HARRIS-GALVESTON SUBSIDENCE DISTRICT

APPLICATION FOR THE WATER CONSERVATION GRANT PROGRAM

Please complete the following form with the requested information.

SECTION I. ADMINISTRATIVE REQUIREMENTS

1. Provide the official name and address of the Qualified Applicant ("Applicant").

Applicant Name:		
Street Address:		
City:	**State:**	**Zip:**
If Applicant is a permittee of the District, provide water well number(s):		

2. Provide the name, title or position, address, phone number and email address of the individual(s) designated as the representative(s) of and having the legal authority to represent the Applicant with respect to the application.

Representative Name:	**Representative Title:**	
Phone:	**Email:**	
☐ **Address Information - Same as Above**		
Street Address:		
City:	**State:**	**Zip:**

3. Will the proposed project include collaboration with other entities within Harris and/or Galveston County? ☐ Yes ☐ No
   a. If yes, provide names of entites:_____

_____

SECTION II. PROJECT TYPE

1. Visit https://hgsubsidence.org/water-conservation/grant-program/ for past projects. Select project category:

   ☐ Conservation measures: Project focused on reducing water use or loss and resulting in definite quantifiable water savings.

   ☐ Water efficiency: Projects that target an increased potential for reduced water use through effective water-saving technologies and/or equipment.

2. Will the proposed project include an EPA WaterSense labeled product? ☐ Yes ☐ No

   a. If yes, provide the model brand, product number and other product information: _____

SECTION III. WATER USE INFORMATION

1. Square footage of the project area(s): _____

2. Average annual water usage (in gallons) for the last 5 years: _____

3. Properties impacted by project: ☐ Residential ☐ Commercial

Complete numbers 4 and/or 5 if applicable to project.

4. Length of water line(s) (in feet) associated with the project, if applicable: _____

   a. Age and composition of water line(s): _____

   b. Number and type of connections served by water line(s): _____

5. Estimated annual amount of reclaimed water to be used (in gallons), if applicable: _____

SECTION IV. BUDGET

1. Provide the following costs of the proposed project. Note that the total cost should be supported by the Scope of Work that is submitted as part of **Section V.** The District may reimburse up to 50% of the proposed project as specified in the scope of work; however, a minimum of 50% matching contribution from the Applicant is required for District reimbursement.

Item	Cost ($)	Percentage of Total Cost (%)
Total cost of project		
Funds to be provided by Applicant		
Funds requested from the District (not to exceed 50%)		

SECTION V. PROPOSED PROJECT SUMMARY

As an attachment to this application form (Page 1-2), provide the following information regarding the Scope of Work for the project that is being proposed for funding from the Water Conservation Grant Program. Section V **may not exceed six (6) pages in length** including information specified below.

1. In 500 words, provide a brief description of the proposed project and the resulting water conservation benefits.

2. Include in the description, the age of any system that is being replaced, repaired, or updated along with acreages being impacted by the project as applicable.

3. Provide an estimate of proposed water conservation in terms of gallons saved per year. Show calculations, clearly state any assumptions, and cite any references that were used to derive the estimate.

4. Provide scope of work that will be completed as part of the proposed project and include the following information:
    a. Provide a schedule from inception to completion with tasks and/or equipment installation associated with project
    b. Estimated total project budget/cost and clearly define how the funds requested from the District will be applied

5. Include a map with the project area(s) clearly labeled with a physical address.

Additional Requested Documents

Other requested documents will not count toward the 6-page limit of the project summary or the 6-page maximum of the application.

Provide documents with the application as separate files.

Requested Items	Item included
5-Year Water Use Survey - Average annual water usage (in gallons) by area for the last 5 years and provide documentation or description of data (this may be the one submitted to the Texas Water Development Board.	☐
Additional Project Items - Any project survey or analysis reports completed, if applicable.	☐

SECTION VI. WRITTEN ASSURANCES AND SIGNATURE

By submitting this application, the following written assurances are offered:

1. The Applicant's portion of the funding is available for the Applicant to complete the project, should a grant be awarded;
2. The procedures and results identified through the application will be diligently pursued;
3. All applicable federal, state and local laws will be complied with by the Applicant in the course of the development and completion of the project funded by the grant; and
4. An update on the project will be reported at least quarterly to District while the project or program is being completed.

Application submitted by:

Name: _____

Title: _____

Phone: _____

Email: _____

_____ _____

Signature Date

CONTRACT AND/OR INTERLOCAL AGREEMENT

1. A copy of the HGSD Water Conservation Grant Agreement (Contract) to be executed for the Water Conservation Grant Program is provided for review/reference in Exhibit A of this document.

2. For entities for whom an Interlocal Agreement would be appropriate, a copy of the HGSD Water Conservation Grant Interlocal Agreement is provided in Exhibit B of this document.

3. The District will consider requests from Applicants to modify the Contract and/or Interlocal Agreement Terms on a case-by-case basis.

EXHIBIT A

WATER CONSERVATION GRANT AGREEMENT
CONTRACT NO. XX-XXX-XXX FOR THE CONSERVATION OF DISTRICT WATER RESOURCES

This Contract is made and entered into this *[insert date]* day of *[insert month]*, *[insert year]*, by and between the HARRIS-GALVESTON SUBSIDENCE DISTRICT, (hereinafter the "District"), a political subdivision of the State of Texas, with its principal place of business located at 1660 West Bay Area Boulevard, Friendswood, Texas 77546, and *[insert name of Grantee]* (hereinafter the "Grantee"), located at *[insert Grantee address]*. Each of these entities is, at times, referred to in this Contract individually as a "Party," and both are referred to collectively as "Parties."

RECITALS

WHEREAS, the District was created in 1975 by an act of the 64th Texas Legislature and is governed by Chapter 8801 of the Special Districts Local Laws Code, as amended (the "Act"); and

WHEREAS, under Section 8801.002 of the Act, the District is a conservation and reclamation district created by virtue of Article XVI, Section 59, Texas Constitution, and is a governmental agency and body politic and corporate vested with the full authority to exercise the powers and to perform the functions specified in the Act, and other applicable law; and

WHEREAS, under Section 8801.005 of the Act, the District includes the territory located within the boundaries of Harris County and Galveston County, as that territory may have been modified under: (1) Section 8801.006 or its predecessor statute, former Section 151.003(b), Water Code; or (2) other law (hereinafter "district territory"); and

WHEREAS, under Section 8801.03 of the Act, the legislature desires that the District administer and enforce the Act and exercise the rights, powers and duties of the District in a manner that will effectively and expeditiously provide for the regulation of groundwater withdrawal in the district territory to end subsidence, which contributes to or precipitates flooding or overflow of the district territory, including rising water resulting from storms or hurricanes; and

WHEREAS, under Section 8801.004 of the Act, the Legislature finds that the District serves a public use and benefit, and the works and projects accomplished by the District under powers conferred by Section 59, Article XVI, Texas Constitution, will benefit all the land and other property included in the district territory; and

WHEREAS, under Section 8801.106(a) of the Act, the District may make or accept a grant, gratuity, advance, or loan in any form to or from any public source approved by the board, including

a governmental entity, and may enter into a contract, agreement, or covenant that the board considers appropriate in connection with a grant, gratuity, advance or loan; and **WHEREAS**, under Section 8801.113(b) and (c) of the Act, the District may cooperate with the commission and any local government to establish water conservation goals, guidelines, and plans to be used in the district territory, and the District may contract with a local government in the district territory to provide services needed to meet water conservation requirements that the commission establishes; and

