

**FY2008 SUB-AWARD AGREEMENT BY AND BETWEEN
FORT BEND COUNTY, TEXAS AND THE CITY OF ARCOLA**

THIS AGREEMENT is made and entered into by and between Fort Bend County (hereinafter "County"), a body corporate and politic under the laws of the State of Texas, and the City of Arcola (hereinafter "Arcola").

WITNESSETH

WHEREAS, Arcola has heretofore determined that it is necessary and appropriate to proceed with the design, acquisition, construction, and implementation of a water supply system and wastewater treatment system to serve the land within its boundaries (hereinafter "Project");

WHEREAS, County applied for and received an FY2008 U.S. Environmental Protection Agency Grant, Cooperative Agreement No. XP-00F30401-0, (hereinafter "Grant") for \$478,000 for use in the Project;

WHEREAS, County finds it in the best interest of the citizens of Fort Bend County to award a portion of these Environmental Protection Agency State and Tribal Assistance Grant funds to Arcola for use in the Project;

NOW, THEREFORE, in consideration of the mutual covenants and conditions set forth below, the parties agree as follows:

AGREEMENT

Article I. Scope of Project

Arcola shall render services as described in the Scope of Project attached as Exhibit A.

Article II. Duration of Project

The project period shall begin on the date of execution by both parties and end on January 30, 2014.

Article III. Funding

3.1 County agrees to provide U.S. Environmental Protection Agency Grant funds totaling four hundred and seventy-eight thousand dollars and no/100 (\$478,000) (hereinafter "Federal Funds"), for use in the Project. Such Federal Funds shall be provided as set forth below.

3.2 Arcola shall provide funds totaling one hundred and ninety-five thousand five hundred and forty-six dollars and no/100 (\$195,546.00) (hereinafter "Local Funds"), as a portion of 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 the Board of Arcola shall convene and review all invoices from all subcontractors and approve the completion of all services hereunder, Arcola shall submit to 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 Arcola acknowledges that payments related to this Agreement are contingent upon receipt by County of the Federal Funds.

3.6 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 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 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 County any and all of the Federal Funds expended on Arcola's behalf.

4.3 County may also terminate this agreement for failure of Arcola to make sufficient progress so as to reasonably ensure completion of the Project within the project period, including any extensions. County will measure sufficient progress by examining the performance required under the work plan in conjunction with the milestone schedule, the time remaining for performance within the project period, and/or the availability of funds necessary to complete the project.

4.4 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.

4.5 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, 33, 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, Part 33, 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 agrees to ensure that all conference, meeting, conventions, or training seminars funded in whole or in part with Federal Funds, complies with the protection and control guidelines of the Hotel and Motel Fire Safety Act.

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

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

14.5 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, contained in 40 CFR, Part 33. Arcola accepts the applicable MBE/WBE fair share objectives/goals negotiated with EPA by the Texas Water Development Board as follows:

MBE: Construction-34.84%; Supplies-9.67%; Services-16.05%; Equipment-7.22%
WBE: Construction-6.72%; Supplies-5.20%; Services-21.31%; Equipment-4.14%

14.5.1 Arcola agrees to make the following good faith efforts whenever procuring construction, equipment, services, and supplies with the Federal Funds, and to require that sub-recipients, loan recipients, and prime contractors also comply. Records documenting compliance with this section shall be retained:

14.5.1.1 Require DBEs are made aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. This will include placing DBEs on solicitation lists and soliciting them whenever they are potential sources.

14.5.1.2 Make information on forthcoming opportunities available to DBEs and arrange time frames for contracts and establish delivery schedules, where the requirements permit, in a way that encourages and facilitates participation by DBEs in the competitive process. This includes, whenever possible, posting solicitations for bids or proposals for a minimum of 30 calendar days before the bid or proposal closing date.

14.5.1.3 Consider in the contracting process whether firms competing for large contracts could subcontract with DBEs. This will include dividing total requirements when economically feasible into smaller tasks or quantities to permit maximum participation by DBEs in the competitive process.

14.5.1.4 Encourage contracting with a consortium of DBEs when a contract is too large for one of these firms to handle individually.

14.5.1.5 Use the services and assistance of the SBA and the Minority Business Development Agency of the Department of Commerce.

14.5.1.6 If the prime contractor awards subcontracts, require the prime contractor to take the steps in paragraphs 14.9.1.1-14.9.1.5 of this section.

