authorized Representative

EPA Form 6600-06 (Rev. 06/2008) Previous editions are obsolete.