WHEREAS, grant applications are sought by the District as a means of supporting conservation research, demonstrating projects for innovative water conservation concepts, or implementation of water efficiency measures; and

WHEREAS, the objective of the District Water Conservation Grant Program is to support the District mission in advancing water conservation education and adoption of water conservation measures, including priority topics such as residential irrigation best management practices, outdoor watering best management practices, and municipal water loss control; and

WHEREAS, pursuant to this Contract, the Grantee has been awarded a Water Conservation Grant by the District and will, as a means of supporting conservation research, demonstrating projects for innovative water conservation concepts, or implementation of water efficiency measures [*briefly describe project*]; and

WHEREAS, it is in the public interest that the District and the Grantee enter into this Contract.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this Contract, the sufficiency of which is hereby acknowledged, the District and the Grantee agree as follows:

ARTICLE I
TERM & DESCRIPTION OF WORK

Section 1.1. Term. This Contract is effective and commences on *[insert month, date, year]* ("Effective Date"), and terminates on *[insert month, date, year]* ("Expiration Date") if not sooner terminated as provided for herein.

Section 1.2. Project. Subject to the terms and conditions of this Contract, the District authorizes the Grantee to perform the work set forth and described in this Contract and in the following documents (the "Project"): (1) the Scope of Work & Budget Estimate, which includes information regarding the work that is to be performed by the Grantee and the estimated budget for the Project, is attached hereto as Attachment A ("Scope of Work & Budget Estimate"); and (2) the Quarterly Project and Budget Status Worksheet which is attached hereto as Attachment B ("Quarterly Project and Budget Status Worksheet"). The Grantee accepts such authorization and agrees to furnish all labor, machinery, equipment, tools, and transportation necessary in furtherance of its authorization.

Section 1.3. Commencement and Completion Date. The Grantee will commence the Project immediately upon the execution of this Contract or as otherwise provided in Attachment A. The Project will be completed by the Expiration Date and shall be completed in compliance with the schedules, budgets, descriptions and specifications contained herein and in the Exhibits attached hereto. It shall be the Grantee's responsibility to ensure that the completion times for the Project are met. In order to document water conservation as a result of the Project, the Grantee shall complete and submit quarterly project status and budget updates on March 31, June 30, September 30, and December 31 of the calendar years 2020, 2021, and 2022, on the Quarterly Data Collection/Reporting Worksheet provided in Attachment B. Time is of the essence in the performance of this Contract.

ARTICLE II
AMENDMENTS

Section 2.1. This Contract, including details of the Project, may be amended only by written agreement of the Parties.

Section 2.2. Amendments by the General Manager. The Board of Directors of the District delegates the authority to the General Manager to enter into amendments to this Contract without further authorization by the Board consistent with the General Manager's authority to manage district affairs and operate the district under Section 3 of the Harris-Galveston Subsidence District – Rules (September 14, 2016), as well as the duty to oversee development of district plans and programs under Section 8801.057 of the Act and the authority to enter into contracts under Section 8801.106 of the Act. The term "District" and "General Manager" may be used interchangeably within this Contract to the extent that certain activities of the District must be performed by an authorized person.

ARTICLE III
COMPENSATION & PAYMENT

Section 3.1. Costs and Expenses. The District agrees to pay the Grantee for Project costs and expenses in accordance with the Scope of Work & Budget Estimate, but in no event shall the grant to the Grantee exceed $*[insert dollar amount]*. The Grantee may not exceed this amount and will be responsible for the payment of all of its other additional costs and expenses. The Grantee may not exceed the contractual amount without prior written approval from the District. The Grantee is not authorized to expend any additional funds in excess of this amount without prior written approval from the District. The District will not be held accountable for any unauthorized work performed or funds spent by the Grantee in implementing or completing the Project.

Section 3.2. Payment. All payments made to the Grantee by the District for the Project costs and expenses shall be made on a reimbursement basis. During the course of the Project, the Grantee shall provide an itemization of the Project costs and expenses incurred, including copies of receipts, purchase orders, and invoices. An itemization of the costs and expenses incurred must be submitted to the District prior to grant funds being released to the Grantee by the District. All requests for

reimbursement must be submitted by *[insert month, date, year]*. The terms of each itemization shall be net thirty (30) days upon the District receipt and approval of the itemization.

Section 3.3. Financial Records. The Grantee, its subconsultants, subcontractors and suppliers shall maintain satisfactory financial accounting documents and records, including copies of invoices and receipts, and shall make them available for examination and audit by the General Manager or a qualified person appointed by the General Manager. Accounting by the Grantee and its subconsultants, subcontractors and suppliers shall be in a manner consistent with generally excepted accounting principles. If force account labor or the Grantee-owned equipment is used for a portion of the local matching share, the Grantee shall keep and submit an hours report showing the time that each employee of the Grantee worked on the Project and an operating log showing the time that the Grantee-owned equipment worked on the project.

3.4. Audit Rights. By executing this Contract, the Grantee accepts the authority of the District to conduct audits and investigations in connection with any and all funds received pursuant to this Contract. The Grantee shall comply with and cooperate in any such investigation or audit. The Grantee also agrees to include a provision in any contract or subcontract related to this Contract that requires the Grantee's subconsultants, subcontractors or suppliers to submit to audits and investigations by the District in connection with an and all funds expended by the Grantee for the Project and paid to or received by the subconsultant, subcontractor or supplier.

ARTICLE IV
INDEPENDENT CONTRACTOR

Section 4.1. No Employment Contract. The Parties understand and agree that this Contract does not create a fiduciary relationship between them, they are separate entities, that the Grantee is an independent contractor with respect to the implementation or completion of the Project and is not subject to the direct or continuous control or supervision of the District, and that nothing in this Contract is intended to make either Party a subsidiary, joint venturer, partner, employee, agent, servant, or representative of the other Party for any purpose whatsoever. The Grantee shall provide any and all equipment, materials, and personnel necessary for the implementation or completion of the Project. The District shall have no right of direction or control of the Grantee, or its employees and agents, except in the results to be obtained, and in a general right to order the Project to start or stop as agreed to herein, to inspect the progress of the Project, and to receive reports. The Grantee in its capacity as a contractor will be responsible for its subconsultants, subcontractors or suppliers in all respects including their compliance with applicable laws and their safety, including without limitation, all Occupational Safety and Health Administration ("OSHA") standards, Equal Employment Opportunity and Affirmative Action ordinances, requirements, and regulations. The Grantee shall accommodate reasonable requests from the District to allow the District employees, agents, or representatives to accompany and observe the Grantee's personnel, subconsultants, subcontractors or suppliers in carrying out the Project, and the results and progress of the Project.

ARTICLE V

PERSONNEL AND SUBCONTRACTORS OF THE GRANTEE

Section 5.1. Personnel. The Grantee will provide any and all personnel necessary for its implementation or completion of the Project. The Grantee will be responsible for its employees and agents in all respects, including, without limitation, their compliance with applicable laws and their safety, including without limitation, all OSHA standards, Equal Employment Opportunity and Affirmative Action ordinances, requirements, and regulations. The Grantee indemnifies and holds harmless the District, and its directors, officers, employees, and agents from and against any claims asserted by any employee, contractor, subconsultant, subcontractor, supplier or other agent of the Grantee relating in any way to the Project.