14.5.2 Arcola agrees to complete and submit an EPA form 5700-52A "MBE/WBE Utilization Under Federal Grants, Cooperative Agreements and Interagency Agreements" beginning with the Federal fiscal year reporting period Arcola provides services under the Scope of Project and receives the Federal Funds and continuing until the Project is completed. Only procurements with certified MBE/WBEs are counted toward the MBE/WBE accomplishments. These reports must be submitted to County within 15 days of the end of the Federal semiannual reporting periods (March 31 and September 30) in an electronic format.

14.6 The Federal Funds share of allowable expenditures chargeable to the Project will be financed by the EPA AUTOMATED CLEARING HOUSE (EPA-ACH) PAYMENT SYSTEM or 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. These conditions should receive special attention:

14.6.1 Invoices will only be submitted as actually needed for disbursements.

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

14.7 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 IV of the Executive Schedule, which is currently approximately \$74.50 per hour and \$596.00 per day (2011). This rate does not include transportation and subsistence costs for travel performed. Subagreements with firms for services which are awarded using the procurement requirements in 40 CFR 30 or 31, as applicable, are not affected by this limitation unless the terms of the contract provide the recipient with responsibility for the selection, direction, and control of the individuals who will be providing services under the contract at an hourly or daily rate of compensation.

14.8 Arcola shall ensure 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. 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 or for lobbying or other political activities. 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. 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.

14.9 Management fees or similar charges in excess of the direct costs and approved indirect rates are not allowable. The term "management fees or similar charges" refers to expenses added to the direct costs in order to accumulate and reserve funds for ongoing business expenses, unforeseen liabilities, or for other similar costs.

14.10 In accordance with the policies set forth in EPA Order 1000.25 and Executive Order 13423, Strengthening Federal Environmental, Energy and Transportation Management (January 24, 2007), Arcola agrees to use recycled paper and double sided printing for all reports which are prepared as a part of this Agreement and delivered to EPA. 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.

14.11 Arcola shall fully comply with Subpart C of 2 CFR Part 180 entitled, "Responsibilities of Participants Regarding Transactions Doing Business With Other Persons," as implemented and supplemented by 2 CFR Part 1532. Arcola is responsible for ensuring that any lower tier covered transaction, as described in Subpart B of 2 CFR Part 180, 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 2 CFR 180.335 may result in the delay or negation of this Agreement, or pursuance of legal remedies, including suspension and debarment.

14.12 Arcola must provide County with Arcola's Data Universal Numbering System (DUNS) number.

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 July 27, 2009.

15.2 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 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.

Arcola shall provide County with all information necessary for County to submit quarterly reports to EPA no later than 30 calendar days following the end of the reporting quarter. Arcola shall also provide County with all information necessary to submit a final Federal Financial Report to EPA no later than 90 calendar days after the end of the Project.

15.3 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, County should be contacted.

15.4 Project management and execution will be very closely monitored by 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 County. Technical assistance and coordination will be routine. County, the EPA, and Arcola will maintain a continuous dialogue for the rapid identification, solution, and escalation of problems to top-level managers.

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, 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.

15.4.1 Procurement activities, including solicitation, advertisement, service, and contract documents, cost and price analysis, (appraisal reports for acquiring land, rights of way, easements, and site assessment reports), Disadvantaged Business Enterprise (DBE), etc.

15.4.2 Monitoring of construction management activities to assure adherence with approved plans and specifications.

15.4.3 Approval of payment requests including final payment

15.4.4 Change orders and contractors' claims

15.4.5 Analyze environmental review documents for NEPA-compliance, if appropriate

15.4.6 Determine that the project is capable of meeting its objectives and is operable

Also, 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.

15.5 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.

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

15.7 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), Attachment E*.

15.8 All of the following must be submitted to and approved by 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 County.

15.9 Arcola agrees that it must expeditiously initiate and complete the project in accordance with the attached Exhibit A. In accordance with 40 C.F.R. §31.40(d), Arcola agrees to inform County as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the above schedule and the outputs/outcomes specified in the work plan.

15.10 Arcola agrees to submit proposed and existing procurement actions, including purchase of project equipment and subcontracts, etc., to 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 31.32 and 31.36.

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

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 ____ day of _____, 2011.

FORT BEND COUNTY
Robert E. Hebert
Robert E. Hebert, County Judge

ATTEST:
Dianne Wilson
Dianne Wilson, County Clerk

1-3-2012
Date

1-3-12
Date

CITY OF ARCOLA

Mary Etta Anderson
Authorized Agent- Signature

Mary Etta Anderson
Authorized Agent- Printed Name

Mayor City of Arcola
Authorized Agent- Title

12/15/11
Date



AUDITOR'S CERTIFICATE

I hereby certify that funds are available in the amount of \$ 478,000.⁰⁰ to accomplish and pay the obligation of Fort Bend County under this contract.

