

**INTERGOVERNMENTAL AGREEMENT**

This AGREEMENT is made pursuant to the Interlocal Cooperation Act at Chapter 791 of the Texas Government Code, between COUNTY OF JOHNSON, TEXAS, hereinafter referred to as the COUNTY, acting through its Commissioner's Court, and the JOHNSON COUNTY SPECIAL UTILITY DISTRICT, hereinafter referred to as the DISTRICT, acting through its Board of Directors.

The COUNTY agrees to provide grant funds budgeted from its Program Year 2017-2018 Community Development Block Grant Program – Community Development Fund contract to construct water system improvements project on behalf of the DISTRICT benefitting the DISTRICT target area of County of Johnson if such is awarded to the COUNTY by the Texas Department of Agriculture (TDA), hereinafter referred to as the GRANT. The term of this Agreement shall be from February 9, 2017, until the GRANT is administratively closed by TDA. Either party may terminate this Agreement with thirty (30) days written notice to the other party, but such early termination shall not relieve the parties from the financial obligations addressed below.

Parties agree that the COUNTY shall:

1. Endeavor to execute its GRANT responsibilities in a timely and efficient manner.
2. Be the repository of all receipts and documentation pertinent to the GRANT and furnish such to TDA upon its request.
3. Serve as the primary contact in all matters pertaining to the GRANT and the conduit for communication between itself, the DISTRICT, and TDA.
4. Not award a construction contract or approve a contract modification, including change orders, to complete the activities described in the GRANT in which the cost exceeds the funds available in the GRANT budget unless funds sufficient to cover the shortfall are committed in writing by the DISTRICT, or another party.
5. Automatically transfer full ownership of the GRANT-funded improvements to the DISTRICT upon acceptance by the COUNTY of the Certificate of Construction Completion.

Parties agree that the DISTRICT shall:


1. Comply with all COUNTY requests for information required to fulfill the COUNTY'S obligations under the GRANT.
2. Offer to provide access to the improved services to all beneficiaries of this project at its officially adopted utility rates.
3. Permit unrestricted access by the COUNTY and its selected engineering, administrative, and construction contractors to those portions of the construction site under DISTRICT control, to allow performance of the GRANT-related duties outlined in agreements these entities shall have with the COUNTY.
4. Be solely responsible for the continued maintenance and operation of any proposed improvements upon acceptance by the COUNTY of the Certificate of Construction Completion.
5. Pay for any cost overruns attributable to the award of a construction contract or a contract modification, including change orders, to complete the activities described in the GRANT that it has approved in writing.
6. Cooperate with the County in any attempt to modify the GRANT contract with TDA in order to bring costs within the GRANT budget if construction bids exceed the GRANT budget and the DISTRICT is unable to provide funds sufficient to cover the shortfall.

7. Pay any GRANT-related expenses incurred by the COUNTY that are unreimbursed by or repaid to TDA, in the event the GRANT project fails to provide the public improvements and benefits required under the GRANT contract.
8. Pay for any costs resulting from violation or early termination of this Agreement by the DISTRICT.
9. Automatically receive full ownership of the GRANT-funded improvements upon acceptance by the COUNTY of the Certificate of Construction Completion.
10. Provide any GRANT matching funds that it has separately committed in writing through its Board of Directors.

The parties further agree that any GRANT funds provided by the COUNTY are without warranty of any kind to the DISTRICT or any third party, and the DISTRICT hereby agrees, to the extent allowable by law, to defend, hold harmless, and indemnify the COUNTY, its officers, agents, and employees for any claims for injury or death of any person or any property damage arising out of the COUNTY'S performance of its obligations under this Agreement. Nothing herein shall be construed to create any rights in third parties.

JOHNSON COUNTY, TEXAS

JOHNSON COUNTY SPECIAL UTILITY  
DISTRICT

  
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ROGER HARMON  
COUNTY JUDGE

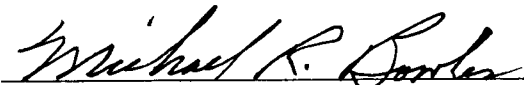
1-23-17

  
\_\_\_\_\_  
TOMMY WEBB  
PRESIDENT OF THE BOARD

ATTEST:

  
\_\_\_\_\_  
BECKY IVEY  
COUNTY CLERK



  
\_\_\_\_\_  
MICHAEL BOWLES  
BOARD SECRETARY