Section 5.2. Subcontractors. For the implementation or completion of the Project, the Grantee may retain and utilize as its subconsultants, subcontractors or suppliers, those individuals identified to and approved in writing in advance by the District. The District, in consultation with the Grantee, shall have the right to terminate, limit, or alter, at any time, the participation of any subconsultant, subcontractor or supplier utilized by the Grantee. No additional subconsultant, subcontractor or supplier may be retained by the Grantee to implement or complete the Project without the prior written consent of the District, provided that no such consent shall be necessary for the retention of any subconsultant, subcontractor or supplier previously approved in writing by the District and identified by the Grantee on the Effective Date of this Contract. The Grantee will be responsible for its subconsultants, subcontractors or suppliers in all respects including their compliance with applicable laws and their safety, including without limitation, all OSHA standards, Equal Employment Opportunity and Affirmative Action ordinances, requirements, and regulations. The terms "subconsultant" and "subcontractor" for the purposes of this Section 5.2 shall include subconsultants and subcontractors of any tier.

ARTICLE VI
TERMINATION & STOP WORK ORDERS

Section 6.1. Termination. The District may terminate this Contract at any time, including at the expiration of each budget or payment period during the term of this Contract, with or without cause, by written notice to the Grantee. Upon receipt of such termination notice, the Grantee shall immediately stop all work in progress, including all work performed by its employees, agents, subconsultants, contractors, suppliers or subcontractors and shall cancel promptly all existing orders insofar as such orders are chargeable to this Contract. Insofar as possible, all work in progress will be brought to a logical termination point, and the Grantee shall submit a statement showing in detail the work performed under this Contract up to the date of termination. Within thirty (30) days of termination, the District shall pay the Grantee all moneys then due and owing for the Project costs and expenses reasonably incurred up to the time of termination, and Grantee shall deliver to the District all Work Product (as defined below) that was performed or accomplished under this Contract.

Section 6.2 Stop Work Orders. The General Manager may issue a Stop Work Order to the Grantee at any time. Upon receipt of such order, the Grantee shall discontinue all work under this

Contract and cancel all orders pursuant to the Project, unless the order directs otherwise. If the General Manager does not issue a Restart Order within sixty (60) days after receipt by the Grantee of the Stop Work Order, the Grantee shall regard this Contract terminated in accordance with the foregoing provision.

Section 6.3 Failure to Complete. If the Grantee notifies the District that the project will not or cannot be completed, or if the Grantee misses any deadline required by this agreement, or otherwise terminates this agreement, Grantee shall, within thirty (30) days, refund to the District all moneys paid to that date and deliver to the District all Work Product (as defined below) that was performed or accomplished under this Contract. If within 5 years after the Effective Date the Grantee removes any portion of the Project that was partially funded from the Water Conservation Grant, the Grantee must, within thirty (30) days, reimburse the Subsidence District the full amount paid for the portion of the Project removed.

ARTICLE VII
OWNERSHIP OF WORK PRODUCT & TECHNOLOGY

Section 7.1. Ownership of Work Product. All studies plans, reports, drawings, specifications, cost estimates, software, computations, and other information and documents prepared by the Grantee, its subconsultants, subcontractors, or suppliers, in connection with the Project or other work or services performed for or on behalf of the District are and shall remain the District's property upon creation (collectively, "Work Product"); provided, however, that Work Product may not include preexisting proprietary information of the Grantee, its subconsultants, subcontractors, or suppliers ("Grantee Proprietary Information"). To this end, the Grantee agrees and does hereby assign, grant, transfer and convey to the District, its successors and assigns, the Grantee's entire right, title, interest and ownership in and to such Work Product, including, without limitation, the right to secure copyright registration. The Grantee confirms that the District and its successors and assigns shall own the Grantee's right, title, interest in and to, including without limitation the right to use, reproduce, distribute (whether by sale, rental, lease, lending, or other transfer of ownership), perform publicly, and display all such Work Product, whether or not such Work Product constitutes "work made for hire" as defined in 17 U.S.C. Section 201(b). In addition, the Grantee hereby grants the District a fully paid-up, royalty-free, perpetual, assignable, non-exclusive license to use, copy, modify and create derivative works from and distribute to third parties any Grantee Proprietary Information in connection with the District's exercise of its rights in the Work Product, operation, maintenance, repair, renovation, expansion, replacement, and modification of work or services performed for or on behalf of the District or otherwise in connection with property or projects in which the District has an interest (whether by the District or a third party). The Grantee shall obtain other assignments, confirmations and licenses substantially similar to the provisions of this paragraph from all of its subconsultants, subcontractors and suppliers. Work Product is to be used by the Grantee only with respect to the project in connection with which such work product was created and is not to be used on any other project. The Grantee and its subconsultants, subcontractors and suppliers are granted a limited, non-exclusive, non-transferable, revocable license during the term of their respective agreements under which each is obligated to perform work to use and reproduce applicable portions of the Work Product appropriate to and for use in the execution of the Project. Submission or distribution to comply with official regulatory

requirements for other purposes in connection with the Project is not to be construed as publication in derogation of the District's copyright or other reserved rights. The Grantee shall deliver all copies of the Work Product to the District upon the earliest to occur of the District's request, completion of the work or services in connection with which Work Product was created, or termination of this Contract. The Grantee is entitled to retain copies of its Work Product for its permanent project records.

ARTICLE VIII
CONFIDENTIALITY AND PUBLICATION RIGHTS

Section 8.1. Confidentiality. The Grantee agrees that all Work Product and information provided by the District in connection with the Project (hereinafter "Confidential Information") shall be considered and kept confidential. Confidential information may only be disclosed to persons on a need to know basis in order for the implementation or completion of the Project. Confidential Information may not be reproduced, transmitted, used or disclosed by the Grantee, its subconsultants, subcontractors or suppliers, without the prior express written consent of the District, and only except as may be necessary for the Grantee to fulfill its obligations, hereunder; provided, however, that the obligation to keep Confidential Information confidential does not apply to any information, or portion thereof, that:

(a) was at the time of receipt by the Grantee otherwise known by the Grantee by proper means;

(b) has been published or is otherwise within the public domain, or is generally known to the public at the time of its disclosure to the Grantee;

(c) subsequently is developed independently by the Grantee, by a person having nothing to do with the performance of this Contract and who did not learn about any such information as a result of the Grantee being a party to this Contract;

(d) becomes known or available to the Grantee from a source other than the District and without breach of this Contract by the Grantee or any other impropriety of the Grantee;

(e) enters the public domain without the breach of this Contract by, or other impropriety of, the Grantee;

(f) becomes available to the Grantee by inspection or analysis of products available in the market;

(g) is disclosed with the prior written approval of the District;

(h) was exchanged between the District and the Grantee and ten (10) years have subsequently elapsed since such exchange; or

(i) is disclosed to comply with the Texas Open Records Act or in response to a court order

to comply with the requirement of a governmental agency.

Section 8.2. Disclosure. The Grantee will not be liable for the inadvertent or accidental disclosure of Confidential Information if such disclosure occurs despite the exercise of at least the same degree of care as the Grantee normally takes to preserve and safeguard its own proprietary of confidential information. The Grantee shall require all subconsultants, subcontractors or suppliers to whom Confidential Information must be disclosed to agree to confidentiality standards that are at least as strict as the foregoing confidentiality provision.