Robert Edward Sturdivant
Robert Edward Sturdivant, County Auditor

EXHIBIT 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. FWSD #1 has constructed a water plant, transmission lines, and distribution lines as the first segments of the regional water system, which now serves two existing neighborhoods, representing approximately 25% of FWSD #1 population. FWSD #1 and the City of Arcola are working on a transmission line to supply water from the water plant to additional neighborhoods in FWSD #1 and a portion of the City of Arcola. Previous EPA funding used for that transmission line as well as other transmission and distribution facilities. Additional funding is requested to design and construct additional portions of the regional water system to serve additional parts of 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 eastern 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.

The scope of work is further detailed in the *Fiscal Years 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 Water System (June 2008).

Currently the environmental report for the proposed project area has been approved by the EPA for FWSD#1 and City of Arcola. Additional environmental reports have been approved by various other entities (TWDB¹, Etc.) for the remaining portions for FWSD #1 and Arcola.

V. WORK SCHEDULE

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

- Application submittal – December 21, 2010
- EPA award obligation – March 22, 2011
- Post award activities:
 - Design phase – October 2011 to May 2013
 - Approval phase – November 2011 to July 2013
 - Bidding phase – December 2011 to September 2013
 - Construction phase – January 2012 to January 2014

Note: The design phase will include the items mentioned in the cost section below. The approval phase will include TWDB, City of Houston, Fort Bend County, and EPA reviews and approvals.

The entities involved in this project have been working to provide water service to the area for the past twelve years. Numerous engineering reports, environmental studies, and construction packages have been completed. It is anticipated that this information may allow expedited completion times for the planning, design and construction 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 total project costs to be shared by the two Subrecipients (50% FWSD #1 and 50% City of Arcola) is listed below:

Design -	\$ 60,000.00
Design (Special Services) -	\$ 25,000.00
Inspection and Material Testing -	\$ 10,000.00
Construction -	\$ 744,091.00
Miscellaneous (Contingencies) -	\$ 30,000.00
TOTAL -	\$ 869,091.00

Design costs include engineering fees for completing any remaining preliminary engineering, preparing plans and specifications and providing other engineering services for the project, including construction-phase services (except for surveying and geotechnical services). Design (Special Services) costs include special service engineering fees such as surveying and geotechnical services.

¹ Texas Water Development Board
Fort Bend County, Texas
Work Plan – EPA 08 STAG GRANT

The total project costs are proposed to be paid partly from EPA grant funds (55% of the total, or \$478,000) and partly from matching funds (45% of the total, or \$391,091). Each Subrecipient is responsible for providing half of the matching funds (\$195,546 each). *Note:* FWSD #1 has already spent approximately \$3,600,000 getting water to the proposed neighborhoods and would like to use that expenditure to provide its share of the matching funds, to the extent allowed by program rules.

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 an incomplete 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.

EXHIBIT 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:

<ol style="list-style-type: none"> 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 	<ol style="list-style-type: none"> 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
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<p>specifications and will furnish progress reports and such other information as may be required by the assistance awarding agency or State.</p> <p>6. Will initiate and complete the work within the applicable time frame after receipt of approval of the awarding agency.</p> <p>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.</p>	<p>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.</p>
<p>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.</p> <p>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.</p> <p>13. Will comply, as applicable, with the provision 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 of federally assisted construction sub-agreements.</p> <p>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.</p> <p>15. Will comply with environmental standards which may be prescribed pursuant to the following: (a) institution of environmental quality control measures under the</p>	<p>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 flood plains 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).</p> <p>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.</p> <p>17. Will assist the awarding agency in assuring</p>

	<p>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.).</p> <p>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."</p> <p>19. Will comply with all applicable requirements of all other Federal laws, executive orders, regulations, and policies governing this program.</p>
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<p>SIGNATURE OF AUTHORIZED CERTIFYING OFFICIAL</p> <p><i>Mary Ethel Anderson</i></p>	<p>TITLE</p> <p><i>Mayor, City of Arcola</i></p>
<p>APPLICANT ORGANIZATION</p> <p><i>City of Arcola</i></p>	<p>DATE SUBMITTED</p> <p><i>12/27/11</i></p>

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EXHIBIT 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.

Mary Etta Anderson, Mayor, City of Arcola
Typed Name & Title of Authorized Representative

Mary Etta Anderson
Signature and Date of Authorized Representative