Section 8.3. Publication. Grantee may not publish information regarding the existence of the Project or any details of the Project without first having requested and received the express written permission of the District. Upon the Grantee's receipt of written permission from the District to make a public statement regarding the Project or to publicize any details of the Project, such public statement or publicizing shall acknowledge the financial participation of the District through the award of grant money subject of this Contract. The Grantee agrees to acknowledge the District in any news releases or other publications relating to the implementation or completion of the Project under this Contract.

ARTICLE IX
NON-PERFORMANCE

Section 9.1. Non-Performance. The Grantee warrants that it will implement or complete the Project in a good and workmanlike manner, strictly in accordance with the applicable industry standards, the Scope of Work, and as otherwise provided in this Contract and the Exhibits attached hereto. The Grantee's failure to timely implement or complete the Project as warranted and agreed shall constitute a breach of this Contract and shall be subject to all applicable remedies of law or equity.

ARTICLE X
ASSUMPTION OF RISK, INDEMNIFICATION & INSURANCE

Section 10.1. Risk. The Grantee shall assume all risks associated with the Grantee's or its subconsultants', subcontractors' or suppliers' performance under this Contract and shall waive any claim against the District, and its directors, officers, employees, and agents for damages arising out of the implementation or completion of the Project.

Section 10.2. **INDEMNIFICATION. TO THE FULLEST EXTENT PERMITTED BY LAW, THE GRANTEE SHALL INDEMNIFY AND HOLD HARMLESS THE DISTRICT AND ITS BOARD, DIRECTORS, OFFICERS, AGENTS, REPRESENTATIVES AND EMPLOYEES (COLLECTIVELY, THE "INDEMNITEES"), FROM AND AGAINST CLAIMS, LOSSES, DAMAGES, DEMANDS, SUITS, CAUSES OF ACTION, SETTLEMENTS, LIABILITIES, COSTS, FINES, JUDGMENTS, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, REASONABLE AND NECESSARY COURT COSTS, EXPERTS' FEES AND ATTORNEYS' FEES) (COLLECTIVELY, "LOSSES"),**

ARISING IN FAVOR OF OR BROUGHT BY ANY THIRD PARTY, TO THE EXTENT CAUSED BY OR RESULTING FROM AN ACT OF NEGLIGENCE, INTENTIONAL TORT, INTELLECTUAL PROPERTY INFRINGEMENT, OR FAILURE TO PAY A SUBCONSULTANT, SUBCONTRACTOR OR SUPPLIER, COMMITTED BY THE GRANTEE, ITS AGENT(S), ITS FIRM UNDER CONTRACT, OR ANY OTHER ENTITY OVER WHICH THE GRANTEE EXERCISES CONTROL, UNDER OR IN CONNECTION WITH THIS CONTRACT, THE PROJECT, OR ANY WORK ORDER OR ANCILLARY AGREEMENT RELATED THERETO, EVEN IF SUCH LOSSES ARE CAUSED IN PART BY THE NEGLIGENCE OR FAULT, BREACH OR VIOLATION OF A STATUTE, ORDINANCE, GOVERNMENTAL REGULATION, STANDARD OR RULE, OR BREACH OF CONTRACT OF AN INDEMNITEE OR ANY THIRD PARTY UNDER THE CONTROL OR SUPERVISION OF AN INDEMNITEE; PROVIDED, HOWEVER, THAT THE GRANTEE'S OBLIGATION TO INDEMNIFY AND HOLD HARMLESS DOES NOT EXTEND TO THE PORTION (IF ANY) OF SUCH LOSSES THAT ARE CAUSED BY THE NEGLIGENCE OR FAULT, BREACH OR VIOLATION OF A STATUTE, ORDINANCE, GOVERNMENTAL REGULATION, STANDARD OR RULE, OR BREACH OF CONTRACT OF AN INDEMNITEE OR ANY THIRD PARTY UNDER THE CONTROL OR SUPERVISION OF AN INDEMNITEE OTHER THAN THE GRANTEE OR ITS AGENT(S), EMPLOYEE(S), SUPPLIER(S), OR SUBCONSULTANTS OR SUBCONTRACTORS OF ANY TIER.

Section 10.3. **PRO-RATA REIMBURSEMENT OF ATTORNEYS' FEES. TO THE FULLEST EXTENT PERMITTED BY LAW, AND TO THE EXTENT A DEFENSE IS NOT PROVIDED FOR THE INDEMNITEES UNDER AN INSURANCE POLICY AS REQUIRED UNDER SECTION 10.2 HEREOF, OR THE INDEMNITEES' ATTORNEYS' FEES ARE NOT OTHERWISE RECOVERED UNDER THE INDEMNITY PROVISION SET FORTH IN SECTION 10.2 HEREOF, THE GRANTEE SHALL, UPON FINAL ADJUDICATION OF THE LOSSES AS DEFINED IN SECTION 10.2 HEREOF AND WITHIN THIRTY (30) DAYS FOLLOWING THE DATE OF A WRITTEN DEMAND, REIMBURSE THE INDEMNITEES FOR ALL REASONABLE ATTORNEY'S FEES INCURRED TO DEFEND AGAINST THE LOSSES IN PROPORTION TO THE GRANTEE'S LIABILITY TO ANY THIRD PARTY FOR SUCH LOSSES.**

Section 10.4. Insurance. The Grantee shall at all times during the implementation or completion of the Project and for not less than two year after the end of the Project, provide and require all subconsultants, subcontractors or suppliers to provide insurance coverage with companies lawfully authorized to do business in Texas and acceptable to the District and with forms acceptable to the District, which coverage will protect the Grantee from claims set forth below which may arise out of or result from the Grantee's implementation or completion of the Project under this Contract for which the Grantee may be legally liable, whether such implementation or completion of the Project is by the Grantee or a subconsultant, subcontractor or supplier of the Grantee or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable, and meeting not less than the minimum requirements set forth in this Article X. Such insurance is to be provided at the sole cost of the Grantee and all subconsultants, subcontractors and suppliers.

The terms "subconsultant" and "subcontractor" for the purposes of this Section 10.4 shall include subconsultants and subcontractors of any tier.

Section 10.5. Kinds of Claims. Insurance cover shall protect the Grantee from the following claims: (1) claims under workers' and workmen's compensation, disability benefit and other similar employee benefit acts which are applicable to the Grantee's worked performed or the services provided as part of the implementation and completion of the Project; (2) claims for damages because of bodily injury, occupational sickness or disease, or death of the Grantee's employees; (3) claims for damages because of bodily injury, sickness or disease, or death of any person other than the Grantee's employees; (4) claims for damages insured by usual personal injury liability coverage which are sustained (i) by a person as a result of an offense directly or indirectly related to employment of such person by the Grantee, or (ii) by another person; (5) claims for damages other than to the Grantee's work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom; (6) claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle; (7) claims involving contractual liability insurance applicable to the Grantee's indemnification obligations under this Agreement; and (8) claims for errors and omissions in the provision of professional consulting services of the kind rendered by the Grantee pursuant to this Contract or as part of the implementation or completion of the Project.

Section 10.6. Policies and Minimum Limits of Liability. The following table sets forth the types of insurance policies and their corresponding limits of liability that shall apply to the Grantee:

Kinds of Insurance:	**Limits of Liability*:**
A. Workers' Compensation Texas Operations Employer's Liability	Statutory Bodily Injury by Accident $1,000,000 Each Accident Bodily Injury by Disease $1,000,000 Each Employee Bodily Injury by Disease $1,000,000 Policy Limit
B. Commercial General Liability Including but not limited to: 1. premises/operations 2. independent contractor 3. products and completed operations 4. personal injury liability with employment exclusion deleted 5. contractual	$2,000,000 General Aggregate $2,000,000 Products/Completed Operations Aggregate $1,000,000 Each Occurrence $2,000,000 Personal and Advertising Injury $300,000 Fire Damage Liability
C. Professional Liability	$1,000,000 per claim $3,000,000 Aggregate
D. Business Automobile Liability Including all Owned, Hired, and Non-owned Automobiles	$1,000,000 Combined Single Limit Per Occurrence

E. Umbrella Liability	$1,000,000 Per Occurrence $1,000,000 Aggregate Bodily Injury and Property Damage

*Aggregate limits are per 12-month policy period unless otherwise indicated; defense costs shall be excluded from limits of liability of each policy other than Professional Liability Insurance; Commercial General Liability Insurance coverage limits shall be on a per-project basis.

Section 10.7. Insurance Carrier Ratings and Requisite Certificates of Insurance. All required insurance shall be maintained with responsible insurance carriers acceptable to the District and lawfully authorized to issue insurance of the types and amounts set forth in this Article X. Carriers should have a Best's Financial Strength Rating of at least "A-" and a Best's Financial Size Category of Class VIII or better, according to the most current edition of *Best's Key Rating Guide, Property-Casualty United States* or be of sufficient size and financial strength as adjudged by the District to meet the financial obligations evidenced in the certificate of insurance. All certificates shall be in a form reasonably acceptable to the District and each certificate must state to the extent permitted by Texas Insurance Code Chapter 1811 that the policy may not expire or be cancelled, materially modified, or nonrenewed unless the carrier or the Grantee gives the District thirty (30) days advance written notice. When any required insurance, due to the attainment of a normal expiration date or renewal date, shall expire, the Grantee shall, prior to such expiration, supply the District with certificates of insurance and amendatory riders or endorsements that clearly evidence the continuation of all coverage in the same manner, limits of protection and scope of coverage as is required by this Contract. Any renewal or replacement policies shall be in form and substance satisfactory to the District and written by carriers acceptable to the District and meeting the requirements of this Article X. The Grantee shall or shall cause the applicable carrier or carriers to give written notice to the District within thirty (30) days of the date on which total claims by any party against insurance provided pursuant to this Article X reduce the aggregate amount of coverage below the amounts required by this Article X. In addition, the Grantee shall or shall cause the applicable carrier or carriers to provide the District with amendatory riders or endorsements to the Commercial General Liability Insurance policy that specify that the coverage limits apply on a per-project basis.

Section 10.8. Submission of Original Certificates and Naming of Additional Insured Status. With respect to all policies required in this Article X, as soon as practicable prior to execution of this Contract, the Grantee shall deposit with the District true and correct original certificates thereof, bearing notations or accompanied by other evidence satisfactory to the District that the requirements of this Article X are being met. If requested to do so by the District, the Grantee shall also furnish the originals or certified copies of the insurance policies for inspection including but not limited to copies of endorsements. All policies of insurance and certificates, with the exception of Professional Liability and Workers' Compensation Insurance, shall name the Indemnitees as additional insureds. Without limiting the foregoing, the Grantee's Commercial General Liability Insurance policy shall name the Indemnitees as additional insureds pursuant to ISO Additional Insured Endorsements CG 20-10-10-01 and CG 20-33-10-01 or their combined equivalents. Further, the Grantee shall provide the Indemnitees any defense provided by its Commercial General Liability Insurance policy to the fullest extent allowed by law.

Section 10.9. Miscellaneous Insurance Provisions. The Grantee hereby waives all rights of recovery and damages against the Indemnitees to the extent such damages are covered or should have been covered by the insurance obtained or required to be obtained by the Grantee under this Contract. All of the Grantee's policies of insurance, with the exception of Professional Liability Insurance, shall include a waiver of subrogation in favor of the Indemnitees. The Parties intend that the Grantee's insurance shall be primary and non-contributing with respect to any other insurance maintained by the District and all policies of insurance obtained by the Grantee shall be endorsed to be primary and non-contributing with respect to any other insurance maintained by the District. If any policy required to be purchased pursuant to this Article X is subject to a deductible, self-insured retention or similar self-insurance mechanism which limits or otherwise reduces coverage, the deductible, self-insured retention, or similar self-insurance mechanism shall be the sole responsibility of the Grantee in the event of any loss, and the Grantee hereby waives any claim therefore against any Indemnitee. The Grantee shall require and cause its subconsultants, subcontractors and suppliers to purchase and maintain the insurance policies set forth in Paragraph above with limits of liability commensurate with the amount of each subconsultant, subcontract or supplier agreement, but in no case less than $500,000 per occurrence. The Grantee shall provide copies of insurance certificates for all such insurance to the District prior to any subconsultant's or subcontractor's performance of any work related to the Project. If the Grantee fails to procure or to maintain in force the insurance required by this Article X, the District may secure such insurance, and the costs thereof shall be borne by the Grantee. The Grantee shall reimburse the District the cost of such insurance plus ten percent (10%) administrative charge within ten (10) days after billing by the District. Any sum remaining unpaid fifteen (15) days after billing by the District shall bear interest at the rate of twelve percent (12%) per annum until paid by the Grantee. Except to the extent prohibited by Subchapter C of Chapter 151 of the Texas Insurance Code, the Grantee shall defend, indemnify, and hold harmless the Indemnitees from and against any and all losses, claims, damages, and expenses (including, without limitations, court costs, costs of defense, and attorney fees), that any Indemnitee may incur as a result of the Grantee's failure to obtain or cause to be obtained the specific endorsements or insurance required pursuant to this Contract. Failure of any Indemnitee to identify any deficiency in the insurance forms provided may not be construed as a waiver of the Grantee's obligation to maintain such insurance and to cause such insurance to be maintained. The Grantee's compliance with the provisions of this Article X may not be deemed to constitute a limitation of the Grantee's liability with respect to claims covered by insurance provided or required pursuant to this Article X or in any way limit, modify, or otherwise affect the Grantee's obligation under this Contract or otherwise. The insolvency, bankruptcy, or failure of any insurance company carrying insurance for the Grantee or any subconsultant, subcontractor or supplier, or the failure or any insurance company to pay claims accruing may not be held to waive any of the provisions of this Contract. If requested by the District, the Grantee shall furnish or shall cause to be furnished any such other insurance or limits as the District may reasonably deem necessary for any ancillary agreement or work order related to the Project and the cost thereof shall be charged to the District by appropriate modification of any such agreement(s).

ARTICLE XI
WRITTEN AFFIRMATIONS

Section 11.1. Written Affirmations of the Grantee. The Grantee explicitly affirms the following:

(a) that supplemental funding is available for the Grantee to fully complete the Project made the basis of the grant that has been awarded;

(b) that the procedures and anticipated results identified through the grant application will be diligently pursued;

(c) that all applicable federal, state and local laws will be complied with in the course of the completion of the Project funded by the grant; and

(d) that it will keep the District informed on timely basis, and provide reporting to the District no less than quarterly while the project is being implemented.

ARTICLE XII
NOTICES

Section 12.1. Notices to the District. All notices or communications under this Contract to be mailed or delivered to the District shall be in writing and shall be sent to the District's principal place of business as follows, unless and until the Grantee is otherwise notified:

HARRIS-GALVESTON SUBSIDENCE DISTRICT
1660 WEST BAY AREA BOULEVARD
FRIENDSWOOD, TEXAS 77546
ATTENTION: MICHAEL TURCO, GENERAL MANAGER

Section 12.2. Notices to the Grantee. All notices or communications under this Contract to be mailed or delivered to the Grantee shall be in writing and shall be sent to the address of the Grantee as follows, unless and until the District is otherwise notified:

[NAME OF THE GRANTEE]
[ADDRESS OF THE GRANTEE]
[ADDRESS OF THE GRANTEE]
ATTENTION: [NAME OF THE GRANTEE CONTACT]

Section 12.3. Effective Date of Notice. Any notices or communications required to be given in writing by one Party to the other shall be considered as having been given to the addressee on the date the notice of communication is posted by the sending Party.

ARTICLE XIII
MISCELLANEOUS

Section 13.1. Entire Agreement. This Contract and the attached Exhibits constitutes the entire agreement between the Parties regarding the Project to be performed by the Grantee and there are no representations, warranties, agreements, or commitments between the Parties except as set forth herein. Unless otherwise authorized herein, no amendments or additions to this Contract shall be binding on the Parties unless in writing and signed by the Parties.

Section 13.2. Non-Waiver. No delay or failure by either Party to exercise any right under this Contract, nor any partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

Section 13.3. Headings. Headings in this Contract are for convenience only and may not be used to interpret or construe its provisions.

Section 13.4. Governing Law. This Contract shall be deemed to have been executed and performed in the State of Texas and shall be construed in accordance with and governed by the laws of the State of Texas. Venue for any disputes or claims arising from this Contract shall be exclusively in the proper courts in Harris County, Texas.

Section 13.5. Counterparts. This Contract may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

Section 13.6. Binding Effect. The provisions of this Contract shall be binding upon and inure to the benefit of the Parties and their respective successors and assigns; provided, however, that the Grantee may not assign any of its rights nor delegate any of its duties under this Contract without the District's prior written consent.

Section 13.7. Validity. The invalidity of any provision or provisions of this Contract does not affect any other provision of this Contract, which shall remain in full force and effect, nor shall the invalidity of a portion of any provision of this Contract affect the balance of such provision.

Section 13.8. Non-Waiver of Immunity. Nothing in this Contract is intended as any waiver by the District of any immunity from suit to which it is entitled under Texas law.

Section 13.9. Survival. Termination of this Contract for breach does not constitute a waiver of any rights or remedies available at law or in equity to a Party to redress such breach. All remedies, either under this Contract or at law or in equity, or otherwise available to a Party, are cumulative and not alternative and may be exercised or pursued separately or collectively in any order, sequence or combination. In addition to these provisions, applicable provisions of this Contract shall survive any termination of this Contract.

Section 13.10. Attachments. The Exhibits, schedules or other documents attached or referred to in this Contract are incorporated in and made a part of this Contract for all purposes. As used herein,

the expression "Contract" means the body of this Contract and such Exhibits, schedules or other documents attached, and the expressions "herein," "hereof," and "hereunder" and other words of similar import refer to this Contract and such exhibits, schedules or other documents as a whole and not to any particular part or subdivision thereof.

Section 13.11. Costs. If any legal action or any other proceeding is brought for the enforcement of this Contract or because of an alleged breach or default of this Contract, the prevailing Party shall be entitled to recover reasonable costs incurred, including but not limited to the attorneys' fees arising from such action or proceeding, in addition to any other relief to which the prevailing Party may be entitled.

Section 13.12. Authority to Contract. Each Party represents and warrants for the benefit of the other Party that: (1) it has the legal authority to enter into this Contract; (2) this Contract has been duly approved and executed; (3) no other authorizations or approvals are or will be necessary in order to approve this Contract and to enable that Party to enter into and comply with the terms and conditions of this Contract; (4) the person executing this Contract on behalf of each Party has the authority to bind that Party; and (5) the Party is empowered by law to execute any other agreement or documents and to give such other approvals, in writing or otherwise, as are or may hereafter be required to implement and comply with this Contract.

Section 13.13. Severability. Should any one or more provisions of this Contract be held to be null, void, voidable or for any reason whatsoever of no force and effect, such provision(s) shall be construed as severable from the remainder of this Contract and does not affect the validity of all other provision of this Contract which shall remain of full force and effect.

Section 13.14. Force Majeure. Any delay in performance or non-performance of any obligation other than an obligation to make a payment as required under this Contract or any ancillary agreement, of the Grantee contained herein shall be excused to the extent such failure of nonperformance is caused by Force Majeure. "Force Majeure" shall mean fire, flood, act of God, earthquakes, extreme weather conditions, epidemic, war, riot, civil disturbance or unrest, imposition of martial law, restrictions imposed by civil authority, loss of control of civil authority, illegal activity, extreme unreliability or failure of the utility infrastructure, failure of the US banking system, loss of access to communication systems, sabotage, terrorism, or judicial restraint, but only to the extent that such event (i) is beyond the control of and cannot be reasonably anticipated by or the effects alleviated by the Grantee and (ii) prevents the implementation or completion of the Project. If the Grantee is affected by Force Majeure, the Grantee shall promptly provide notice to the District, explaining in detail the full particulars and the expected duration thereof. Notice will be considered prompt if delivered within five (5) days after the Grantee first becomes aware that the event of Force Majeure will affect the implementation or completion of the Project and the end of the restrictions, if any, on the Grantee's ability to communicate with the District. The Grantee shall use its commercially reasonable efforts to mitigate the interruption or delay if it is reasonably capable of being mitigated.

IN WITNESS WHEREOF, this Contract is executed as of the day and date first written above.

HARRIS-GALVESTON SUBSIDENCE DISTRICT

By:_____
Michael J. Turco
General Manager
Harris-Galveston Subsidence District

ATTEST:

By:_____

APPROVED AS TO FORM:

_____
Gregory Ellis
General Counsel
Harris-Galveston Subsidence District

[GRANTEE]

By:_____
[*Name of Authorized Person*]

ATTEST:

By:_____
[*Name of Authorized Person]*

EXHIBIT B

WATER CONSERVATION GRANT INTERLOCAL AGREEMENT CONTRACT NO. XXXX-XX-XXX FOR THE CONSERVATION OF DISTRICT WATER RESOURCES

STATE OF TEXAS §
§
COUNTY OF HARRIS §

INTERLOCAL AGREEMENT

This Interlocal Agreement ("Agreement") is entered into by and between the Harris-Galveston Subsidence District, a body corporate and politic under the laws of the State of Texas ("Subsidence District") and **GRANTEE**, a conservation and reclamation district and a political subdivision of the State of Texas ("Grantee").

WITNESSETH:

WHEREAS, the Subsidence District was created in 1975 by an act of the 64th Texas Legislature and is governed by Chapter 8801 of the Special Districts Local Laws Code, as amended (the "Act"); and

WHEREAS, under Section 8801.002 of the Act, the Subsidence District is a conservation and reclamation district created by virtue of Article XVI, Section 59, Texas Constitution, and is a governmental agency and body politic and corporate vested with the full authority to exercise the powers and to perform the functions specified in the Act, and other applicable law; and

WHEREAS, under Section 8801.005 of the Act, the Subsidence District includes the territory located within the boundaries of Harris County and Galveston County, as that territory may have been modified under: (1) Section 8801.006 or its predecessor statute, former Section 151.003(b), Water Code; or (2) other law (hereinafter "district territory"); and

WHEREAS, under Section 8801.03 of the Act, the Legislature desires that the Subsidence District administer and enforce the Act and exercise the rights, powers and duties of the Subsidence District in a manner that will effectively and expeditiously provide for the regulation of groundwater withdrawal in the district territory to end subsidence, which contributes to or precipitates flooding or overflow of the district territory, including rising water resulting from storms or hurricanes; and

WHEREAS, under Section 8801.004 of the Act, the Legislature finds that the Subsidence District serves a public use and benefit, and the works and projects accomplished by the Subsidence District under powers conferred by Section 59, Article XVI, Texas Constitution, will benefit all the land and other property included in the district territory; and

WHEREAS, under Section 8801.106(a) of the Act, the Subsidence District may make or accept a grant, gratuity, advance, or loan in any form to or from any public source approved by the board, including a governmental entity, and may enter into a contract, agreement, or covenant that the board considers appropriate in connection with a grant, gratuity, advance or loan; and

WHEREAS, under Section 8801.113(b) and (c) of the Act, the Subsidence District may cooperate with the commission and any local government to establish water conservation goals, guidelines, and plans to be used in the district territory, and the Subsidence District may contract with a local government in the district territory to provide services needed to meet water conservation requirements that the commission establishes; and

WHEREAS, grant applications are sought by the Subsidence District as a means of supporting conservation research, demonstrating projects for innovative water conservation concepts, or implementation of water efficiency measures; and

WHEREAS, the objective of the Subsidence District Water Conservation Grant Program (the "Program") is to support the Subsidence District mission in advancing water conservation education and adoption of water conservation measures, including priority topics such as residential irrigation best management practices, outdoor watering best management practices, and municipal water loss control; and

WHEREAS, pursuant to this Agreement, the Grantee is awarded a Water Conservation Grant and will, as a means of supporting conservation research, implementation of demonstration projects for innovative water conservation concepts, or implementation of water efficiency measures, **[*briefly describe project*]**; and

WHEREAS, it is in the public interest that the Subsidence District and the Grantee enter into this Agreement.

NOW, THEREFORE, in consideration of the mutual promises and agreements set forth in this Agreement, the sufficiency of which is hereby acknowledged, the Subsidence District and the Grantee agree as follows:

I.
TERM AND PROGRAM ADMINISTRATION

1.01 Term. This Agreement is effective and commences on ***[insert month, date, year]*** ("Effective Date"), and terminates on ***[insert month, date, year]*** ("Expiration Date") if not sooner terminated as provided for herein.

1.01 Project. Subject to the terms and conditions of this Agreement, the Subsidence District authorizes the Grantee to perform the work set forth and described in this Agreement and in the following documents (the "Project"): (1) the Scope of Work & Budget Estimate, which includes information regarding the work that is to be performed by the Grantee and the estimated budget for the Project attached hereto as Attachment A ("Scope of Work & Budget Estimate"); and (2) the Quarterly Project and Budget Status Worksheet attached hereto as Attachment B ("Quarterly Project and Budget Status Worksheet"). The Grantee accepts such authorization and agrees to furnish all labor, machinery, equipment, tools, and transportation necessary in furtherance of its authorization.

1.02 Commencement and Completion Date. The Grantee will commence the Project immediately upon the Effective Date or as otherwise provided in Attachment A. The Project will be completed by the Expiration Date and shall be completed in compliance with the schedules, budgets, descriptions and specifications contained herein and in the

Exhibits attached hereto. It shall be the Grantee's responsibility to ensure that the completion times for the Project are met. In order to document water conservation as a result of the Project, the Grantee shall complete and submit quarterly project status and budget updates according to the dates specified in the Quarterly Data Collection/Reporting Worksheet provided in Attachment B. Time is of the essence in the performance of this Agreement.

1.03 **Failure to Complete.** If the Grantee notifies the Subsidence District that the Project will not or cannot be completed, or if the Grantee misses any deadline required by this Agreement, or otherwise terminates this Agreement, Grantee shall, within thirty (30) days, refund to the Subsidence District all moneys paid to that date and deliver to the Subsidence District all Work Product (as defined below) that was performed or accomplished under this Agreement. If within 5 years after the Effective Date the Grantee removes any portion of the Project that was partially funded from the Water Conservation Grant, the Grantee must, within thirty (30) days, reimburse the Subsidence District the full amount paid for the portion of the Project removed.

1.04 **Stop Work Orders**. The General Manager may issue a Stop Work Order to the Grantee at any time. Upon receipt of such Stop Work Order, the Grantee shall discontinue all work under this Agreement and cancel all orders pursuant to the Project, unless the Stop Work Order directs otherwise. If the General Manager does not issue a Restart Order within sixty (60) days after receipt by the Grantee of the Stop Work Order (the "Restart Order Deadline"), the Grantee Agreement shall be deemed terminated as of the Restart Order Deadline.

II.
COMPENSATION AND PAYMENT

2.01 **Costs and Expenses.** The Subsidence District agrees to pay the Grantee for Project costs and expenses in accordance with the Scope of Work & Budget Estimate, but in no event may the Water Conservation Grant to the Grantee exceed $***XXXXXX***. The Grantee may not exceed this amount and will be responsible for the payment of all of its other additional

costs and expenses. The Grantee is not authorized to expend any additional funds in excess of this amount without prior written approval from the Subsidence District. The Subsidence District may not be held accountable for any unauthorized work performed or funds spent by the Grantee in implementing or completing the Project.

2.02 Payments. All payments made to the Grantee by the Subsidence District for the Project costs and expenses shall be made on a reimbursement basis. During the course of the Project, the Grantee shall provide an itemization of the Project costs and expenses incurred, including copies of receipts, purchase orders, and invoices. An itemization of the costs and expenses incurred must be submitted to the Subsidence District prior to grant funds being released to the Grantee by the Subsidence District. All requests for reimbursement must be submitted by [***insert month, date, year***].The terms of each itemization shall be net thirty (30) days upon the Subsidence District receipt and approval of the itemization.

2.03 Amendments. This Agreement, including details of the Project, may be amended only by written agreement of the Parties.

2.04 Amendments by the General Manager. The Subsidence District's Board of Directors delegates the authority to the General Manager to enter into amendments to this Agreement without further authorization by the Board consistent with the General Manager's authority to manage Subsidence District affairs and operate the district under Section 3 of the Harris-Galveston Subsidence District – Rules (September 14, 2016), as well as the duty to oversee development of Subsidence District plans and programs under Section 8801.057 of the Act and the authority to enter into contracts under Section 8801.106 of the Act. The terms "Subsidence District" and "General Manager" may be used interchangeably within this Agreement to the extent that certain Subsidence District activities must be performed by an authorized representative of the Subsidence District.

2.05 Budgeted Funds. Both Parties warrant that funds to support the Water Conservation Grant and the Project have been budgeted for the current fiscal year and will continue to be budgeted each year this Agreement is in effect.

III.

TERM AND TERMINATION

3.01 The Subsidence District may terminate this Agreement upon termination of the Program. Either party may terminate this Agreement without cause by providing thirty (30) days' written notice of termination to the other party. Termination of the Agreement by Grantee hereunder is subject to the provisions of Section 1.04, as applicable.

IV.

WRITTEN CONFIRMATIONS

4.01 **Written Affirmations of the Grantee.** The Grantee explicitly affirms the following:

(a) that funding is available for the Grantee to fully complete the Project made the basis of the grant that has been awarded;

(b) that the procedures and anticipated results identified through the grant application will be diligently pursued;

(c) that all applicable federal, state and local laws will be complied with in the course of the completion of the Project funded by the Water Conservation Grant; and

(d) that it will keep the Subsidence District informed on timely basis, and provide reporting to the Subsidence District no less than quarterly while the Project is being implemented.

4.02 **Entire Agreement.** This Agreement merges the prior negotiations and understandings of the parties hereto and embodies the entire agreement of the parties, and there are no other agreements, assurances, conditions, covenants (expressed or implied) or other terms with respect to the Project, whether written or verbal, antecedent or contemporaneous with the execution hereof.

4.03 **Non-Exclusive License.** Subject to the terms and conditions stated herein, Grantee hereby grants, and the Subsidence District hereby accepts, a worldwide, non-exclusive, royalty-free, perpetual license to use any information developed by or through the Project along with any final report, technology, information, or product produced by the Project or in

conjunction with the Project.

4.04 Survival Clause. The parties remain obligated under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement.

4.05 Venue. Venue for any dispute arising under this Agreement shall be in a court of competent jurisdiction in Galveston County, Texas.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates indicated below. This Agreement shall be effective on the Effective Date.

GRANTEE

_____

By: _____

(Name and Title)

ATTEST:

_____

By: _____

(Name and Title)

Date: _____

HARRIS-GALVESTON SUBSIDENCE DISTRICT

_____

By: Michael Turco, General Manager

ATTEST:

_____

By: Gregory M. Ellis, General Counsel

ATTACHMENT A

INTERLOCAL AGREEMENT 202X-0X-XXX

SCOPE OF WORK & BUDGET ESTIMATE
BETWEEN THE HARRIS-GALVESTON SUBSIDENCE DISTRICT
AND
GRANTEE

SCOPE OF WORK

<*insert name of Grantee*> (the "Grantee") will <FULL DESCRIPTION OF WATER CONSERVATION PROJECT INCLUDING SCHEDULE AND QUARTERLY MILESTONES>.

The Grantee will also submit quarterly reimbursement requests, project status updates and budget status updates while the project is underway during calendar year(s) <XXXX> using a project status update form which will be provided upon initiation of the project.

The reimbursement requests shall include receipts/invoices for any grantee contributions being claimed or District contributions being requested.

Project Timeline and Milestones:

Project phase/Milestones	Submittals	Start	Finish
Mobilization	Written Notification		
First Quarterly Milestone	'Quarterly Project and Budget Worksheets' with appropriate attachments		
Second Quarterly Milestone	'Quarterly Project and Budget Worksheets' with appropriate attachments		
Third Quarterly Milestone	'Quarterly Project and Budget Worksheets' with appropriate attachments		
Fourth Quarterly Milestone	'Quarterly Project and Budget Worksheets' with appropriate attachments		
Final Report	Final report template will be provided to Grantee		

DELIVERABLES

The following deliverables will be provided as a condition of the Grant funding.

- The Grantee will notify the Harris-Galveston Subsidence District, in writing, once installation of the equipment begins. The Grantee will notify the District of <project completion / installation completion> and shall report to the District the itemization of grant money spent, including proof of system installation (if applicable).

- The Grantee will also submit quarterly reimbursement requests, Project and customer portal engagement status updates and budget status updates during project term using the *Quarterly Project and Budget Status Worksheets*, Attachment B. The Grantee will provide the Subsidence District with a report on the itemization of grant money spent, including relevant information.

- The Grantee will provide a final report to include the annual Texas Water Development Board water loss audit report for 2024, a summary of the Project including review of estimated water savings, installation details, and appropriate figures such as photos and maps, as well as recommendations for potential improvements in methodology for efficiency and usability. Final reimbursement will not be issued until the final report is reviewed and approved by the District.

- To support the Subsidence District's efforts to understand the long-term benefits of this type of water conservation tool, the Grantee will furnish the water use data for areas modified during this effort for the previous five (5) years and will provide the water use data identified through this effort annually through 20XX.

GRANT FUNDING

The Grantee provided an itemized budget breakdown in its grant proposal. The table below provides a summary of the Grantee contribution and the Subsidence District reimbursement. The Subsidence District reimbursement is up to a50 percent match of the total Project cost and will **not exceed $XXXX.**

As noted in Section 2.02 of the Agreement, all payments made to the Grantee by the Subsidence District for the Project costs and expenses shall be made on a **reimbursement basis**. The Grantee shall provide an itemization of the Project costs and expenses incurred, including copies of receipts, purchase orders, and invoices. An itemization of the costs and expenses incurred must be submitted to the Subsidence District prior to grant funds being released to the Grantee by the Subsidence District. All requests for reimbursement and the final report must be submitted by **[INSERT DATE]**. The terms of each itemization shall be net thirty (30) days upon the Subsidence District receipt and approval of the itemization.

The Grantee will also submit quarterly reimbursement requests, Project status updates and budget status updates during the term of the Agreement using the Quarterly Project and Budget Status Worksheets which are provided in Attachment B.

The reimbursement requests shall include receipts/invoices/purchased orders for any grantee contributions being claimed or Subsidence District contributions being requested. Each receipt/invoice/purchased order must correlate with the submitted line item in the Budget Status Worksheets.

Summary of Budget and Reimbursement

Items	**Grantee Estimated Cost with Contingency**	**% of Initial Cost Estimate**	**Subsidence District Reimbursement with Contingency ***
Total			

* The Subsidence District agrees to pay the Grantee for Project costs and expenses in accordance with the Scope of Work & Budget Estimate, but in no event may the reimbursement to the Grantee exceed **$XXXXX.**

ATTACHMENT B

INTERLOCAL AGREEMENT NO. XXXX-XX-XX
QUARTERLY PROJECT AND BUDGET STATUS WORKSHEETS

BETWEEN THE HARRIS-GALVESTON SUBSIDENCE DISTRICT
AND
GRANTEE

Date:

Quarter:

Project Status Update:

Budget Status Worksheet:

Grantee Contribution:

Items	Estimated Cost w/contingency	Total amount previously submitted	Current submission amount (add subordinate line item as needed)	Accompanied References (Invoice or PO #s)	
					% Project completion to date
Total					

Subsidence District Reimbursement:

Items	Total amount previously reimbursed	Current reimbursement requested (add subordinate line item as needed)	Accompanied references for current request (Invoice or PO #s)	Subsidence District Reimbursement *	
					% Project completion to date
Total					

* The Subsidence District agrees to pay the Grantee for Project costs and expenses in accordance with the Scope of Work & Budget Estimate, but in no event may the reimbursement to the Grantee exceed **$XXXXXX.**